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October 24-31, 1993 [1]

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RESTRICTION CODES

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

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

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

10/30/93 chron

THE WHITE HOUSE

WASHINGTON

October 27, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ELI J. SEGAL

SUBJECT: UPDATE ON NATIONAL SERVICE

When you signed the national service legislation into law on September 21, you concluded the first stage in our efforts to transform your campaign promise into reality. From now until our first participants begin serving, we are in the second stage: building the roots of national service for long-term, measured growth. The third stage begins when our participants start serving -- some as early as June, 1994, with the majority hitting the streets and schools of America next September.

This memorandum discusses our activities over the last month and outlines our key challenges in the months ahead. In the near future, we will be sending you three decision memoranda, one on certain critical communications and public support issues, the second on the national priority problems to be addressed by our participants (as required by the legislation), and the third (from Presidential Personnel) on the composition of our Board.

PROGRESS

To focus our work, we developed the following mission statement:

> *The Corporation for National and Community Service will engage Americans of all ages and backgrounds in community-based service. This service will address the nation's education, human, public safety and environmental needs to achieve direct and demonstrable results. In doing so, the Corporation will foster civic responsibility, strengthen the cords that bind us together as a people, and provide educational opportunity for those who make a substantial commitment to service.*

cc VP
MACK
MARK

Based on this mission statement, we have three major goals for the remainder of this year and 1994:

- **Program.** By September 1994, at least 15,000 committed, diverse, well-trained AmeriCorps members will begin earning educational awards by providing needed services to communities through high quality programs based on standards of success established by the Corporation. Corporation programs for school-age youth and older Americans will be integrated fully into the Corporation's mission as we spread the ethic of service throughout America.

- **Organization.** The merger of ACTION, the Commission on National and Community Service (the "Commission"), and the White House Office of National Service will be completed, making the Corporation well-positioned for long-term growth and a model of reinventing government principles. At the state level, national service commissions will be operating in partnership (not confrontation) with the Corporation.

- **Public Support.** There will be significantly greater demand for corpsmembers than program dollars allow and significantly more corpsmembers than slots. Corpsmembers and programs will be highly visible, potential opponents will be converted or marginalized, and key constituencies will be enthusiastic about national service.

We have taken the following essential steps toward the first two of these goals (as indicated above, communications and public support matters will be dealt with in a separate memorandum):

Program

- We have sent to OMB, with a guarantee of expedited review, a set of regulations to establish and fund the operations of the state commissions. These bi-partisan commissions, to be appointed by each governor, will select national service programs within each state (and will be held accountable by the Corporation for them). States will receive grants ranging from $125,000 to $750,000 to help set up and staff the commissions. Some states, particularly Georgia, Massachusetts and Arkansas, are doing especially well already, but most will need significant assistance and prodding in the months ahead.

- We will soon complete for OMB's expedited review, in record time, the drafting of program regulations further defining the new program. In the spirit of reinventing government, the regulations will be in simple language and in a question and answer format. Applications to accompany the regulations will be equally customer-friendly.

- While two-thirds of AmeriCorps grants will be distributed through state commissions, the remaining third will be awarded upon direct application to the Corporation (and up to a third of this component -- a ninth of the total grant funding -- can go to other federal departments and agencies). We are working closely with the Cabinet (where Secretaries Babbitt and Cisneros have been particularly engaged, but where Secretaries Espy, Reno, Shalala and Riley have also shown substantial interest) to develop model national service programs for launch, probably by September, 1994, but hopefully earlier.

Organization

- We have on board all of our senior staff except for a chief financial officer, an inspector general, and a director of public liaison. We announced last week your intent to nominate Jim Joseph as Chairperson of the Board, and have worked closely with Bruce Lindsey to identify the remaining 14 Board members.

- Retired Army General Don Scott (an African American) has joined us as head of the Civilian Community Corps, Senator Wofford's and Boren's modern adaptation of FDR's CCC. This new residential youth corps program will be run by the Corporation rather than by a grantee, and will be housed on military bases (potentially both existing and closed) and utilize veterans as trainers, cadre leaders and other staff. In addition to these military contacts, the CCC will involve traditional community service leadership and programming.

CHALLENGES

As we implement the program, we are mindful of the difficult challenges we face. These include:

- **Speed v. quality.** Our time-line for putting corpsmembers into service by the end of 1994 is ambitious, largely because I fear too much time passing between your exposition of the vision and our production of the results. Where an agency would normally take a year or more to produce regulations, we have given ourselves just two months from the date of enactment. We will give states and other applicants a relatively short turnaround time to put together their proposals. We are overworking our staff to produce quickly, rather than slowing down the process by waiting until we recruit additional personnel. We know we will make mistakes and miss opportunities going at this pace with so few staff. But while a longer time-line would be better from a quality perspective, we believe that the edge we gain by keeping the momentum going more than balances any loss.

- **Service to be performed**. While corpsmembers must not be "leaf rakers," neither must they displace paid workers. We must ensure that the work they perform is valued by communities, is meeting real needs, and has a long-term impact. Our regulations will define what type of service may <u>not</u> be performed -- lobbying, partisan political activities, religious proselytizing, union organizing or busting, and the types of confrontive advocacy that polarized communities (and marginalized service programs) in the 1970s.

- **Diversity**. We have pledged to make the corps "look like America," and before we have even begun, we have some critics on both sides. Because they feared that our program would include only the white middle class, Congress called for at least half of the participants to be from low-income families. A few news articles claim, chiefly due to the statistical over-representation of people of color among Summer of Service participants, that we have sold out our original vision. Although not every program will be internally diverse in all ways, each decision we make will be directed at ensuring that the group of participants nationwide is broadly representative of the American people, including all races and ethnicities, economic backgrounds, both men and women, and people with disabilities.

- **Reinventing government.** As you know, we hope to make the Corporation a model for reinventing government. We will keep the federal bureaucracy to an absolute minimum; have constructed a flat organizational chart; will be using competition to improve quality; will drive the process by always keeping the customer in mind; will make the Corporation and its materials user-friendly; and will emphasize public/private and federal/state partnerships. Nonetheless, we must continue to work within the framework of traditional government, with its inherent frustrations. And we are ever-conscious that if doing something in a new way leads to abuse (including fraud, pork and/or patronage), it could jeopardize not only national service but the whole reinventing government effort.

- **Merging three cultures.** As we try to bring together three existing organizations, we will experience a fair amount of culture clash. ONS, with its largely campaign staff; ACTION, with its 20-year-old bureaucracy; and the Commission, with a staff drawn from the service field, have markedly different approaches to service and the work they do. A team with representatives from each of the three groups, plus the CCC (which will include staff with military backgrounds) has been charged with finding ways to help the organization work better together.

- **Bipartisan legacy.** As you have noted on a number of occasions, national service has the potential to be the legacy of your Presidency, just as the Peace Corps was President Kennedy's. We want the program to be identified with you, and will attempt to keep it on your public schedule (which may well require your directing the scheduling staff to incorporate AmeriCorps programs and participants regularly into your travel schedules). However, for the program to having staying power, it must enjoy bipartisan support. We need Republican governors and members of Congress to feel ownership over the program. We believe we can do this by fulfilling the mission we laid out at the beginning of this memo, but know it will be a continuing challenge in the current political environment.

So we face an interesting business challenge: a merger (ACTION and the Commission), two start-ups (AmeriCorps and the CCC), 50 franchises (the state commissions) and joint venture arrangements with more than a thousand grantee programs -- while taking a new entity from -0- to $750 million in three years.

We also must make the move into the prose of implementation without losing the poetry of your original vision. Your remarks from Saturday's address to the National Italian American Federation, and it (and our challenges with national service) reminded me of the exhortation Garibaldi gave to his troops more than a century and a half ago. They, too, were a small band fiercely committed to a powerful idea and driven by the vision and leadership of their chief. At an ebb in their campaign, Garibaldi told his rag-tag followers, "I do not promise you ease. I do not promise you comfort. But I do promise you these: hardship, weariness and suffering. And with them, I promise you victory." While the campaign ahead of us will be difficult, we will press ahead as hard as Garabaldi.

10/30/93 CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 10/30/93

TO: THE VICE PRESIDENT
MACK MCLARTY
LEON PANETTA
BOB RUBIN
DAVID GERGEN
GEORGE STEPHANOPOULOS

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

The attached has been forwarded to the President.

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

THE DIRECTOR

October 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Bipartisan Commission on Budget Savings

The purpose of this memo is to outline the remaining steps necessary to implement an executive order creating a Bipartisan Commission on Budget Savings.

Remaining Issues

Supermajority

Senator Kerry has agreed that a 3/5ths (60%) vote of the Commission members is appropriate to ensure that the recommendations are made with bipartisan support.

Report to National Economic Council

The executive order would require the Commission to report to the National Economic Council, which would then advise you of its recommendations with respect to the report. This is intended to keep you a step removed from the Commission report once it is issued.

Reporting Date

The recommended reporting date is March 1. This would give the Commission almost four months to work; its recommendations would follow the submission of the Administration's FY 1995 budget in February and would precede congressional consideration of a FY 1995 budget resolution.

Attached is a copy of the proposed executive order with the issues above highlighted.

Congressional Appointments

The following are some likely appointments to the Commission from the congressional leadership:

Speaker Foley - Budget Committee Chairman Martin Sabo, Chairman Dingell, either Tim Penny or Charlie Stenholm and possibly a member of the Black Caucus.

Minority Leader Michel - Budget Committee ranking member John Kasich, Dick Armey and possibly a moderate such as Alex McMillan of North Carolina;

Majority Leader Mitchell - Budget Committee Chairman Sasser, Carol Mosely-Braun, Bob Kerry, and Diane Feinstein;

Minority Leader Dole - Senator Domenici, John Danforth, Phil Gramm, Trent Lott, and Hank Brown.

Presidential Appointments

You will be making ten appointments to the Commission. The following are possible candidates suggested by Gene Sperling, with the 15 best candidates listed first:

1. Bill Gray, United Negro College Fund
2. Paul Allaire, Xerox
3. Warren Rudman, Concord Coalition
4. Bob Greenstein, Center of Budget Priorities
5. Henry Aaron, Director of Economic Studies, Brookings Institution
6. Michael Porter, Harvard Business Graduate School
7. Robert Solow, MIT
8. Rudy Dornsbusch, MIT
9. Van Ooms; Director Committee for Economic Development
10. Barbara Jordan, University of Texas
11. Bill Woodside, Chair Primerica, Chair of Business Advisory Commission on Children
12. Frank Raines, Fannie Mae
13. David Hamburg, Carnegie Mellon
14. Earnesto Cortez, Community Leader
15. Rachelle Horowitz, American Federation of Teachers

Second List:

1. Dall Forsythe, Kennedy School
2 William Milliken, Former Governor of Michigan
3. Eugene Lang, Founder of I Have a Dream
4. Thomas Kean, Former Governor of New Jersey
5. Ned Gramlich, University of Michigan
6. David Matheson, GAO
7. Bob Haveman, University of Wisconsin
8. Felix Rohatyn, Lazard Freres
9. Maynard Jackson, Mayor of Atlanta
10. Bob Ball, Social Security expert
11. Robert Denham, CEO Solomon Brothers
12. Tom Donahue, AFL-CIO
13. Butler, Procter and Gamble
14. David Kearns, retired chairman of Xerox
15. Mayor Bill Althaus, York, Pennsylvania

Announcement

The announcement and signing of the Executive Order creating the Commission should be made at the joint leadership meeting next week. Prior to the announcement, you should call the following:

1. Senators Kerry and Danforth to ask that they serve as chairman and vice-chairman of the Commission.

2. House and Senate leadership, particularly Senator Dole and Bob Michel and ask that they submit their names within one week of the announcement.

3. Staff will prepare a statement on the importance of establishing the Commission and why it complements your efforts on the budget, reinventing government and health care reform.

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THE WHITE HOUSE

WASHINGTON

OCT 29 P7:01

OCTOBER 29, 1993

MEMORANDUM FOR THE PRESIDENT AND THE FIRST LADY

FROM: JOAN N. BAGGETT AND MARCIA HALE

SUBJECT: OUTLOOK ON KEY ELECTIONS NEXT TUESDAY

Most of the national media next Tuesday will be focused on Terry in Virginia, a likely loss since her gap is still about 5 points; Florio in New Jersey, who is running at 3-5 points up but with a large undecided; and Dinkins, a toss-up that appears to be trending in the right direction.

We will be monitoring these returns and others Tuesday night in the Political Affairs office and at the Democratic National Committee so we will be able to give you regular updates throughout the evening. We expect to have a few calls for you to make that night, as well as calls and letters for Wednesday. We will also coordinate a message strategy for that evening and the following morning through Mark Gearan and the Communications Office, including a strong alternative message for Wednesday in case we have a blow-out in all three key races.

Attached is a brief update prepared by the Political Affairs staff on some of the other key races throughout the country as we head into the final weekend before the election.

CC VP
Mack
George
Gergen
Mark
DeeDee

THE WHITE HOUSE

WASHINGTON

OCTOBER 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOE VELASQUEZ, TOM EPSTEIN, RETA LEWIS, AND LINDA MOORE

RE: UPDATE ON STATE AND LOCAL ELECTIONS

CALIFORNIA

STATE INITIATIVE MEASURES

Proposition 172: Half-Cent Sales Tax for Public Safety: Supported by Governor Wilson, legislative Democrats, public employee and police unions, this measure is considered a toss-up. If it loses, local governments will be forced to make large cuts immediately to keep 93-94 budgets in balance.

Proposition 174: Private School Choice/Voucher Initiative: Opposed strongly by teachers, Democrats, and the President, this poorly drafted initiative is headed for a landslide defeat.

There are also a number of state legislative special elections on the ballot. They are not expected to alter the balance of power.

COLORADO

STATE INITIATIVE MEASURE

Tourism Tax: Colorado voters will decide Tuesday whether to reinstate the 0.2% tax on tourist related products and services. The referendum is considered to be a toss-up.

CONNECTICUT

MUNICIPAL ELECTIONS

Bridgeport Mayor: Mayor Joseph Gannon (D) will win re-election.

Hartford Mayor: Carrie Perry (D-I) and Michael Peters are locked in a very close race, with a slight edge given to Perry. Perry, an African American, recently brought in Jesse Jackson to campaign and help with GOTV among African American voters. Given

Hartford's demographics. Perry will probably win if turnout is high among Hispanic Americans and African Americans.

New Haven Mayor: John DeStefano (D) is heavily favored over Kevin Skiest (R).

FLORIDA

MUNICIPAL ELECTION

Miami Mayor: Mayor Xavier Suarez (R) is not seeking re-election. Former Dade County Mayor Steve Clark (D), whose job was recently eliminated by the courts, is leading in the four candidate, non-partisan race, though he will probably receive less than 50% of the vote, forcing the contest into a run-off.

Hialeah Mayor: Hialeah, located in Dade County, is Florida's fifth largest city. The two frontrunners in the multicandidate nonpartisan race are former Mayor Raul Martinez and the incumbent, Julio Martinez. (They are not related.) Raul Martinez was indicted by the Chiles Administration and forced from office and Chiles may attempt to remove him again if he wins.

GEORGIA

MUNICIPAL ELECTIONS

Atlanta Mayor: The three leading candidates in this non-partisan race are City Councilman Bill Campbell, Fulton County Commission Chair Michael Lomax and City Councilwoman Myrtle Davis. All three are Democrats. Campbell has a solid lead in the most recent polling.

Fulton County Commission Chair: Fulton County Commission Chair Michael Lomax was forced to vacate his seat to participate in the mayoral election. The two candidates in the non-partisan race are Martin Luther King, III (D) and Mitch Skandalaskis (R), a state legislator. King will likely win if the GOTV effort in Atlanta is successful, which is quite possible given that the city elects a mayor on the same day.

MAINE

STATE INITIATIVE MEASURE

Term Limits: A referendum on term limits for state legislators and constitutional officers will be before the voters. The proposal would limit state legislators and statewide officeholders to four two-year terms. The state Democratic leadership is campaigning actively against it but the measure is expected to pass.

MASSACHUSETTS

MUNICIPAL ELECTION

Boston Mayor: City Council President and Acting Mayor Thomas Menino (D) faces state Representative James Brett (D) in the non-partisan runoff. Menino is expected to win, which will make him the first Italian American mayor in Boston history.

MICHIGAN

MUNICIPAL ELECTIONS

Detroit Mayor: Mayor Coleman Young (D) is retiring. Former Michigan Supreme Court Justice Dennis Archer (D) faces Wayne County assistant prosecutor Sharon McPhail (D). Archer is attacking McPhail, who was endorsed by Mayor Young, as too reliant on the Young machine to promise change to the city. McPhail is trying to paint Archer as the candidate of the suburbs, even to the point of veiled accusations in the African American community that he is not a real African American. Archer leads by solid margins in the polls and is favored to win. However, the Young machine often does not show up in the polls and has pulled off last minute surprises in the past. The race is technically non-partisan.

Republican Primary: Third Congressional District. Eight Republicans are competing in the 11/2/93 primary election for the seat vacated by Representative Paul Henry (R), who succumbed to brain cancer earlier this year. The race is tight between state Senator Vernon Ehlers, state Representative Kenneth Sikkema and Margaret Byington, deputy director of the Michigan Commerce Department, with Ehlers thought to have a slight edge. The winner will face attorney Dale Sprik (D), who is unopposed for the Democratic nomination, and Perot supporter Dawn Krupp (I).

MINNESOTA

MUNICIPAL ELECTIONS

Minneapolis Mayor: Mayor Don Fraser (D) is retiring. City Councilwoman Sharon Sayles-Belton (D) faces former Hennepin County Commissioner John Derus (D) in a contest that has turned ugly. Sayles-Belton has the endorsement of the Minneapolis Democratic Party though the seat is technically non-partisan. The race is a toss-up.

St. Paul Mayor. Mayor Jim Scheibel (D) is retiring. The candidates to replace him are Assistant State Attorney Norm Coleman (D) and state Representative Andy Dawkins (D). Dawkins is running with the endorsement of the St. Paul Democratic Party but Coleman is favored to win. The seat is technically non-partisan.

NEW HAMPSHIRE

MUNICIPAL ELECTION

Manchester Mayor: Mayor Richard Jwieczorek (R) is heavily favored to beat challenger Bob Dennis (D). New Hampshire campaign co-chair John Broderick is chairman of the Dennis campaign.

NEW JERSEY

MUNICIPAL ELECTIONS

Governor Florio's race clearly dominates the political scene, but the entire State Legislature is up for election, as well.

New Jersey Senate: Currently, Republicans own a veto-proof majority in the State Senate, 28 to 12. Democrats must win at least two seats to break this veto-proof majority, and conservative estimates place the Democratic gain at 2-6 seats.

Assembly: The State Assembly has 80 members, all of whom are up for re-election. Currently, Republicans control 57 of these seats. Democrats could win up to ten seats on Tuesday. They must win at least five to be able to sustain a veto.

STATE INITIATIVE MEASURE

Question 1: The New Jersey ballot will also offer voters the opportunity to initiate recall referenda against all elected officials, including federal. The question may win in a close vote.

NEW YORK

MUNICIPAL ELECTIONS

Clearly, the mayoral race is dominating the headlines, but several other races will be decided next Tuesday, as well.

City Comptroller: Assemblyman Alan Hevesi (D) is leading Republican and Liberal candidate Herman Badillo by a wide margin and is expected to win easily.

Public Advocate: Public Advocate is the new name for the City Council President. Former Consumer Affairs Commissioner Mark Green (D) will face Republican Susan Alter in the general election. Green has a wide lead and is expected to win easily.

Queens Borough President: Incumbent Claire Shulman (D) faces only token Republican opposition to retain her office, and is expected to win easily.

Nassau County Executive: Ben Zwirn (D) is running a close race against incumbent Republican Gulatta. The county is dominated by the GOP, but the race is still too close to call.

Westchester County Executive: Richard Brodsky (D) faces incumbent Andrew O'Rourke (R) in the race for Westchester County Executive. This race is also too close to call, though the county is heavily Republican.

Buffalo County Executive: Democratic challenger Anthony Masiello is expected to defeat incumbent Republican James Griffin for this position.

Rochester Mayor: Twenty year incumbent Tom Ryan (D) has decided to step down this year. William Johnson (D), President of the local Urban League, is expected to win election.

Albany Mayor: Jerry Jennings (D) is likely to win election in this city dominated 14 to 1 by Democrats.

STATE INITIATIVE MEASURE

Term Limit Initiative: An initiative to limit terms of New York City elected officials to eight years in office is on the ballot but is likely to be defeated.

NORTH CAROLINA

MUNICIPAL ELECTIONS

Charlotte Mayor: Mayor Richard Vinroot (R) will win re-election over challenger Ann Hammond (D).

Raleigh Mayor: Mayor Avery Upchurch (D) lost in the primary. North Carolina campaign co-chair Barlow Herget (D) faces Tim Fetzer (R), who is backed by the Christian Coalition and Jesse Helms' organization. The seat is technically non-partisan but given the personalities involved, both state parties are playing an active role in the race. The city is two-thirds Democratic but Fetzer is better-funded and has made massive radio buys for the campaign's closing days. The race is a toss-up.

STATE INITIATIVE MEASURE

Bond Issues: North Carolinians will vote on the biggest bond issue package in the state's history. The four bond issues, which total $740 million, will be used for funding the state's university system, community colleges, state parks and local water projects.

OHIO

MUNICIPAL ELECTIONS

Cincinnati Mayor: The top vote-getter in the non-partisan city council elections is elected mayor. Seventeen candidates, including Mayor Dwight Tillery (D), are competing for 9 city council slots. The race is a toss-up.

Cleveland Mayor: Mayor Mike White (D) will win a second term against token opposition. The seat is technically non-partisan.

Dayton Mayor: Attorney Mike Turner (R) is favored to oust Mayor Richard Clay Dixon (D), who is seeking a second term.

Toledo Mayor: Mayor John McHugh (D) is not seeking re-election. Archliberal Independent candidate Mike Ferner is expected to beat City Councilman Carty Finkbeiner (D). The Democratic Party has stayed out of the race and organized labor has split its endorsements.

OREGON

STATE INIATIVE MEASURE

Measure 1: 5% Sales Tax: This legislative ballot measure is intended to address the consequences of last year's initiative limiting state property taxes. It requires the sales tax to be spent on public education. Some property taxes are limited or lowered under this initiative. It is apparently going down to a huge defeat. Even the governor and state Democratic Party are running away from it.

PENNSYLVANIA

MUNICIPAL ELECTION

Pittsburg Mayor: Mayor Sophie Masloff (D) is not running again. Tom Murphy, the current Democratic State Representative is expected to win the race against Kathy Matta (R), and Duane Darkins (I).

RHODE ISLAND

MUNICIPAL ELECTIONS

Newport Mayor: The highest votegetter in the City Council race is elected mayor. David Roderick (D) is favored to win.

Pawtucket Mayor: Robert Metivier is expected to win the non-partisan mayoral election.

TEXAS

MUNICIPAL ELECTION

Houston Mayor. Mayor Bob Lanier (D) will win a second term against token opposition. The seat is technically non-partisan.

STATE INITIATIVE MEASURE

Proposition 2. Voters are expected to approve am initiative that exempts pollution control devices from property taxes.

VIRGINIA

STATE ELECTIONS

Lt. Governor: Lt. Governor Don Beyer (D) should win over home-school advocate Michael Farris (R). Farris has been badly wounded by his association with leaders of the religious right, including Jerry Falwell and Pat Robertson.

Attorney General: Henrico County Prosecutor Jim Gilmore (R) faces attorney Bill Dolan (D). The race is a toss-up.

WASHINGTON

MUNICIPAL ELECTIONS

Seattle Mayoral Race: Norm Rice vs. Daniel Stern: Rice, the incumbent Democrat, should win easily over his inexperienced Republican challenger. If he is held under 60%, it would be considered a disappointment.

King County Executive: Garry Locke vs. Tim Hill: Locke, an Asian-American moderate Democrat supported by the DNC, holds a 6-point lead over the moderate pro-choice Republican incumbent in this race for a powerful countywide post considered a stepping stone to statewide office.

Tacoma Mayor: Karen Vialle vs. Jack Gardner: Incumbent Democrat Vialle is in a tight race against fellow Democrat Gardner, who finished first in the primary.

Spokane Mayor: Jack Geraghty vs. Joel Crosby: Democrat Geraghty is favored to defeat his Republican challenger in this race to succeed Democratic incumbent Sherri Barnhard, who finished fifth in the primary.

STATE INITIATIVE MEASURES

Proposition 593: Three Strikes and You're Out: Three felony convictions and you're in jail for the rest of your life. A slam dunk winner.

Proposition 601: Limitation on Growth of State Expenditures: Limits spending to rates of inflation and population growth. Voter referendum required to raise taxes. Latest poll showed opposition gaining, but still trailing by 11%, with 23% undecided. Opposed by Governor and unions. Likely to pass by a narrow margin.

Proposition 602: Tax and Spending Rollback: Rolls back taxes and spending to 1992 levels. Would jeopardize universal health care plan. Latest poll showed opposition rising--now only ahead by 4%. If current trend continues, this measure could lose. Also strongly opposed by Governor and unions.

Document No. 042089

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/30/93 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PANETTA MEMO RE: BIPARTISAN COMMISSION ON BUDGET SAVINGS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	PASTER	☐	☑
McLARTY	☐	☑	RASCO	☐	☑
NEEL	☐	☐	RUBIN	☐	☑
PANETTA	☐	☐	SEGAL	☐	☐
BAGGETT	☐	☐	SEIDMAN	☐	☐
EMANUEL	☐	☐	STEPHANOPOULOS	☐	☑
GEARAN	☐	☑	TYSON	☐	☑
GERGEN	☐	☑	VARNEY	☐	☐
GIBBONS	☐	☐	WATKINS	☐	☐
HALE	☐	☑	WILLIAMS	☐	☐
HERMAN	☐	☑	________	☐	☐
LAKE	☐	☐	________	☐	☐
LINDSEY	☐	☑	________	☐	☐
McGINTY	☐	☐	________	☐	☐
MYERS	☐	☐	________	☐	☐
NUSSBAUM	☐	☐	________	☐	☐

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
Ext. 2702

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

THE DIRECTOR

93 OCT 29 AM 11:58

October 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Bipartisan Commission on Budget Savings

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Reporting Date

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Attached is a copy of the proposed executive order with the issues above highlighted.

Congressional Appointments

The following are some likely appointments to the Commission from the congressional leadership:

Speaker Foley - Budget Committee Chairman Martin Sabo, Chairman Dingell, either Tim Penny or Charlie Stenholm and possibly a member of the Black Caucus.

Minority Leader Michel - Budget Committee ranking member John Kasich, Dick Armey and possibly a moderate such as Alex McMillan of North Carolina;

Majority Leader Mitchell - Budget Committee Chairman Sasser, Carol Mosely-Braun, Bob Kerry, and Diane Feinstein;

Minority Leader Dole - Senator Domenici, John Danforth, Phil Gramm, Trent Lott, and Hank Brown.

Presidential Appointments

You will be making ten appointments to the Commission. The following are possible candidates suggested by Gene Sperling, with the 15 best candidates listed first:

1. Bill Gray, United Negro College Fund
2. Paul Allaire, Xerox
3. Warren Rudman, Concord Coalition
4. Bob Greenstein, Center of Budget Priorities
5. Henry Aaron, Director of Economic Studies, Brookings Institution
6. Michael Porter, Harvard Business Graduate School
7. Robert Solow, MIT
8. Rudy Dornsbusch, MIT
9. Van Ooms; Director Committee for Economic Development
10. Barbara Jordan, University of Texas
11. Bill Woodside, Chair Primerica, Chair of Business Advisory Commission on Children
12. Frank Raines, Fannie Mae
13. David Hamburg, Carnegie Mellon
14. Earnesto Cortez, Community Leader
15. Rachelle Horowitz, American Federation of Teachers

Second List:

1. Dall Forsythe, Kennedy School
2 William Milliken, Former Governor of Michigan
3. Eugene Lang, Founder of I Have a Dream
4. Thomas Kean, Former Governor of New Jersey
5. Ned Gramlich, University of Michigan
6. David Matheson, GAO
7. Bob Haveman, University of Wisconsin
8. Felix Rohatyn, Lazard Freres
9. Maynard Jackson, Mayor of Atlanta
10. Bob Ball, Social Security expert
11. Robert Denham, CEO Solomon Brothers
12. Tom Donahue, AFL-CIO
13. Butler, Procter and Gamble
14. David Kearns, retired chairman of Xerox
15. Mayor Bill Althaus, York, Pennsylvania

Announcement

The announcement and signing of the Executive Order creating the Commission should be made at the joint leadership meeting next week. Prior to the announcement, you should call the following:

1. Senators Kerry and Danforth to ask that they serve as chairman and vice-chairman of the Commission.

2. House and Senate leadership, particularly Senator Dole and Bob Michel and ask that they submit their names within one week of the announcement.

3. Staff will prepare a statement on the importance of establishing the Commission and why it complements your efforts on the budget, reinventing government and health care reform.

EXECUTIVE ORDER

\- - - - - - -

BIPARTISAN COMMISSION ON BUDGET SAVINGS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), and in order to establish a Bipartisan Commission on Budget Savings, it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the Bipartisan Commission on Budget Savings ("Commission"). The Commission shall comprise [34] members to be appointed by the President. Ten members shall be Senators, five each from the Democratic and Republican parties. Ten members shall be Members of the House of Representatives, five each from the Democratic and Republican parties. Ten members shall be individuals, other than Senators or Members of the House, who have experience and expertise in the areas to be considered by the Commission. [The remaining four members, who shall be non-voting ex officio members, shall be the Speaker of the House, the House Minority Leader, the Majority Leader of the Senate and the Republican Leader of the Senate.]

(b) The President shall designate a Chairperson and Vice-chairperson from among the members of the Commission.

Sec. 2. Functions. (a) The Commission shall recommend potential long-term budget savings measures involving (1) revisions to statutory entitlement and other mandatory programs and (2) alternative tax reform proposals. The Commission shall report its recommendations respecting potential entitlement and other mandatory program savings and tax system revisions to [the National Economic Council] and to the Congressional leadership by March 1, 1994. [The National Economic Council shall advise the President of its recommendations with respect to the Report of the Commission.]

(b) The Commission shall decide by a [three-fifths] vote which recommendations to include in the Report. At the request of any Commission member, the Report will include that Commission member's dissenting views or opinions.

(c) The Commission may, for the purposes of carrying out its functions, hold such hearings and sit and act at such times and places, as the Commission may find advisable.

Sec. 3. Administration. (a) To the extent permitted by law, the heads of executive departments, agencies, and independent instrumentalities shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head, (1) make any of the facilities and services of such agency or instrumentality available to the Commission; and (2) detail any of the personnel of such agency or instrumentality to the Commission, to assist the Commission in carrying out its duties.

(c) Members of the Commission shall serve without compensation for their work on the Commission. While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(d) To the extent permitted by law and subject to the availability of appropriations, the [Department of Health and Human Services] shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The

Secretary of [Health and Human Services] shall perform the functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.) ("Act"), except that of reporting to the Congress, in accordance with the guidelines and procedures established by the Administrator of General Services.

(e) The Commission shall adhere to the requirements set forth in the Act. All executive branch officials assigned duties by the Act shall comply with its requirements with respect to the Commission.

Sec. 4. General Provision. The Commission shall terminate 30 days after submitting its Report.

THE WHITE HOUSE,

8356

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 27, 1993

MEMORANDUM FOR MARSHA SCOTT

FROM: WILLIAM H. ITOH

SUBJECT: Presidential Statement on the Occasion of the Sixtieth Anniversary of the International Rescue Committee (IRC)

Per John Podesta's request (Tab B), I am attaching a draft Presidential message (Tab A) for the IRC on the occasion of their Sixtieth Anniversary Dinner.

Please note that the dinner is scheduled for November 2. Thus the message should be communicated to the IRC as soon as possible. The point of contact at the IRC is Sheppie Abramowitz. She may be reached at 667-7714.

Attachments
Tab A Presidential Statement
Tab B Incoming correspondence

I am delighted to extend warm greetings to all those who are attending the International Rescue Committee's Sixtieth Anniversary Benefit Dinner.

For six decades, the IRC has been a beacon of hope and inspiration to refugees and displaced persons affected by the tragedies of war, civil insurrection, famine and persecution. From your initial efforts to rescue victims from Nazi Europe, the IRC has demonstrated an exemplary commitment to preserving human life and freedom. Your courageous and caring staff has travelled the world to reach out and offer such life-saving assistance as food, shelter, medical care, education and training to those in need -- from war-torn ex-Yugoslavia, to famine-struck Somalia, to Cambodia and countless other areas in need around the world.

IRC projects have also been critically important to official U.S. humanitarian assistance and refugee resettlement goals, and the work of your organization provides an important model of USG-PVO cooperation. In addition, your persistence in advancing the humanitarian agenda has helped to ensure against compassion fatigue as we confront humanitarian crises in many parts of the world.

I also want to join you in paying special tribute this evening to Mr. George Soros and Mr. Dwayne O. Andreas. The public service and philanthropic leadership of both men is extraordinary. George Soros and Dwayne Andreas clearly demonstrate that individuals can make a difference. Their achievements embody the spirit of the International Rescue Committee, an organization whose purpose is rooted in the belief that every individual life matters.

I salute the IRC for its sixty years of long and distinguished service in providing help to refugees. I wish you a memorable evening and continued success in your efforts to relieve human suffering.

8356

INTERNATIONAL RESCUE COMMITTEE, INC.

386 PARK AVENUE SOUTH • NEW YORK, NEW YORK 10016
TEL (212) 679-0010 FAX (212) 689-3459 TELEX-237611

Founded by Albert Einstein
60th Anniversary 1933-1993

October 25, 1993

Ms. Diana Pierce
The White House
Washington, D.C.

Dear Ms. Pierce:

I am writing to follow up on a conversation I just had with Mr. Morton Abramowitz, President of the Carnegie Endowment for International Peace and a member of the board of directors at the International Rescue Committee,

IRC would be deeply honored if President and Mrs. Clinton would agree to serve as Honorary Chairs of our 60th Anniversary Dinner which is being held on November 2nd at The Plaza Hotel here in New York. We would be even more grateful for a message from them which we would read at the Dinner.

President Clinton kindly provided such a message for our dinner last year when he was President-elect. A similar message would be most appreciated. Hopefully it could include the fact that this is our 60th anniversary.

I know the time is very short. I have taken the liberty of enclosing a draft message for you to work from, and a copy of the message he sent for the dinner last year.

Thank you very much for assisting with this request. If you have questions or require additional information, please do not hesitate to call.

Sincerely,

Robert P. DeVecchi

Robert P. DeVecchi
President

Carnegie Endowment for International Peace

Morton I. Abramowitz
President

October 25, 1993

fax
3 weeks ago
60th anniversary

Mr. David Gergen
The White House

By Fax: 456 2215

Dear David:

I know you guys are all besieged, but it is difficult to get anybody at the White House to respond to perfectly legitimate requests including your office.

The International Rescue Committee is having its annual dinner in New York on November 2. It is one of America's great private humanitarian organizations starting from its founding in saving intellectuals from Nazi Germany.

Bush has been an honorary patron and always supplied a letter of greeting. Obviously you get plenty of such requests, but it seems that the White House could at least say yes or no after several months and, as the case may be, to get somebody to draft something. IRC has long given up on the possibility of a Presidential appearance, which they always ask for but never get.

I would be grateful if someone could respond to this fax. It ain't an impressive way of handling a dedicated public entity.

Sorry to be so blunt and perhaps I am missing something, but this is the way I see it. Cheers.

Sincerely,

Mort

Morton Abramowitz

Dan Burkhardt
Pres. Corr.

Eric Schwartz -3736
says letter from Jim Reed
to Tony Lake (Reed, Podesta: they
Pres'l message of support
appropriate
want not to

Letter from
POTUS/FLOTUS

Some indication
that they
support this

list
Mr/Mrs Clinton
as honorary
patrons
on program

2400 N Street, N.W., Washington, D.C. 20037-1153 / Phone: (202) 862-7997 / Telex: 248329 / Fax: (202) 862-2615

INTERNATIONAL RESCUE COMMITTEE, INC.

CABLE: INTERESCUE NEW YORK
TELEX: 237611
FAX: (212) 689-3459

388 PARK AVENUE SOUTH • NEW YORK, NEW YORK 10016 • TEL (212) 679-0010

August 31, 1993

COPY

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

Dear Mr. President:

As Chairman of the Board of the International Rescue Committee, I am pleased to invite you and Mrs. Clinton to serve as Honorary Chairs of our 60th Anniversary Dinner. This event will be held at The Plaza in New York on Tuesday, November 2nd. It will mark six decades of lifesaving assistance by IRC to refugees who have fled oppression and sought freedom.

We would also be deeply honored if you and Mrs. Clinton could be with us that evening to address the audience. Ambassador Madeleine Albright has also agreed to take part.

The Dinner Chairmen are two distinguished Americans, and former refugees. Their lives and careers exemplify both the opportunity that this country offers as well as the contributions that refugees have made to our society. They are Felix Rohatyn, Senior Partner at Lazard Freres, and Roberto Goizueta, Chairman and CEO of Coca-Cola.

We will honor George Soros, the Hungarian-born financier. He will receive IRC's Humanitarian Award in recognition of his extraordinary efforts to promote the ideals of freedom and democracy in Eastern Europe, and bring relief to the suffering in Bosnia. We will also honor Dwayne Andreas, Chairman and CEO of Archer Daniels Midland Company, who will receive IRC's Distinguished Public Service Award for his philanthropic leadership.

The evening will be a gathering of leaders in business, finance, government and public life who will join with refugees from throughout the world to remember the past and honor the history of IRC. The IRC is presently the major American voluntary agency working in central Bosnia and Croatia, as well as in relief operations in Somalia, Afghanistan, Sudan and Cambodia.

We look forward with pleasure to you and Mrs. Clinton agreeing to be Honorary Chairs of this event, and hope even more that it will be possible for you to be with us on November 2nd.

Sincerely,

John C. Whitehead

CABLE: INTERESCUE, NEW YORK
TELEX: 237611
FAX: (212) 689-3459

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DRAFT MESSAGE FROM PRESIDENT AND MRS. CLINTON

I am delighted to extend warm greetings to all those who are attending the International Rescue Committee's 60th Anniversary Benefit Dinner. Hillary and I are pleased to serve as Honorary Chairs of this event, and we send special congratulations to the distinguished chairmen of the dinner, Felix G. Rohatyn and Roberto C. Goizueta.

I would like to join in paying special tribute to Mr. George Soros and Mr. Dwayne O. Andreas. The public service and philanthropic leadership of both men is to be commended. George Soros and Dwayne Andreas are testimony to the truth that individuals can make a difference. Their achievements embody the spirit of the International Rescue Committee, an organization whose purpose is rooted in the belief that every individual life matters.

For six decades, IRC has been a beacon of hope and inspiration to refugees, affected by the tragedies of war, civil insurrection, famine, and ethnic, political and religious persecution. From your initial efforts to rescue victims from Nazi Europe, the IRC has demonstrated an exemplary commitment to preserving human life and freedom. Your courageous and caring staff has traveled the world to reach out and offer such life-saving assistance as food, shelter, medical care, education and training to those in need -- from war-torn ex-Yugoslavia, to famine-struck Somalia, to Cambodia and countless other areas in need around the world.

I salute the International Rescue Committee for its 60 years of long and distinguished service in providing help to refugees. Hillary joins me in wishing you a memorable evening and continued success in your efforts to relieve human suffering.

MESSAGE OF PRESIDENT-ELECT BILL CLINTON
The International Rescue Committee's
Freedom Award Dinner
Honoring Cyrus Vance
December 7, 1992

It is a pleasure to join the International Rescue Committee as you bestow the Freedom Award on a truly remarkable individual, Cyrus Vance.

Cy, we are all indebted to you. Your work on behalf of the Secretary General of the United Nations to bring about an end to the conflict in the former Yugoslavia is momentous. Your unwavering commitment and selfless dedication to ending the bloodshed in that war-torn part of the world are inspiring. I am honored to be among those paying tribute to you tonight for your diplomatic accomplishments and humanitarian efforts.

I would also like to join in paying special tribute to Mr. Richard Voell and Mr. Ted Forstmann. The public service and philanthropic leadership of both individuals is to be commended. Both Mr. Voell and Mr. Forstmann are testimony to the truth that a single individual can make a difference. Their achievements embody the best spirit of the International Rescue Committee, an organization whose very purpose is rooted in the belief that every individual life matters.

It is particularly fitting that this Freedom Award Dinner is being held during the week that includes International Human Rights Day. Forty-four years ago, on December 10, 1948, in the aftermath of one of the greatest violations of human rights the world had ever seen -- the Holocaust -- the United Nations adopted the Universal Declaration of Human Rights and established the principle that every human being, regardless of the circumstances of his or her birth, is entitled to live in freedom and dignity. The individuals we honor tonight base their noble work on that very premise.

The International Rescue Committee, the organization that has brought us together, also bases its work on the belief in the dignity of the individual. For almost six decades, the IRC has performed remarkable work amidst the most tragic and horrifying circumstances. All of you must be commended for the determination, commitment and rapid response to world crises that have characterized your efforts. It is just such efforts that keep the flame of hope alive in places like the former Yugoslavia when it could so easily be extinguished.

So tonight, as we honor a man who has devoted his career to promoting human rights around the globe, we also honor freedom and the dignity of every individual life.

Urgent: Nov 2

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 10/26/93

[redacted]

TO: WILL ITOH

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

Please provide a draft Presidential message on the attached ASAP.

Thank you.

[redacted]

INTERNATIONAL RESCUE COMMITTEE, INC.

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TEL (212) 679-0010 FAX (212) 689-3459 TELEX-237611

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Robert P. DeVecchi
President

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COMMITTEE, INC.

FOUNDED 1933

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Carnegie Endowment for International Peace

Morton I. Abramowitz
President

October 25, 1993

fax
3 weeks ago
60th Anniversary

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The White House

By Fax: 456 2215

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Sorry to be so blunt and perhaps I am missing something, but this is the way I see it. Cheers.

Sincerely,

Mort

Morton Abramowitz

Dan Burkhart
Pres. Corr.

Eric Schwartz -3736
says letter from Jim Reed
to Tony Lake (Neer, Podesta: Holly)
Pres'l message of support
appropriate
want not to

Letter from
POTUS/FLOTUS

List
Mr/Mrs Clinton
as honorary
patrons
on program

Some indication
that they
support this

2400 N Street, N.W., Washington, D.C. 20037-1153 / Phone: (202) 862-7997 / Telex: 248329 / Fax: (202) 862-2615

INTERNATIONAL RESCUE COMMITTEE, INC.

FOUNDED 1933

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FAX: (212) 689-3459

386 PARK AVENUE SOUTH • NEW YORK, NEW YORK 10016 • TEL (212) 679-0010

August 31, 1993

COPY

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The White House
Washington, D.C. 20500

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We look forward with pleasure to you and Mrs. Clinton agreeing to be Honorary Chairs of this event, and hope even more that it will be possible for you to be with us on November 2nd.

Sincerely,

John C. Whitehead

From the Office of the Chief of Staff
Phone: 202/456-6797 Fax: 202/456-1121

Date: 28 Oct 93 Response needed by: N/A
COS Office Contact: Bill Burton, Policy & Staff Director

12:02

	Action	FYI		Action	FYI
Joan Baggett			Bernie Nussbaum		
Lee Brown			Leon Panetta		
Bill Daley			Howard Paster		
Rahm Emanuel			John Podesta	X	
Mark Gearan			Jack Quinn		
Kristine Gebbie			Carol Rasco		
David Gergen			Bob Rubin		
Jack Gibbons			Eli Segal		
Marcia Hale			Ricki Seidman		
Alexis Herman			George Stephanopoulos		
Nancy Hernreich			Christine Varney		
Tony Lake			David Watkins		
Bruce Lindsey			Maggie Williams		
Ira Magaziner					
Katie McGinty					
Dee Dee Myers					
Roy Neel					

Remarks: ~~Should go to, inter alia, OEP, OMB, Dom Policy, Econ Policy~~

Lee Ann
for handling

Response:

10.28.93

U.S. House of Representatives

Committee on Energy and Commerce

SUBCOMMITTEE ON ENERGY AND POWER

Washington, DC 20515-6117

ROOM H2-331
FORD HOUSE OFFICE BUILDI
PHONE (202) 226-2500

TRANSMITTAL SHEET

DATE: 10/27/93

TO: BILL BARTON

FROM: WESEY WARREN for Rep. Sharp

NUMBER OF PAGES: 8 + transmittal sheet

Telecopier Number: 202/225-3962

If message is unclear, please call: 202/226-2500

IMMEDIATE ATTENTION!

ROOM H2-331
FORD HOUSE OFFICE BUILDING
PHONE (202) 226-2500

U.S. House of Representatives

Committee on Energy and Commerce

SUBCOMMITTEE ON ENERGY AND POWER

Washington, DC 20515-6117

October 26, 1993

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I am writing to urge your support for terminating certain programs of the Department of Energy (DOE) in the context of the rescissions you are now proposing. Earlier this year as part of its action on DOE appropriations bills, the House of Representatives voted to terminate 10 DOE programs with potential savings of nearly $1 billion compared to the fiscal year 1993 level of funding. You will find enclosed a staff memo summarizing the status of these programs.

Many of these programs were originally proposed for termination by you as part of your budget request. However, nearly half of these program terminations were restored by the Senate, eliminating most of the savings. Nevertheless, final Appropriations Conference Reports recently approved by Congress agreed to terminate seven of the 10 programs that the House had voted previously to terminate.

Although these actions represent progress towards control of the Federal budget, I believe much more could be accomplished. Therefore, I respectfully request that the Administration include in its deficit reduction package proposed rescissions for the three remaining programs that the House voted to terminate. Those programs include the Advanced Liquid Metal Reactor, Indirect Coal Liquefaction and Ocean Energy. In addition, I would like to ask that the Administration make every effort to ensure that none of the programs that are terminated this year are revived as part of the fiscal year 1995 budget that you are currently reviewing.

Altogether, termination of these remaining three programs would save at least $153 million and as much as $178 million from the level of funding contained in fiscal year 1994 appropriations bills. Two of these three programs were originally proposed for bills. Two of these three programs were originally proposed for termination as part of the Administration's budget request. The other -- the Advanced Liquid Metal Reactor (ALMR) -- originally was proposed for termination in your Vision Of Change for America.

The ALMR presents an especially important case for the Administration to consider as part of your deficit reduction package. Independent experts agree that the ALMR is uneconomical, lacks environmental benefits, and poses a serious proliferation threat.

Thus, it is astonishing to note that the $147 million level of funding in the Energy and Water Appropriations Conference Report for the civilian portion of the ALMR program exceeds not only your funding request, but also the fiscal year 1993 level of funding. The final status of funding for the defense portion of the ALMR program (and therefore whether further action would be necessary in a rescission package) remains to be determined as part of the National Defense Authorization Act for Fiscal Year 1994. However, additional funding for the ALMR above the Administration's request could go as high as $25 million.

I realize that there are many different concerns that you must take into account when formulating your budget recommendations, and I greatly respect the work you have done on behalf of deficit reduction. However, I hope you agree with me that we must make every effort to end Federal programs that can no longer be justified and will decide to include these additional program terminations in your deficit reduction package that will cover matters passed in Appropriations Conference Reports.

Please let me know if I can provide further information. I look forward to working with you to achieve these very real savings.

Sincerely,

Philip R. Sharp

Philip R. Sharp
Chairman

cc: The Honorable Hazel O'Leary
Secretary of Energy

Leon Panetta
Director
Office of Management and Budget

ROOM H2-331
FORD HOUSE OFFICE BUILDING
PHONE (202) 226-2500

U.S. House of Representatives
Committee on Energy and Commerce

SUBCOMMITTEE ON ENERGY AND POWER

Washington, DC 20515-6117

October 26, 1993

MEMORANDUM

To: Interested Parties
From: Energy and Power Subcommittee Staff
Re: DOE Program Termination

The following memo is a preliminary analysis of Department of Energy (DOE) programs that the House of Representatives voted to terminate as part of its action on fiscal year 1994 appropriations bills. Although this list may not be comprehensive, it is intended to include major DOE programs ($1 million or more) that have been proposed for termination in fiscal year 1994.

<u>Altogether, termination of these 10 DOE programs, if enacted, would result in savings of nearly a billion dollars in operating funds in fiscal year 1994 alone when compared to DOE activities for fiscal year 1993</u>. Total future budget savings from terminating these programs would be even higher -- perhaps saving billions of dollars over the projected life of these programs.

BACKGROUND

One of the criticisms that was made of the Budget Reconciliation Act of 1993 was that it did not end a single Federal program. However, this criticism was highly misleading since most government programs (large and small) are funded out of discretionary spending in appropriations bills and are not usually specifically addressed in Budget Reconciliation legislation. In fact as part of the fiscal year 1994 appropriations budget request, the Administration proposed eliminating numerous Federal programs.

It is a common impression that Budget Reconciliation legislation, such as the budget bill passed in August, determines spending for the entire Federal budget. This is not in fact the case. Budget Reconciliation legislation directly determines only that portion of Federal spending known as "mandatory" spending such as entitlement programs. It does not set final totals for what is known as "discretionary" spending.

Instead, discretionary spending is determined by the 13 appropriations bills that are passed separately by Congress every year. The budget functions usually associated with the Federal government -- national defense, environmental protection, highway construction, the F.B.I. -- are actually paid for out of discretionary spending. Altogether, discretionary spending exceeded $548 billion in outlays in fiscal year 1993, about 37.2% of total Federal spending. The discretionary budget for the DOE is contained in two different appropriations bills: the Energy and Water Development bill and the Interior and Related Agencies bill.

The programs identified here comprise a list of significant discretionary spending programs within the Department of Energy that were terminated this year by the House of Representatives.

This list is by no means a complete list of DOE budget reductions that have been proposed by the Administration or passed by the House. For example, it does not include the substantial budget savings expected from Administration proposals to streamline DOE by reducing personnel or freezing contractor salaries. Also, it does not include any general reductions in funding approved by the House unless a Federal program was eliminated. Instead, this memo focuses simply on program terminations.

Furthermore, this memo focuses on savings in the operating budget of the DOE that result from eliminating a program and does not include so-called termination costs. Termination costs are the expenses that are incurred when a program is halted. Termination costs are usually fixed costs that must occur at some point and thus may be unavoidable. Therefore, termination costs can be excluded for the purpose of determining net operating savings.

On the other hand, the memo also excludes estimates for the costs of these programs in latter years if these programs are allowed to continue. In some cases, program expenses escalate sharply in the future, such as those projects that require demonstration facilities or major construction. Eventually such projects can end up costing billions of dollars overall, dwarfing current year expenditures.

It is worth noting that the Administration originally proposed termination of eight of the 10 programs on the list. However, the sum of the operating savings from the Administration's proposed list equals less than half of the total potential savings supported by the House because of the size of the programs that the Administration supported, especially the SSC.

Furthermore, the Senate agreed to terminate fewer programs than proposed by the Administration or approved by the House. As a result, Senate funding for the programs on this list exceeds the Administration and House levels by a significant amount. In fact, the Senate approved only one major termination not approved by the House, namely: funding for the Modular High Temperature Gas Cooled Reactor (MHTGC) program ($18 million in FY 1993).

The following is a brief summary of the ten DOE programs terminated by the House.

SUMMARY OF PROGRAMS **FY 1993 FUNDING**

Superconducting Super Collider (SSC) **$517 million**

The SSC is a proposed giant atom-smasher designed to help scientists learn more about the fundamental forces of nature. Opponents claim that it is behind schedule, over budget, and not worth the enormous expense. The Administration proposed continuation of the project. The House voted to terminate funding, but the Senate voted to support the Administration request. Subsequently, when the Conference Committee returned with the Senate funding level, the House voted to return the entire Appropriations bill to conference. There the conferees reconsidered and adopted the House position, terminating the program.

New Production Reactor (NPR) **$184 million**

A New Production Reactor would produce tritium for use by the military to boost the power of atomic warheads. The General Accounting Office has concluded that recycling tritium from dismantled warheads could supply defense needs for years to come. The Administration has proposed deferring work on a New Production Reactor until future tritium production needs can be determined. The House and Senate accepted the Administration's position.

Advanced Liquid Metal Reactor (ALMR) **$133 million**

The ALMR, a nuclear reactor that uses plutonium as a fuel, is one of six different reactor types being developed by DOE. Opponents claim the ALMR is not commercially affordable, lacks environmental benefits, and presents a serious proliferation threat. Originally the Administration called for terminating this program, but later proposed scaling it back instead. The House voted to terminate it completely. The Senate voted to continue operating the civilian ALMR program and created a new $25 million defense program to supplement the ALMR program. The Conference Report adopted the Senate level of funding for the civilian ALMR program ($147 million) and permits additional defense money to be spent (perhaps up to $25 million).

SP-100 **$ 30 million**

The SP-100 is a nuclear reactor for use in space. However, the purposes for which the SP-100 was originally designed (including part of the Strategic Defense Initiative) have been canceled, leaving the reactor without a mission. The Administration proposed termination of this program, and the House and Senate accepted the Administration's position.

Magnetohydrodynamics (MHD) **$ 30 million**

MHD is a technology that would generate electricity by converting coal into a gas that would pass through a magnetic field. However, MHD continues to lack cost-effectiveness, especially compared to other coal electricity technologies, despite years of work. The Administration proposed termination of this program, and the House and Senate accepted the Administration's position.

Indirect Coal Liquefaction **$ 7 million**

Indirect coal liquefaction gasifies solid coal and than converts it into a liquid fuel. This process has been criticized for its high costs and environmental impacts, especially for the amount of carbon released per barrel of product produced. The Administration proposed concluding this work at a specialized facility. The House voted to accept the Administration's position, but the Senate and the Conference Committee voted to continue the program at a reduced level of funding.

Oil Shale **$ 6 million**

This program seeks to develop a means for converting oil shale reserves into liquid fuels. Opponents believe that conversion of oil shale would be extremely uneconomical and would have serious environmental effects, including depletion of scarce Western water supplies. The Administration proposed termination of this program, and the House and Senate accepted the Administration's position.

Heat Engines **$ 4 million**

This technology uses coal-water mixtures or pulverized coal to directly power gas turbines or diesel engines. However, the program has never been able to overcome certain performance problems with heat engines such as engine corrosion and turbine fouling. The Administration proposed termination of this program, and the House and Senate accepted the Administration's position.

Ocean Energy **$ 1 million**

The ocean energy program seeks to harness ocean energy as a source of renewable energy. The program has concluded after several years of research that ocean energy does not present an affordable resource compared to alternatives. The Administration proposed termination of this program. The House voted to accept the Administration's position, but the Senate and the Conference Committee voted to continue the program at FY 1993 levels.

Tar Sands **$ 1 million**

The tar sands program promotes means for extracting tar sands -- a natural form of asphalt -- by steam and chemical injection methods or mining. However, the low grade of tars sands deposits in this country have prevented extraction yields from being productive. The Administration proposed termination of this program and the House and Senate voted to accept the Administration's position.

CONCLUSIONS

- In the DOE appropriations bills for FY 1994, the House voted to terminate 10 major energy programs ($1 million or more) totalling nearly $1 billion in operating savings in 1994 alone. Future savings would be even greater.
- The Administration proposed that eight of these 10 programs be terminated in its original budget request. However, the total savings from the proposed terminations amounted to less than half of the total passed by the House.
- On the other hand, the Senate only agreed to terminate six of the 10 programs the House voted to terminate, yielding potential budget savings only about one-tenth of the total passed by the House. By contrast, the Senate approved termination of only one program that was not also terminated by the House -- the $18 million MHTGC reactor.

DOE PROGRAMS THAT WOULD BE TERMINATED
IN FY 1994 APPROPRIATIONS BILLS
AS PASSED BY THE HOUSE OF REPRESENTATIVES
(operating budget in millions)

DOE PROGRAM:	FY 1993 Final Funding	FY 1994 DOE Request	FY 1994 House Passed	FY 1994 Senate Passed	FY 1994 Final Funding
SSC	$517 m	$640 m	$ 0 m	$640 m	$ 0 m
NPR	$184 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
ALMR	$133 m	$ 22 m	$ 0 m	$172 m	$172 m
SP-100	$ 30 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
MHD	$ 30 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
Coal Liquefaction	$ 7 m	$ 0 m	$ 0 m	$ 4 m	$ 5 m
Oil Shale	$ 6 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
Heat Engines	$ 4 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
Tar Sands	$ 1 m	$ 0 m	$ 0 m	$ 0 m	$ 0 m
Ocean Energy	$ 1 m	$ 0 m	$ 0 m	$ 1 m	$ 1 m
PROGRAM FUNDING	**$913 m**	**$662 m**	**$ 0 m**	**$817 m**	**$178 m**
TOTAL SAVINGS FROM FY 1993	---	**$251 m**	**$913 m**	**$ 96 m**	**$735 m**

Mike Liam

cc: Dan Burkhardt

OCT 28 A11:14

MEMORANDUM

To: Marcia Scott
Director, Office of Presidential Correspondence

From: Dana Wyckoff
Office of Public Liaison

Date: October 26, 1993

Re: Honorary Chair Request

Enclosed please find a request forwarded to me by Amy Zisook, Special Assistant to the President for Public Liaison.

I would appreciate it if you could indicate whether the President could serve as Honorary Chairman for the America-Israel Friendship League as soon as possible, since the group has a tight deadline.

You may contact me at x2930 if you have further questions. Thank you for your attention to this matter.

Roy yes ✓ no ___

John yes ✓ no ___

Who is former Congressman Herbert Tenzer?

TDP
10.28.93

October 25, 1993

MEMORANDUM FOR DANA WYCKOFF

FROM: AMY ZISOOK

SUBJECT: PARTNERS FOR DEMOCRACY GALA DINNER IN TRIBUTE TO SENATOR MOYNIHAN

The America-Israel Friendship League wants the President to serve as the Honorary Chairman of the Gala Dinner honoring Senator Moynihan on Dec.4, 1993 at the New York Hilton.

As Honorary Chairman the President will be in one of the lead pages of their special Journal/calendar which includes a history of American-Israel friendship.

This organization needs the go ahead to allow the President to serve as the Chairman.

Thanks!

AMERICA - ISRAEL FRIENDSHIP LEAGUE

PARTNERS FOR DEMOCRACY
GALA AWARD DINNER IN TRIBUTE TO SENATOR DANIEL P. **MOYNIHAN**

HERBERT TENZER MEMORIAL AWARD RECIPIENT: SENATOR ROBERT W. KASTEN, JR.

DECEMBER 4, 1993
NEW YORK HILTON

DINNER CO-CHAIRMEN
Kenneth J. Bialkin
Frederic V. Malek

HERBERT TENZER MEMORIAL AWARD CO-CHAIRMEN
Hon. James H. Scheuer
Herbert E. Seif

HONORARY TRIBUTE COMMITTEES*

Presidential Tribute Committee
President Jimmy Carter
President Richard M. Nixon

Senatorial Tribute Committee Chair
Sen. Joseph I. Lieberman

Honorary Vice Chairmen
Hon. Robert Abrams
Haley Barbour
Gov. Mario Cuomo
Mayor David N. Dinkins
Cong. Richard A. Gephardt
Cong. Newt Gingrich
The Rt. Rev. Richard F. Grein
Dr. John E. Jacob
Coretta Scott King
Lane Kirkland
Amb. Jeane J. Kirkpatrick
Hon. Henry A. Kissinger
Cong. Mel Levine
Mrs. Rupert Richardson
Hon. George P. Shultz
Hon. Peter F. Vallone
Elie Wiesel
David Wilhelm

DINNER COMMITTEE*
*in formation

October 15, 1993

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

Dear President Clinton:

On behalf of the Board of Directors of the America Israel Friendship League, we are pleased to invite you to serve as Honorary Chairman of the Gala Dinner honoring Senator Daniel Patrick Moynihan on December 4, 1993 at the New York Hilton. The Senator will receive the Partners for Democracy Award, the highest recognition given by our organization to people who have made a major contribution in fostering the strong ties between the U.S. and Israel.

You may be interested to know that your predecessor, President George Bush served as the Honorary Chairman of our 1991 tribute to former Congressman Herbert Tenzer. As Honorary Chairman, you will be in one of the lead pages of our special Journal/Calendar which includes a fascinating review of the long history of America-Israel friendship. One of our lead articles is on The March to Peace which recognizes the important role you played in the recent historic Middle East accords. We also note your impressive remarks about the importance of the alliance between the two democracies.

Like you, Senator Moynihan has been a major supporter of America-Israel friendship. He recognized the common values of the two democracies, the need for constantly building mutual understanding between the people of the two nations and the importance of establishing a framework for joint programs in many areas of endeavor.

It is in this spirit that the League has managed to influence large numbers of Americans and Israelis to share in the common pursuit of our democratic values, through its extensive cultural and educational programs.

I hope that you will say yes to our invitation to serve as Honorary Chairman of this important event for America Israel friendship.

Sincerely,

Ilana Artman

Ilana Artman
Executive Vice President

AMERICA-ISRAEL FRIENDSHIP LEAGUE • 134 EAST 39TH STREET • NEW YORK, NY 10016 • TEL (212) 213-8630 • FAX (212) 683-3475

THE WHITE HOUSE
WASHINGTON

DATE: 10/28/93

NOTE FOR: SECRETARY HENRY CISNEROS

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

Information ☐

Action ☐ XX

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 10/27

THE WHITE HOUSE

WASHINGTON

October 27, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA JDP

SUBJECT: ENROLLED BILL H.R. 2517, HUD DEMONSTRATION ACT OF 1993

Attached for your signature is H.R. 2517, which authorizes the following three new demonstration projects at HUD.

- $100 million Community Investment Program to subsidize housing projects financed with pension funds;
- $200 million program for Innovative Homeless Initiatives to support comprehensive methods to assist homeless individuals and families;
- $25 million program for Capacity Building for Community Development and Affordable Housing which will provide assistance to community development and housing development organizations to enchance their effectiveness.

The bill also increases the FY 94 authorization level for the Moving to Opportunity program which helps low income families move to areas with low concentrations of poverty.

This bill is a priority intiative of Secretary Cisneros. DOL has signed off on the pension fund initiative. OMB has cleared.

I recommend you sign the bill.

We should work w/ them to get the word out on this to affected constituencies — w/ town mtgs. should make some calls

B.

THE PRESIDENT HAS SEEN 10/27

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

THE DIRECTOR

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2517 - HUD Demonstration Act of 1993
Sponsors - Reps. Gonzalez (D) TX and Roukema (R) NJ

Last Day for Action

October 27, 1993 - Wednesday

Purpose

(1) Establishes three new demonstration programs to be administered by the Department of Housing and Urban Development (HUD); (2) authorizes additional FY 1994 appropriations for certain HUD programs; and (3) makes other technical amendments.

Agency Recommendations

Office of Management and Budget	Approval
Department of Housing and Urban Development	Approval
Department of Labor (DOL)	Approval
Department of Veterans Affairs	Defers to HUD (Informally)
Department of Agriculture	No objection (Informally)
Department of the Interior	No objection (Informally)
Department of Justice	No objection (Informally)
Department of the Treasury	No objection (Informally)
Interagency Council on the Homeless	No objection (Informally)

Discussion

On June 16, 1993, Secretary Cisneros proposed a new HUD initiative in testimony before the House Housing and Community Development Subcommittee. The initiative included three demonstration programs -- a Section 8 Community Investment program, an Innovative Homeless Initiatives demonstration program, and a Capacity Building for Community Development and Affordable Housing program. The initiative also proposed increasing the authorization of appropriations for the Moving To Opportunity program. H.R. 2517 includes all four components of the HUD initiative and certain other provisions added by the Senate.

Major Provisions of H.R. 2517

The major provisions of H.R. 2517 are discussed below. A detailed description of the enrolled bill is enclosed with the HUD views letter. H.R. 2517 would:

- o Establish a Section 8 Community Investment demonstration program. The program would set aside funds under the Section 8 program to subsidize housing projects financed by pension funds. At least 50 percent of the funds for the program would be required to be used in conjunction with the disposition of multifamily housing that is either HUD-owned or that is secured by a HUD-held mortgage. H.R. 2517 would authorize $100 million in FY 1994 for this program.

- o Establish an Innovative Homeless Initiatives demonstration program. Under this program, HUD would be authorized to provide funds to States, localities, private organizations, and Indian tribes to find comprehensive methods to assist homeless individuals and families. The enrolled bill would authorize $200 million in FY 1994 for this program.

- o Establish a Capacity Building for Community Development and Affordable Housing program. The program would provide assistance to community development corporations and community housing development organizations to enhance their administrative capacity and carry out activities that benefit low-income families. Private sources would be required to match three times the amount of any assistance provided under the program. H.R. 2517 would authorize $25 million in FY 1994 for this program.

- o Increase the authorization of appropriations in FY 1994 for the Moving to Opportunity program from $52.1 million to $165 million. The program helps low-income families move from areas with high concentrations of poverty to areas with low concentrations of poverty.

Agency Views

HUD and DOL recommend approval of H.R. 2517. HUD states that the enrolled bill is "a key component of the Department's 1993 Legislative Agenda" and would "further the goals of providing . . . safe, decent, and affordable housing for homeless and other low-income persons and families." DOL believes that private pension funds would be invested prudently under the enrolled bill, "consistent with the Employee Retirement Income Security Act." Labor states "that these demonstration projects have the potential for stimulating other pension funds to become involved in economically targeted investments."

Conclusion and Recommendations

We join HUD and DOL in recommending approval of H.R. 2517, which passed the House and Senate by voice vote.

Leon E. Panetta
Director

Enclosures

On My Mind

A. M. ROSENTHAL

Those Three Words

Now here is a Government document with a lot of potential — including the potential to make the incumbent President and his successors yearn for these safe days of Somalia, Haiti and the gulf war.

The document has to do with three words. Proliferation — as in third-world nuclear bombs. Dual use — as in: I sell you a chemical to make fertilizer and you use it to make biological weapons, which, to tell the truth, is what I expected you to do all along, but a dollar is a dollar.

Americans don't like to think much about those three words. It certainly is not because they do not bring excitement to our lives. Saddam Hussein had such a fine supply line of nuclear and dual-use items from the West that he was getting close to nuclear weapon production and felt strong enough to take on the U.S. and survive, which he did.

We made an enemy of Iran-

C.I.A. peers at the nuclear future.

Maybe it's all so frightening that we prefer to push it out of our minds. Anyway, some time ago I decided to become one of those people who make themselves pests about those three words, so to work.

The document consists of replies to questions put by the Senate Committee on Governmental Affairs, headed by Senator John Glenn, to R. James Woolsey, director of the C.I.A.

Question. [Questions compressed by me for space reasons.] Can wars be made less likely by new regional nuclear balances of terror?

Answer. I can think of no example where the introduction of nuclear weapons has enhanced that region's security. ... Emerging nuclear-capable states lack the strict command and control and doctrine of the superpowers.

Q. From the evidence, how effective is military force as a solution to nuclear proliferation?

A. Military force can slow nuclear weapons development programs in the short term but cannot permanently stop [them]. ... Without international scrutiny, continued inspections, Iraq probably could rebuild, with available expertise, its nuclear weapons program and manufacture a device in about five to seven years.

Q. After the B.N.L. and B.C.C.I. scandals, will U.S. intelligence concentrate more on the financial and banking aspects of proliferation?

A. Yes. ... Banks play a key role in facilitating arms-related gray-market deals.

Q. Can nuclear material be smuggled out of the former Soviet Union?

A. If the situation were to deteriorate and since nuclear materials are in so many different places, some of them could fall into the wrong hands and be exported and, potentially, without our knowledge.

Q. Where has the technology for proliferating countries come from?

A. (condensed) Some American companies have been involved but by and large to the Mideast it was a "free flow" from Europe. Some European nations have tightened control. Principal concerns now focus on China and North Korea. Beijing has consistently regarded a nuclear-armed Pakistan as a crucial regional ally and vital counterweight to India.

Q. How many nuclear weapons do India and Pakistan have?

A. India and Pakistan have the capability to assemble ... a small number ... within a very short period of time. ... The distinction between whether or not these weapons are in fact assembled or only able to be assembled within a few days is a very small distinction.

Q. About Pakistan, what would be the delivery system — the F-16's we sold them?

A. Our best judgment right now would be the F-16's.

Q. Does Egypt have a biological weapons capability?

A. Yes, a program.

Why wasn't this on the agenda on chem. weapons bill

Q. Are you confident we can detect the use of biological weapons?

A. No. ...

Q. How far ahead can you predict intentions and capabilities of nations with stockpiles of nuclear materials?

A. Substantial uncertainties could harm our ability to forecast — especially beyond 10 years.

The U.S. has a list of "special countries" that cannot receive material that they could use or transmit to a third country for nuclear purposes, without special study and clearance.

On Oct. 6, the Administration removed 11 countries from that list. They were Argentina, Bahrain, Brazil, Chile, Kuwait, Malawi, Qatar, Saudi Arabia, South Africa, Syria and Yemen. No advance notice was given to Congress. □

Why not notify — was it an error?

THE NEW YORK TIMES, TUESDAY, OCTOBER 19, 1993

THE PRESIDENT HAS SEEN

10.27.93

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	[Personally Identifiable Information] [partial] (2 pages)	10/00/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 2242

FOLDER TITLE:

October 24-31, 1993 [1]

2018-0662-S
rs3073

RESTRICTION CODES

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

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

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

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

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

DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
1240 EAST NINTH STREET
CLEVELAND, OH 44199-2055

23 P2:45

In Reply Refer To:
ROE:CGL:3094
LABRADOR AGUSTIN AG
23 SEP 93

THE WHITE HOUSE OFFICE
OFC OF THE STAFF SECTY
WHITE HOUSE CORRESPONDENCE
WASHINGTON DC 20370-0001

Gentlemen:

Your agency recently reported an accession to your rolls for retired Navy member AGUSTIN AGBANGL LABRADOR SSN (b)(6)

In accordance with FPM letter 296-65 of March 6, 1980, the above-named member is subject to the Pay Cap, but not to the Dual Compensation restrictions. Please report all pay changes or other personnel actions which affect the member's employment, to this Center.

Sincerely,

A. Aparicio
Retired Pay Department

→ Patsy Thomasson

Is this yours?
I don't have a clue as to what this is about
John Podesta

[redacted]

Brown Resources Inc.

Alexis (Joan B – Gm

Nancy M. Brown

[illegible]

3463 State Street Box 220
Santa Barbara, CA 93105-2601
(805) 569-2365 Fax 682-0714

DNC EXEC. BD. ♀ FORUM,
ENVRMT. FORUM, BUS. FORUM
INVESTOR'S CIRCLE, ♀ CAPITAL CIRCLE
SVN, BSR
"MY PRESIDENT" photo button
GORE/KARATZ Dinner LA 9-27 (my Birthday)
The ♀ DNC Leadership Forum would like to have a reception for you when you're in LA in Dec.
P.S. How bout having DNC convention in LA?!

[redacted]

THE PRESIDENT HAS SEEN 10/27

[redacted]

William Raspberry

'Children at the Center'

Talk to Washingtonians about the out-of-control violence now plaguing the city, and sooner or later you'll hear some version of: It's the parents; they're not controlling their children, not teaching them respect—just letting them run wild.

Talk awhile longer, and it will become clear that the specific reference is to young parents, and especially mothers who gave birth when they were 15 or 16 and innocent of the skills involved in being effective parents. Their children grow up similarly unsuited for parenthood (though almost all of them will have children), and the cycle repeats and worsens.

Kent Amos believes the diagnosis is correct—if you are careful not to limit your definition of "parent" to biological terms. It's the remedy, though, that was occupying his thoughts when we spoke the other day.

"We adults," he said, "transfer the burden of the problem from ourselves to somebody else all the time—to schools, to government, to the police, to the kids themselves. More and more states are lowering the age at which kids can be adjudicated into adult courts. Who are we kidding? They are still children, no matter if they have committed the most heinous crimes."

Amos, who over the years, has taken scores of young people into his home and who now runs something called the Urban Family Institute, is no soft-on-crime patsy. He is, in fact, a level-headed realist who understands better than most the futility of any society-saving approach that doesn't put children at the center.

Yes, even the monstrous children who could kill you at noon and sleep soundly tonight.

"These children don't just drop out of a tree," says this former Xerox executive. "They, like all of us, are products of a process, only in their case it is a process that values violence and devalues respect for others, a process that provides no basis for hope for the future, a process that turns our most precious values on their head. These children can be redeemed, but they have to be deprogrammed and reprogrammed—put in another, more productive process."

And who is to do it? We are, says Amos. There is "a disconnect between the people who have the skill, the will and the resources to be parents and the children who need parents. It's no good getting angry with these young people who don't have even the rudimentary parenting skills. We have to step in and help."

Amos, who has been thinking about these matters for a long time, sees intervention along four separate lines.

First, you have to ~~control the youngsters who are committing the violence~~. That means keeping them behind bars even while working to change their outlook.

~~Then you have to provide security~~ for the others, especially in the most violent parts of town. "We have to create corridors—brightly lit and safe, with police officers stationed ~~every five feet~~ if necessary—so our children can get to school and home and play in absolute safety. This could be an excellent use for the National Guard—not catching crooks but protecting the children."

Amos is aware that Mayor Kelly has been ridiculed for considering calling out the Guard. "It's not uncommon to have neighborhoods that are protected and safe, where you need a permit to come in. The only difference is that these are usually places where rich people live. It's not unusual to have educational facilities that are well managed and secure; that's what boarding schools are. I see no reason why we can't use public resources to do for poor children what gets done for rich children all the time. This is a way of telling the children that the adults of the community value them."

Third, he says, we need to "surround our children on a daily basis with the kind of care-giving that helps them to develop properly—making them understand that we care about them and believe in their ability to learn. We have to get young people to adapt certain norms that we know will work: respect for adults, reasonable bedtimes, reduced television viewing, with a maximum of five hours a week, mostly on weekends, as the standard."

And finally, says Amos, it will be necessary to teach the biological parents how to be more effective parents. "The adults could come to the schools at night to learn literacy skills, child rearing skills—whatever they need, including the proper way of talking to their children.

"If hundreds of adults start to change their language, the *community's* language changes. And behavior changes. This can't be done on an individual level. We have to redefine what's normal and abnormal. We can make this city a safe place for children again."

BY NANCY ANDREWS—THE WASHINGTON POST

We have to provide security even in the most violent parts of town.

For the Record

From comments by Secretary of Health and Human Services Donna Shalala at a news conference here yesterday:

There was a time when things like the flu virus killed hundreds of thousands of Americans. In 1918 and 1919, 600,000 Americans lost their lives, a total of 20 million worldwide, when the Spanish Flu hit our country and the world. But today we think of the flu more as a nuisance than as a plague. That misconception—the misconception that the flu is simply a nuisance rather than something terribly, terribly serious—will cost thousands of lives in this country.

But we're going to do something about it. And we're going to do it together. And this year I'm pleased to say that for the first time Medicare, Part B, will cover flu vaccinations. And let me tell you why we think this policy is so important: The flu virus has not been snuffed out for good in this country. We still lose 10,000 to 45,000 Americans per year to the flu. These are mostly older Americans whose lives could have been saved with a simple flu shot.

This year's flu—the Beijing strain—is expected to hit very hard. It has already started. It will strike suddenly. It will send the victims to bed with very high temperatures and very low energy. The flu virus is a very tricky creature. It's sort of like a chameleon. Each time we've developed resistance against one strain, it disguises itself, and it strikes again in another form. And that's what we're dealing with. These mutations mean that every year we're battling a new flu in this country, so that every year we need a new vaccination.

This year's vaccine is waiting at doctors' offices across this country. And the flu is expected, as I indicated, to hit early. It's already starting to hit. We usually tell people to get a flu shot between mid-October and mid-November, but this year we're encouraging people to get their shots right away.

THE WASHINGTON POST FRIDAY, OCTOBER 1, 1993

THE PRESIDENT HAS SEEN
10-27-93

THE PRESIDENT HAS SEEN
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Mack
[illegible] team is neg — need to talk w Hazel — get her on board —
B.

THE WASHINGTON POST
FRIDAY, OCTOBER 22, 1993

No Light at the End of the Tunnel

With Death of Super Collider, Hundreds Face Uncertain Future

By Sue Anne Pressley
Washington Post Staff Writer

A1

WAXAHACHIE, Tex., Oct. 21—Throughout this rural town, where dreams of prosperity, world renown and the Superconducting Super Collider apparently have dissolved, angry and disappointed residents spoke today of sending a special message—Waxahachie to Washington: Kiss my atoms.

The super collider laboratory, an $11 billion atom smasher already taking shape in a hay field west of this town of 18,000, was declared dead today by a House-Senate conference committee that halted all federal funding other than termination expenses. [See story on Page A11.]

After long months of uncertainty, of hearing that the collider was in jeopardy and then that its future was back on track, area residents and project employees wondered aloud why they were forced to participate in such a seemingly pointless exercise and at such a cost.

Hundreds of construction workers, scientists and computer experts bought houses near the project, leaving good jobs in other cities to relocate here. Nearly 200 local families were forced from their property, as farmhouses were razed to provide a site for the projected 54-mile oval tunnel.

Many said they view the latest developments as a classic example of Washington politicians casually, and callously, wasting money and wreaking havoc with the private lives of citizens 1,500 miles away.

See WAXAHACHIE, A10, Col. 1

Texas Town Calls Congress Callous For Killing $11 Billion Collider

WAXAHACHIE, From A1

To one such family, Perry and Kathy Giles and their two young daughters, the news from Washington seemed a cruel twist to the pain they have suffered for five years. They cannot understand why they had to move from their home if lawmakers were never committed to completing the project.

"They don't care up there," said Perry Giles, 38, owner of a monument company. "They do not care. They don't seem to understand how they've been jerking around the citizens down here."

Giles was trying today not to think about his former home, the brick house on six acres with the creek out back where he and his family lived happily for 12 years. After fighting the state of Texas for several years, the family was forced to accept market value for the property, he said, at a loss because the housing market was depressed at the time.

They then had to deplete their savings to build a new house elsewhere at a higher mortgage rate. Although nice, he said, the new house will never be as satisfying as the old one.

"It's funny, but I've been predicting from the very beginning, since 1988, that this super collider would never be finished," Giles said. "It doesn't make me feel good to be right."

Nor does Giles feel particularly well when he passes his former property. "The house is gone," he said. "The fences are torn up. They've erased any trace we were ever there. It's three feet deep in weeds. We don't go out there much anymore. It hurts too much to look at it."

Giles's former property has not been utilized yet, but nearly one-fifth of the giant super collider project, more than $2 billion worth, is complete.

A drive to the site, in the nearby community of Maypearl, revealed several boxy brown buildings—among them a magnet-development lab and a magnet-test laboratory—rising from the flat fields, resembling the campus of a modern junior college. Stalled cranes and trucks littered the parking lots. Nobody felt like working today, although no official layoffs have been announced.

Dave Lambert, 48, a software engineer, was riding his bicycle during his lunch hour. He had to do something to relieve the tension, he said. Another possible casualty of the shutdown, Lambert said he left a lucrative job in Houston three years ago and moved his wife and children to Waxahachie, excited at the prospect of working on an experiment so unique and of such magnitude.

"I really believed in this project," he said. "People say it's expensive. Sure, it's expensive. But so are the space shuttle launches."

The collider's true purpose continues to elude many people. On a local radio show today, callers were asked to identify parts of the collider, and some answers, joking or not, included "mufflers" and "caboose."

But scientists here had hoped to identify new subatomic particles and discover more information about the origin of mass. This was to be accomplished by colliding beams of protons at dazzling speeds in the underground loop. About 14 miles of the tunnel have been constructed.

"You know, the government asked the scientists and computer experts and engineers to come work on this," said Ken Axelson, 50, an engineer who moved here from Houston six months ago. "We were invited. Next time, will everybody come? Will anybody listen? The government has really blown its credibility."

Clinton's Bid for Jobs Summit Is Pushed Aside Despite Benefits It Might Produce

WASHINGTON INSIGHT

By TIM CARRINGTON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – President Clinton's pitch for a Group of Seven jobs summit has been crowded out of an autumn filled with congressional struggles at home and policy problems abroad.

The idea of a high-level caucus on jobs, enthusiastically proposed at the Tokyo summit in July, has even begun to get disparaged as a useless talk-fest that would hold little prospect of generating a single job.

But the plan shouldn't get bumped off the agenda. It would address a critical problem: The G-7 club of rich, industrial nations is getting less rich and less industrial. The G-7 states will be lagging, not leading, the world in economic growth over the next few years, maybe even for the remainder of the decade. That means the G-7's ability to create jobs and improve wages will deteriorate further.

Adumbrates Protectionism

There's more for the G-7 leaders to do than form a dreary support group to bemoan the problems of slow or nonexistent job growth. The most crucial reason for a summit is that the ailment of joblessness is often the precursor to the more perilous virus of protectionism. Talking about labor problems in an international forum is a good way to curb the inclinations of nations to brood about these difficulties alone and to fashion trade barriers as a way to resolve them.

A large segment of the U.S. work force thinks the surest way to achieve job security is to throttle the North American Free Trade Agreement. Likewise, farmers in France hope to solve their economic problems by sabotaging the global-trade deal being hammered out under the General Agreement on Tariffs and Trade. No jobs summit will eliminate these antitrade movements, but one could serve as a reminder that no nation is uniquely afflicted by the pressures of technology and world competition.

The current economic difficulty "is a shared problem, but it shows up in different ways," says Lawrence Katz, chief economist for the U.S. Labor Department and a proponent of a jobs summit.

Jobless Rates Soar

Europe harbors a virtual nation of unemployed people – 18 million at last count, and rising fast. Jobless rates in France are heading toward 12%, and have passed 22% in Spain. By comparison, the U.S., with 6.7% unemployment, looks to be running a world-class job-creating machine. But the strains show up in U.S. workers' paychecks: Unlike their European or Japanese counterparts, U.S. workers have seen their real incomes decline in the past 15 years, and millions face the threat of financial devastation because they lack health insurance.

Japan, once immune from the labor difficulties pinching its G-7 partners, is due for a shakeout of its own. Some economists there estimate that 40% of Japanese companies are overstaffed and will be forced to lay off workers.

Throughout the G-7 economies, the rampage of restructuring continues. Corporations are downsizing. Manufacturing is going through what agriculture experienced in the 1950s – it's absorbing technological changes that reduce the number of workers needed to produce more. Meanwhile, the defense sector continues to shrink. Morgan Stanley Co. estimates that even though U.S. companies have laid off 500,000 workers from the arms sector, an additional 1.8 million will go in the next three years.

Possible Benefits

In the face of such relentless pressures, an exchange of information might help G-7 nations. The U.S. can show the benefits of a flexible labor market in which workers move from one industry to another, or one region to another, to find work. In return, the U.S. has something to learn from European and Japanese efforts to educate and train workers. For example, a far higher portion of German workers than Americans receive training from their employers. Such investment will be increasingly critical in a global economy where the developing world provides the low-skilled workers and the developed states produce more-sophisticated goods and services.

Some G-7 members support the idea of a jobs summit, even though they aren't sure what could come out of it. "It would be foolish to expect that these guys would get around a table and come up with a magic bullet," says one European diplomat here. But, he adds, the summit is worth scheduling soon, simply as an antidote to growing protectionist sentiments.

THE PRESIDENT HAS SEEN
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Mack
Physicians right
on Stm. need jobs
agenda – B

THE WASHINGTON POST · MONDAY, OCTOBER 18, 1993

Tony This is pretty good — B.

THE PRESIDENT HAS SEEN
10.27.93

Meg Greenfield

Intervention Fatigue

Clinton needs to make a better case when he sends in troops.

No one should be surprised that the citizens of this country are having an attack of intervention fatigue. However vast and dominating our international paw print may be as an economic superpower, we are just not good at 19th-century-type military, colonialesque adventures. And given the way we are jerked around by politicians and press on what are called foreign-policy crises these days, it is a wonder the fatigue hasn't set in before. The trouble is that we may end up being as indiscriminate in our aversion to engagement overseas as we were in our former eager-beaver willingness to intervene practically everywhere. Right now we are in mid-flounder. Minus the Soviet Union and Hitler's hungry war machine before it, rationales for our involvement in foreign conflicts have to be improvised and then beaten, pushed and dragged to some semblance of national consensus. But such consensus gets ever more fragile. There are a bunch of obvious reasons why this is so.

First, half the time we are being urged to leap into the affairs of a place we have only dimly ever even heard of, if we have heard of it at all. Second, we are regularly told, all of a sudden and seemingly out of nowhere, that the political fate of this place and/or its people is parlous and of life-and-death concern to us. Then, as abruptly as it burst upon us, after the requisite involvement, it will vanish from our politicians' consciousness and the news. Could anyone here please tell me how the 1983 crisis in Chad came out? Third, we expect unstinting gratitude, not to mention moral perfection, from the side in the conflict with which we align ourselves. Big surprise: We get neither, only hurt feelings.

Let me share a paragraph I read in the paper the other day in a story that was warning of yet another terrible danger spot about which I was meant to worry: "Thousands of jubilant supporters lined the route of Gamsakhurdia's motorcade into Zugdidi, the regional capital of the western province of Mingrelia. . . . More than 100 civilians have been killed in Sukhumi in the past 10 days in shelling by Abkhazian forces." I am always as prepared to worry as the next person, but maybe the next person knows something I don't. For except for formerly Soviet Georgia, where all this was said to be taking place, there was not a single proper noun in sight that meant anything to me.

We Americans are weak on geography and even rudimentary knowledge of many of the great cultures around the world, blissfully distant from most of the world's continuously churning conflicts and a little bit complacent in our ignorance. Bosnia-Herzegovina, until very recently, was merely a joke phrase in our language, the example of some silly, antique jurisdiction. I can still remember the day in the early 1950s when I started reading screaming headlines that Dien Bien Phu was about to fall. That was the presumably impregnable French military redoubt in Vietnam. We all immediately went around saying how terrible this was, having never heard of it till that very day. There were to be other places—notably what we instantly learned to call "breakaway Katanga" and "copper-rich Kasai" provinces in the Congo—that occupied us; there were the Taiwanese/Chinese rock-islands Quemoy and Matsu for whose proprietorship we were more or less asked to be willing to die in the same era, and so forth. We all immediately had opinions about all of these places, greatly in excess of our information.

> ***Bosnia-Herzegovina, until very recently, was merely a joke phrase in our language.***

It is the combination of this unfamiliarity and the suddenly proclaimed urgency of these places that, after a time, has begun to make skeptics of us all. It is my no doubt imperfect recollection that that area known as the Plain of Jars in Laos repeatedly fell during the Indochinese war, seemingly never to be retrieved by our side; it just mysteriously kept falling after it had already fallen the year before, each time heralded by end-of-the-world official and journalistic prose—and then was filed under O for oblivion. Dire consequences, freely predicted, sometimes never came to pass. But if they did, we oddly paid next to no attention to them and went on to the next place, as we more or less forgot Vietnam.

Finally we have our romantic and all too easily bruised attitudes toward the people who live (and quarrel) in the places where we involve ourselves. We expect our allies, clients, subjects, friends and wards around the world to be model civil libertarians and, above all, to love us. I make fun of the instinct, yet I think it is not wholly without justification. We act in our national interest and not out of sheer altruism and sometimes we have gotten the purpose and the moral values very wrong. But our history in this century has been marked by enormous, costly exertions for the sake of saving and helping others, including those who had started wars against us, devastated our allies and incurred an almost unimaginable toll in human life. What we seem able to do is forgive them everything—what they did in the war, what it cost us to help them after—except the fact they turn out to be your basic, normal, self-serving, error-prone, often infuriating people after all.

But at least in the case of World War II and the Cold War, the great power conflicts had a certain continuity to them; they arose, they persisted, they were there over time. We knew what they were, and we knew what we feared. Now it is as if we dart from place to place at an accelerated speed, proclaiming this guy a hero, that guy a monster and so forth and from time to time discovering that neither entirely fits the bill. People are sick of it and confused; they are inclining to a one-size-fits-all phooey, a to-hell-with-the-whole-lot-of-them attitude that would be a great mistake. American security interests and, yes, humanitarian purposes are still very much alive and deserving respect, and it is possible to define them. But they tend to get lost in the razzle-dazzle of instantly proclaimed and instantly called-off foreign crises. We are not naturally suited to the old colonialist swagger through distant, turbulent parts of the world, imposing some sort of Pax Americana. And anyway, that sort of stuff went out decades ago. If the administration does not finally want to be overwhelmed in its foreign policy by a tide of hostile public opinion, it really needs to know how to make an honest, compelling case for those interventions it deems necessary and how to let go of the rest.

THE PRESIDENT HAS SEEN

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We should send this out to our major leaders in the states — they can use it —
B.

THE PRESIDENT HAS SEEN
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P. 1 of 2

THE WALL STREET JOURNAL WEDNESDAY, OCTOBER 20, 1993

Clinton's Conservative Health Plan

By ALICE M. RIVLIN

The Clinton administration's plan for fixing what ails the American health care system is bold and comprehensive, but hardly radical. Indeed, it is conservative in at least three of the senses of that term.

First, it reforms the system with minimal disruption to the basic mode of paying for health care that Americans are used to—employer-based insurance. Second, it relies primarily on market incentives, not government regulation, to control escalating health care costs. Third, it can be financed—without smoke and mirrors—primarily by reallocating resources already devoted to health care and does not require large tax increases.

Almost everyone agrees that if we are to have the productive, competitive, flexible economy that we all want, we cannot allow the "health care tax" to continue rising. We are already using 14% of our gross domestic product to pay for health care. Every time we let this "tax" drift up another percentage point, we are allocating an additional $50 billion a year of the nation's precious resources to health care. Moreover, a high-growth economy requires that people be able to move into new jobs, but our current system locks people into jobs and onto welfare out of fear that they will lose their health insurance. Finally, hardly anyone would deny that the way we now pay for health care contributes to unnecessary cost increases and a wasteful use of health resources.

Radical Surgery Rejected

Now that there is such broad consensus that the current system is punishing the economy, what is to be done?

The Clinton team rejected radical surgery such as a single-payer system or government-set health care prices in favor of restructuring the current system and building on its strengths. There are two types of evidence that such restructuring can work. First, health maintenance organizations and other groups of providers compensated on a per-capita basis have demonstrated that they can deliver good care for appreciably lower cost. These groups have incentives to emphasize prevention, to reduce unnecessary procedures, tests and hospitalizations, and to economize on the acquisition and use of expensive equipment. Second, big-business experience has shown that a large buyer can negotiate with competing health plans and get a much better deal than is available to individuals and small firms that lack market power.

The Clinton plan would encourage doctors and other providers to join health plans that would be paid per-capita premiums. It would give individuals and small employers access to the market power that big business has used so successfully by organizing purchasing cooperatives or health alliances to bargain with health plans for the best deal.

The Clinton plan would ensure everyone at least a standard set of health benefits—benefits that would not be at risk if an individual changed jobs, became unemployed or got sick. All businesses would have to provide health coverage, but subsidies would reduce the burden on small and low-wage firms. Employees would share in the cost, with a choice of plans and clear incentives to choose the most cost-effective options for meeting their health needs.

The Clinton approach reflects strong faith that consumer incentives, combined with buyer power and better information about quality and performance, can rein in escalating costs. That faith is strong, but not absolute. If health care premiums continue rising appreciably faster than other prices, "global budgets" would control the rate of increase of premiums. If the market incentives work—and the Clinton team believes they will—then the controls will not be necessary.

Most of the cost of health care for working people and their families would be shared, as at present, by employers and employees. The major new cost for the government would be the subsidies needed to make the insurance affordable to small firms and low-income individuals.

These subsidies, along with new benefits under Medicare for out-of-hospital prescription drugs and home health care for the severely disabled, and some other administrative costs, are expected to increase government health spending by roughly $130 billion by the year 2000, when the program is fully up and running. Revenue increases—principally from a

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Clinton's Conservative Health Plan

healthy increase in the cigarette tax—are expected to produce only about $30 billion. The rest (roughly $100 billion) will come from reallocating resources that would otherwise have gone into existing government programs.

These offsetting savings in other government programs are not, as some critics have alleged, vague caps or unrealistic hopes for reducing "waste, fraud and abuse." Rather, the administration is proposing specific changes in program rules that are feasible precisely because of the proposed reform of the private system.

For example, Medicare and Medicaid cover many working people. Under the new rules, the working elderly and the working poor would be covered by their employers instead. Both programs also make huge payments to hospitals to help them cover the cost of treating the uninsured. When everyone has insurance, these payments will be sharply reduced.

Increases in reimbursement rates for providers under Medicare would also be slowed—a change made more feasible because reimbursement for all providers will be rising less rapidly. In addition, upper-income people would pay a large share of the heavily subsidized premium for physician care under Medicare. These specific changes in the Medicare and Medicaid rules would reduce the cost of the two programs by more than $100 billion in the year 2000. The cost of other government health programs—for veterans, federal employees and military dependents—will also grow less rapidly as some of their patients move into health alliances.

Under current policies, federal health expenditures are expected to be about $680 billion in 2000—about $465 billion of which will be for Medicare and the federal share of Medicaid alone. The administration is not proposing to reduce federal health spending—only to reduce the annual rate of growth from about 10% to about 5% by 2000 as the new system phases in.

In a Sept. 29 article on this page, Martin Feldstein argued that political opposition will make large reductions in the growth of Medicare and Medicaid impossible. In the absence of health care reform, he would be right. Broadened employer coverage and system-wide reduction of cost growth, however, make these savings feasible, while the new prescription drug and home health benefits under Medicare make the package attractive to the elderly.

Mr. Feldstein also argued that the Clinton plan's requirement that employers provide health insurance to their employees will reduce wages and cut tax revenues to the Treasury. Quite irrelevantly, he calculates how much revenue the Treasury would lose if no firms provided health insurance now and all were subjected to a new 7.9% payroll tax to provide such coverage. In fact, however, most people are already covered by employer-provided insurance, many with more generous coverage than the Clinton plan requires. Firms whose costs are reduced by the plan will initially have higher profits and ultimately probably pay higher wages than they do at present.

Reduced Impact

In either case, Treasury revenues will increase. Employers not now providing health insurance will have to pay more, but the impact on them will be reduced by subsidies. Very small firms will have their cost increase capped at 3.5% of payroll. A more accurate reading of the plan would have led Mr. Feldstein to the conclusion that total wages and Treasury revenue are likely to go up if the plan is enacted.

There is plenty of uncertainty about the future cost of health care, but two current facts cannot be denied. One, the U.S. already has an elaborate health care system that leaves millions of people uncovered and whose costs are rising rapidly. Two, government already pays more than 40% of America's health bill.

The question now is whether, without scrapping the entire system, we can introduce incentives that will make health care delivery more efficient, and whether we can reallocate some of the resources now tied up in costly government programs to making insurance affordable for the currently uninsured.

The architects of the Clinton plan believe that we can, and that we owe it to the American people to try.

Ms. Rivlin is deputy director of the Office of Management and Budget.

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Doctors fault health plan

By Richard Benedetto A1
USA TODAY

Most doctors oppose President Clinton's health-reform proposal, saying it will raise costs, reduce quality and lead to rationing of care.

A USA TODAY/CNN/Gallup Poll of 502 doctors also finds solid majorities blame soaring health costs on:

▶ Mounting malpractice lawsuits and high awards.

▶ Smoking, unhealthy diets and lack of exercise.

▶ Costly care for those with little or no chance of recovery.

▶ The uninsured, whose costs must be borne by others.

Most doctors say Clinton's plan is adequate only for those who don't have insurance now.

Clinton and first lady Hillary Rodham Clinton Thursday indirectly addressed two issues the doctors raised:

She said they'll sign "living wills" telling each other when to end life-support in case of a terminal illness or injury. They want others to do the same.

He confirmed in a speech to Businesses for Social Responsibility that he'll seek a 75 cents-a-pack tax hike on cigarettes to help pay for his plan.

Also Thursday, Sens. John Breaux, D-La., and David Durenberger, R-Minn., unveiled a bipartisan plan similar to Clinton's, but without his requirement that employers provide insurance for all workers.

Doctors polled are at sharp variance with the public.

Fifty-eight percent of doctors oppose the Clinton plan; 59% of the public supports it.

They also differ on whether the system is sound and what kinds of changes are needed.

Doctors will be highly vocal when Congress debates the plan, but analysts say their influence will wane if their motives are seen as selfish.

"Their opposition must mesh with public concerns," says Everett Ladd of the Roper Center for Public Opinion Research.

There are parts of Clinton's plan the doctors do like:

▶ 89% like the guarantee of coverage for all.

▶ 84% favor federal subsidies so low-income and unemployed people get coverage.

▶ 62% agree abortion should be covered.

The poll, taken Oct. 1-18, has 5 point margin of error.

FRIDAY, OCTOBER 22, 1993 · USA TODAY

COVER STORY A1

Doctors fear being 'just a business'

1/2

Congress takes notes when doctors speak, 10A

By Patricia Edmonds
USA TODAY

If doctors were to vote on the Clinton health-care reform plan, the most sweeping piece of social legislation since the New Deal would go down to a crushing defeat.

In the first major survey of doctors since the plan came out, a USA TODAY/CNN/Gallup Poll finds most doctors believe it would damage doctor-patient relationships based on trust and quality care, and replace them with poorer medicine run by an impersonal bureaucracy.

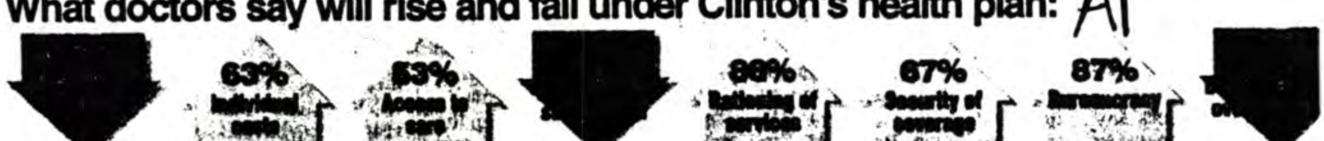
And although the majority of doctors agree that everyone should have guaranteed access to health care, it doesn't make them like Clinton's proposals any better.

"It's like a lot of political plans," says Kenneth Aldridge, a

Please see COVER STORY next page ▶

USA TODAY CNN GALLUP POLL

What doctors say will rise and fall under Clinton's health plan: A1



Source: Poll of 502 practicing doctors, Oct. 1-18. Margin of error, ±5 percentage points.

Exiled Haitian president to wait out military leaders

By Jessica Lee
and Tom Squitieri A1
USA TODAY

Exiled Haitian President Jean-Bertrand Aristide said he will not return to his country until the military leaders leave.

"I am ready to go back," he said in an interview Thursday, moval of the coup leaders."

"One of the best ways to (hasten their departure) is by staying where I am," said Aristide, who is living in the Washington, D.C., area.

His return has been in question since Army commander Raoul Cedras and police chief Joseph Michel Francois, who step down Oct. 15 as promised.

U.S. and Haitian officials in Port-au-Prince now say the Oct. 30 date for Aristide's return is not likely to be met.

Aristide wants "more pressure" from the international community to tighten the noose on Cedras and Francois.

He is pushing to have the

▶ Bank accounts frozen.

▶ Visas lifted.

Also Thursday, a Coast Guard cutter enforcing the U.N. embargo against Haiti fired a shot across the bow of a merchant ship that refused to change course. It turned back.

▶ Aristide profile, 6A

2/2

COVER STORY

Doctors also worry about income

Continued from 1A

Tuscaloosa, Ala., urologist. "Big on form, but lacking in substance."

Doctors who oppose the Clinton plan are a varied group:

▶ Rural doctors like Georgia's Fleming Burroughs, who says it will "cost a lot more money than they're pretending" and cut time with patients.

▶ Big-city specialists like Manhattan eye surgeon Carol Lee, who says the plan would remove too many medical decisions from "the doctor patients know and trust."

▶ Suburban primary-care doctors like Missouri's Paul Vatterott, who says the plan heightens doctors' fears about "losing control" of their patients and their livelihoods.

Health plan supporters say doctors opposing it just want to preserve their own cushy, lucrative practices. The poll seems to support that: Doctors who fear their pay or practices would be harmed are most likely to oppose the plan.

But the anti-plan doctors say they're just doing what they often must — breaking bad news to patients. The hard truth, as they see it, is that the Clinton plan would affect their work and the quality of patients' care in several key areas:

Quality of care

Mary Kruszewski has been a practicing OB-GYN only for two months. But already she's delivered 30 babies in her Dubois, Pa., practice — and already she's worrying about the Clinton plan, though she supports many of its aims.

"I want to care for my patients and be concerned about them on a personal level," Kruszewski says. She doesn't want to be "just a business — 'I have this many patients, and I have to see them in this amount of time.'"

James Cleveland is "extremely busy" now, seeing 50-60 patients a day in his family practice in Englewood, Tenn., a poor, rural community.

If the Clinton plan insures more indigents, Cleveland figures he'll have "to take as many of those as wish to come" — maybe 75-100 a day.

If that happens, "There's just no way you're going to have time to spend with patients."

Cleveland, who's 60, plans to retire in five years. But if the Clinton plan passed, "I would retire within a month."

Cost

Despite White House insistance that the plan will hold medical costs down — in part by putting most people in health maintenance organizations — doctors still expect costs to rise. For everyone.

Doctors say they know they're well paid — the average doctor's annual salary is $170,600. And they know that gets them little sympathy when they complain.

But "the golden days of medicine are gone, as far as the mega-incomes," says psychiatrist Doyle Brock of Gig Harbor, Wash. "Doctors are going to be making a lot less and ... practicing in groups."

Even that may not help, says Vatterott. Several years ago, when his St. Louis-area practice had money trouble, he went into managed care — and "revenue went up because hoardes of patients came in.

"But once the insurance company has you captured, they start rolling back payments," Vatterott says — so his practice is struggling again.

"The federal government will probably do the same thing," he says.

Access to care

As a doctor, psychiatrist June Greenspan-Margolis is concerned about her Jenkintown, Pa., patients getting care: The Clinton plan covers only 30 visits to a psychiatrist a year.

"For those patients who require (care) 2-3 times a week — and lots of children are included there — they'll be out of care in 6 weeks," she says.

As a patient, Greenspan-Margolis has another concern: that the Clinton plan covers mammograms, Pap smears and pelvic exams less often than the American Cancer Society recommends.

She knows of three HMO patients whose insurance wouldn't pay for mammography. When the women paid for it themselves, "all turned out to have breast cancer."

"That's extremely worrisome — the idea that the government thinks it knows what the best care is."

Government role

Fleming Burroughs became a doctor because there were too few in rural Georgia. The internist's Americus practice has many Medicare and Medicaid patients — and what they go through makes Burroughs wary of government.

"If one of my Medicaid patients gets a respiratory infection, I can't even get him or her a cough syrup that's off the Medicaid program list," he says. He fears a Clinton plan would be at least as restrictive.

"I can tell you right now ... it's not going to be between the doctor and the patient," says Burroughs, 43. "And I have a sneaky feeling the paperwork is going to get worse, though they're trying to say it's not."

Managed care

"Americans are used to selecting their own doctors," says Alan Munoz, a Dallas oncologist. "I don't think the American public will put up with" a Clinton plan for widespread managed care — though 41 million people now are members of such plans.

Some of Erven Johnson's longtime patients don't like the care they're getting in an HMO that Johnson doesn't belong to. So they come back to see the Las Vegas ophthalmologist, and he treats them for free.

"I had a patient last week whose vision was 20-70, not good enough to pass a drivers' test," says Nelson, 63. "The HMO told her her cataract was not bad enough for surgery.

"I wrote that she needed surgery on her chart, gave her a copy, and told her to beat them over the head with it."

Most doctors say they're talking to patients about the Clinton plan — often at their patients' requests.

Says Vatterott: "I tell them, 'We know we need changes ... but the way this plan is, it doesn't look good.'"

Contributing: Carol J. Castaneda, Mimi Hall

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Medical Debate

Physicians Are Split By Age and Region On Health Reforms

A1

White House Stands to Gain As AMA Rift Weakens Lobbying Against Plan

'Herding a Bunch of Cats'

By GEORGE ANDERS and HILARY STOUT
Staff Reporters of THE WALL STREET JOURNAL

TYLER, Texas – President Clinton's health plan has created a rift among physicians that is making sustained lobbying efforts against major parts of the proposed reforms difficult.

While it is still conceivable that doctors could settle their differences, the gap within the medical community appears to be widening, not narrowing. That means that doctors probably won't be able to mount a unified challenge to the Clinton plan, a prospect that could make the White House's selling job much easier.

Some hard-liners in the medical community fear the plan, with its emphasis on big alliances that will buy health coverage for millions of Americans, would be a major step toward a nationalized health system that would limit doctors' income and autonomy. Fighting change the hardest are older physicians in Southern states, who worry that long-established ways of doing business are about to be drastically disrupted.

Generation Gap

But despite the public perception that doctors are solidly arrayed against the plan, another faction of physicians welcomes the Clinton reforms on the belief that they can hold down costs and provide universal coverage without hurting the quality of care. The plan is playing well among younger doctors on both coasts and in the upper Midwest. Particularly upbeat are doctors who already work in managed-care systems, which cover large blocks of patients and impose stringent cost controls.

The split is putting serious strains on the 291,000-member American Medical Association. Even though the percentage of doctors belonging to the AMA has steadily declined in the past 20 years, it is still regarded as the most powerful health-care lobby because of its attempts to speak for all physicians.

So far, the AMA's leaders have tried to straddle the divide. AMA executives first praised Mr. Clinton's broad goal of universal health coverage, then questioned details of his plan, particularly those provisions that might affect people's ability to choose their doctor. In an interview, James Todd, the AMA's executive vice president, declared: "The average rank-and-file physician shares the same concerns that we share."

Internal Opposition

Still, AMA officials acknowledge mixed feelings among doctors—including the 55% of the nation's 640,000 doctors who don't belong to the AMA. "There may be some disagreement about the best way to reach this shared vision," Dr. Todd concedes. In recent speeches, he has invoked an old saying that trying to get a large group of doctors to agree on anything is "like herding a bunch of cats."

The AMA, in fact, finds itself at odds with the nation's second-largest doctors' group, the American College of Physicians, which represents 77,000 internal-medicine specialists. A year ago the internists' group made headlines by endorsing the idea of a national budget for private and public health spending, something the AMA has said it "unequivocally opposes." A few weeks ago the internists' group went a step further and endorsed the Clinton health plan, without the many reservations that the AMA has expressed.

To see how wide the gap in individual doctors' attitudes has become, it helps to look at two crucial states in the health-reform debate: Texas and California. Texas is a bastion of conservative, free-market views; California is a hotbed of centrally run medical systems. As doctors from these two states speak out, they will represent competing tugs for slower or faster reform of health-care delivery.

The Texas Manifesto

The biggest sticking point in Texas is President Clinton's assumption that government should guide health-system reform. The 32,000-member Texas Medical Association recently issued a 13-point manifesto, taking firm stands on issues such as protecting doctors' autonomy and reining in managed-care organizations. Even so, says Robert Tenery, head of the group, "I get calls from a lot of our members who are very angry about reform. They feel we've sold out."

Many Texas doctors contend that the Clinton system is bound to create more bureaucracy and limit their freedom to treat patients. In Corsicana, about 50 miles south of Dallas, 70-year-old surgeon Louis Gibson rails against the national health board and health alliances that Clinton officials want to create. "They are bringing in a massive, untried bureaucracy to deal with a system whose only major problem is cost, not quality or access," Dr. Gibson says.

On a recent evening in Jacksonville, Texas, several doctors clustered in a hospital hallway to vent their frustrations with federal intrusion. "I'm always concerned when the government tries to fix something," said internist Joseph Cunningham. "You can't write enough laws to make a good doctor. All you can do is hassle

Please Turn to Page A5, Column 1

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Medical Debate: White House Stands to Benefit As Doctors Split on Health Reform by Age, Region

Continued From First Page

people trying to do a good job."

Added obstetrician Tim Fields: "I can't think of anything that the government has taken over and runs efficiently. The Post Office? The railroads? The IRS?"

In his speech to Congress last month, President Clinton asserted that his new system will simplify the forms that doctors must fill out. But while doctors elsewhere think that could happen, many in Texas don't. "It's going to amount to the lawyer's relief act," Dr. Gibson quips.

Paying With Produce

In rural Texas, doctors have a different worry: whether the White House model of "managed competition," in which rival health plans vie for customers, has any relevance to them. One west Texas doctor, 64-year-old Jim Bob Brame of Eldorado, says poor farmers sometimes pay for care with eggs and tomatoes, and would have to drive more than 40 miles if they didn't want to be treated in the town's 16-bed hospital.

There is "absolutely no way" that managed competition would make sense in his district, Dr. Brame says. Yet he fears that urban medical groups will somehow lay claim to his patients. And he says he is frustrated that in the 239-page working draft of the Clinton health plan, "less than 1% pertains to rural care."

Other Texas doctors say they will be hurt by President Clinton's plans to save money by cutting back on the Medicare and Medicaid programs for the elderly and poor. Richard Casen, a family practitioner who works about 100 miles south of Dallas, complains that he gets just $11.13 in Medicare reimbursement for a 25-mile trip to see elderly patients in a nearby town. "I'm working for minimum wage or less," on those patients, Dr. Casen says. He worries that further cuts will make it even less rewarding to treat the elderly.

At the top end of the Texas medical market there are jitters, too. Donald Pohl is one of the Houston area's most successful urologists, specializing in surgery to undo vasectomies. In Texas' freewheeling current climate, Dr. Pohl recruits patients by advertising on billboards as far away as suburban Dallas, 200 miles away. ("Call 1-713-REVERSE," his ads declare. "Money-back guarantee.") But under the proposed Clinton system, many patients couldn't see Dr. Pohl unless their regular, primary-care doctors recommended him.

Dealing With Managed Care

In California, by contrast, many doctors are excited, not frightened, by the president's overhaul plan. Most of the state's doctors are used to bargaining with big purchasing networks of employers, similar to the health alliances that Mr. Clinton wants to set up. In fact, a majority of California physicians already work for the types of managed-care networks that the White House aims to encourage.

"We don't have any problem with managed care as a concept," says Eugene Ogrod, chairman of the 38,000-member California Medical Association. On price controls – a topic that evokes sputters of indignation from the AMA leadership – the CMA has broken away, too. While it doesn't totally agree with the White House proposals on price controls, the California group said in a proposal last year that it could tolerate health-insurance rate caps "if the market failed to control prices."

There is less suspicion among California doctors, too, that the White House plan would hurt patients' ability to pick their doctors. Howard Lang, an obstetrician-gynecologist and former president of the CMA, argues that the Clinton plan would actually widen people's medical choices, because it would let them pick their health plan, instead of simply enrolling in the one chosen by their employers. "Patients don't have a hell of a lot of free choice now," he says.

'Divorce From Greed'

While some private-practice doctors in California fear that reform could hurt their incomes, salaried physicians in the state's big managed-care programs generally don't have such concerns. "I'd say it's nice to practice medicine with some divorce from greed," says Robert Hogan, 45, a San Diego family-practice doctor with Kaiser Permanente, the nation's largest group health plan.

Dr. Hogan won't say what he earns, but comparable doctors at Kaiser typically earn a little more than $100,000 a year, about in line with national averages for family-practice work. Dr. Hogan predicts that if the Clinton plan passes, "my life will continue as it is, with the possible opportunity perhaps to service a few more members of the community than I otherwise would have."

Some younger California doctors are already on career paths that closely correspond to the new system that President Clinton wants. Wilson Fung, a 30-year-old family practitioner, says managed care is "basically the only way I know." Dr. Fung did his residency with a managed care network and now is affiliated with Pacific Physician Services Inc., a group of 250 salaried doctors who contract with about 30 health-maintenance organizations in Southern California.

Dr. Fung is an AMA member, but doesn't have any quarrels to pick with managed care. "As far as controlling health-care costs, it's a very sensible approach," he says.

That isn't to say Dr. Fung likes everything that the White House is proposing. He thinks the measures to curb malpractice liability costs should be stronger. He also is wary of the caps on private health-insurance premiums that would be imposed under the Clinton plan. Still, Dr. Fung says: "I generally believe in most of the principles he's discussing."

In a handful of areas, such as reining in malpractice costs, the AMA may find broad agreement among its members – both in conservative and liberal states. Another likely area of agreement: doctors' desire to have greater latitude in jointly negotiating rates with managed-care groups, without running the risk of antitrust prosecution.

A Tent Too Big

On fundamental issues of health-system reform, though, the AMA's role may be more problematic. "I'd hate to be in their position because they have such a wide front to defend," says Kim Ross, chief lobbyist of the Texas Medical Association. "I think their tent is too big."

That is exactly the sentiment felt by Tony Falcon, a family practice doctor in Rio Grande City, on the Texas-Mexico border. Dr. Falcon must contend with poverty-related diseases such as leprosy, malaria and typhus, which are practically unknown in the rest of the U.S. He also provides care for vast numbers of undocumented aliens, who generally can't pay and who wouldn't be covered in the new White House health plan. And he must contend with some of the nation's lowest reimbursement rates for treating poor patients on Medicaid, such as just $700 for all care associated with delivering a baby.

"The AMA tries to represent everybody," says Dr. Falcon, who feels a bit neglected both by the Clinton plan and the nation's main doctors' group. "But we're so different."

2/2

Jeff Eller

This isn't specific or precise enough but it has some good points we need something like this

A. Comparison — Clinton Cooper Breaux etc

Universal coverage

1. ~~Guaranteed benefits~~

2. Benefits

3. Prevention

4. Rural Health

5. Subsidy of the Employer mandate — Alliances

6. Cost Saving [illegible]

7. Drugs/LTC Health —

A. Main weakness of other bills in terms of our 6 principles:

B. Main criticisms of our bill by others; responses

We need a road map for our friends and ourselves —

THE PRESIDENT HAS SEEN 10/27

October 26, 1993

MEMORANDUM FOR THE PRESIDENT

FROM JEFF ELLER JE

REFERENCE: Comparative information on health care plans

Per your request of last evening, here is information that contrasts and compares your Health Security Act to other plans introduced. The analysis if the Breaux plan is on going -- his bill is almost identical to Cooper, with the exception of weaker medical malpractice provisions and an aesthetic difference in what they call their national board.

Your proposal builds on what works. Unlike most of the proposals on Capitol Hill, it doesn't dramatically restructure the way health care is delivered and paid for, or completely alter the health benefits people get through their insurance. Most people are happy with the way they get their health care; they just want to know it will be there for them when they need it.

9 out of 10 Americans with private insurance get coverage through their employer -- the fact is an employer-based system works <u>well</u> for most people. Your plan preserves and builds on the employer based system by requiring all employers to contribute to a portion of their worker's health insurance, and by spreading risks and responsibilities among all employers to make health insurance more affordable for all companies. Most people will get their health care from the same doctors and hospitals they do now, and, like today, most will contribute something to the cost of their care. Most importantly, most people will get the same or better benefits than they have today, and under the President's plan those benefits will never be taken away.

It's the only proposal that achieves universal coverage without shifting the full cost of health care to American families, like Senator Chafee's plan, or turning American health care over to the federal government, like single-payer plans.

Most other proposals leave millions uncovered. In fact some plans, like Congressman Cooper's, actually encourage companies to drop the coverage they now provide their workers. By setting up a government program to pay for poor people, including those who work, this plan essentially tell firms: don't worry about your low-wage workers-- the government will pick them up.

And the other Republican proposals don't do anything to expand coverage, while paving the way for discriminatory insurance practices to continue. One thing is clear, under these plans, millions of Americans will continue to lose their health insurance, and the rest of us will foot the bill for their care.

The other plans:

Chafee

Senator Chafee's proposal shifts responsibility for health care from employers to individuals with an individual mandate. Under this plan, individuals would have no choice but to buy health insurance, but employers have no responsibility whatsoever to chip in. They'll tell you employers will probably keep on contributing, but if they don't middle-class families would be required by law to pay the full cost of their health insurance. But insurance isn't cheap, especially for decent benefits. The Chafee bill says that people who can't afford to pay the full cost of benefits they have now will have the option of buying bare-bones coverage. If people are forced to bear the full cost, any people will find that's all they can afford, and will end up with far fewer benefits than they have today.

Cooper

Congressman Cooper's plan also changes the responsibility of the employer. This proposal encourages plans to offer low prices, because under this system only the cheapest plan is tax deductible. That means that many companies would have to scale back benefits they now offer their workers or else pay new taxes to keep providing them.

Gramm/ Michel

The proposals put forth by Senator Gramm and Congressman Michel are the worst of all worlds-- they keep in place the things about our health care system that virtually everyone thinks should be changed and put at risk the things about our system people want protected. Senator Gramm's proposal leaves in place insurance company practices that drop people without clear reason, overcharge people because they once were sick, and refuse to pay for illnesses they label "pre-existing conditions". And both Senator Gramm's bill and Congressman Michel's bill toss aside the elements of our health care system most people really like-- coverage to see your own doctor, and comprehensive benefits. These proposals say that if you want to still see your doctor that's fine, but <u>you</u> should pay for it, not your insurance company. Not only does it do nothing to bring coverage to the 37 million Americans with no health insurance, but it puts in jeopardy the people who have good benefits today by repealing state insurance laws that guarantee a minimum level of benefits for all those with insurance.

McDermott/Wellstone
Perhaps the most dramatic changes to American health care are proposed by Congressman McDermott and Senator Wellstone, and the dozens of other Members of Congress who favor a "single-payer" system where the government raises money through taxes and pays all the country's health care bills. They argue this approach works in Canada and could work well here. Certainly it is a more simple system, and does achieve universal coverage. But it would involve replacing our existing private sector system paid for by individuals and companies with a public system paid for with a half a trillion dollars in new taxes.

The President's goal is to preserve our uniquely American approach to health care-- employer-based coverage for private-sector health care-- and make it better by making it work for everyone.

THE PRESIDENT HAS SEEN

10. 27. 93

Podesta

THE WHITE HOUSE

WASHINGTON

October 26, 1993

RECOMMENDED TELEPHONE CALL

TO: Nancy Gertner
Work: (617) 357-9202, Home: (617) 731-3612

DATE: Evening of October 26, or
October 27, any time before 2 P.M.

RECOMMENDED BY: Bernie Nussbaum and Ron Klain

PURPOSE: To notify her of her nomination to a position on the United States District Court for the District of Massachusetts.

BACKGROUND: On October 27, you will nominate four judges for vacancies in Massachusetts. Gertner is one of these four.

ADDITIONAL TOPIC: Nancy Gertner's father passed away last Friday (October 22).

CONTACT PERSON: Ron Klain, 456-7901

DATE OF SUBMISSION: October 26, 1993

ACTION: X great call -
BC motivation for her desire to enter public service "I put this all at your feet"
She'll contact us when she comes for her hearing - HRC + I want to see her

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
10.27.93

October 26, 1993

RECOMMENDED TELEPHONE CALL

TO:	Richard Stearns Work: (617) 725-8130; Home: (b)(6)
DATE:	Evening of October 26, or October 27, any time before 2 P.M.
RECOMMENDED BY:	Bernie Nussbaum and Ron Klain
PURPOSE:	To notify him of his nomination to a position on the United States District Court for the District of Massachusetts.
BACKGROUND:	On October 27, you will nominate four judges for vacancies in Massachusetts. Stearns is one of these four.
CONTACT PERSON:	Ron Klain, 456-7901
DATE OF SUBMISSION:	October 26, 1993

ACTION: Great talk
He was joking w/ the FBI guy
Says he'll straighten out—

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

10.27.93

October 26, 1993

RECOMMENDED TELEPHONE CALL

TO: Harry Barnes
Work: (501) 864-1947; Home: (501) 836-6045

DATE: Evening of October 26, or
October 27, any time before 2 P.M.

RECOMMENDED BY: Bernie Nussbaum and Ron Klain

PURPOSE: To notify him of his nomination to a position on the United States District Court for the Western District of Arkansas.

BACKGROUND: You will nominate a total of six district court judges on October 27. Barnes joins Bill Wilson as your second Arkansas judicial nominee.

CONTACT PERSON: Ron Klain, 456-7901

DATE OF SUBMISSION: October 26, 1993

ACTION: Nice talk

THE WHITE HOUSE

WASHINGTON

[redacted]

THE PRESIDENT HAS SEEN
10.27.93

October 27, 1993

MR. PRESIDENT:

The attached letter from Ann Richards was received this afternoon and David Lane of the NEC prepared the accompanying memo. David and Sylvia Mathews will discuss this with you prior to your 4:30 pm meeting with Gov. Richards.

TDS
Todd Stern

[redacted]

What are the chances of the Dept of Comm project being funded? after SSC should try to help.

[redacted]

Dorothy Robyn
Tom Kalil
Jonathan Sallet

get back to me quick on this
John Podesta

STATE OF TEXAS
OFFICE OF THE GOVERNOR
AUSTIN, TEXAS 78711

ANN W. RICHARDS
GOVERNOR

October 27, 1993

Please help —

The Honorable William J. Clinton
The White House
Washington, D.C. 20500

Dear President Clinton:

Bill

I was pleased to receive your letter and list of the first round of selections under the Technology Reinvestment Project. However, I was surprised to see that none of the proposals submitted by the Texas Department of Commerce were included, especially the centerpiece of our proposals, the Texas Manufacturing Assistance Center Network.

The proposal builds on existing resources and is a comprehensive, coordinated approach that supports all regions of the state and is designed to help over 19,000 Texas manufacturing firms. It can be a critical link in the nation's manufacturing extension network. It even includes a plan that establishes Small Business Development Center assistance at all network sites. A similar plan was recently announced by the U.S. Department of Commerce and the Small Business Administration.

I understand that another round of selections will be made soon. I urge your support for the Texas Manufacturing Assistance Center Network proposal so that we can help manufacturers and workers compete in today's international marketplace.

Sincerely,

Ann

ANN W. RICHARDS
Governor

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 (512) 463-2000 (VOICE) / (512) 475-3165 (TDD)

[redacted]

THE PRESIDENT HAS SEEN
10-27-93

Tony

I am worried
to see the emerging
opposition for us in
Haiti, Som, Bosnia

B.

[redacted]

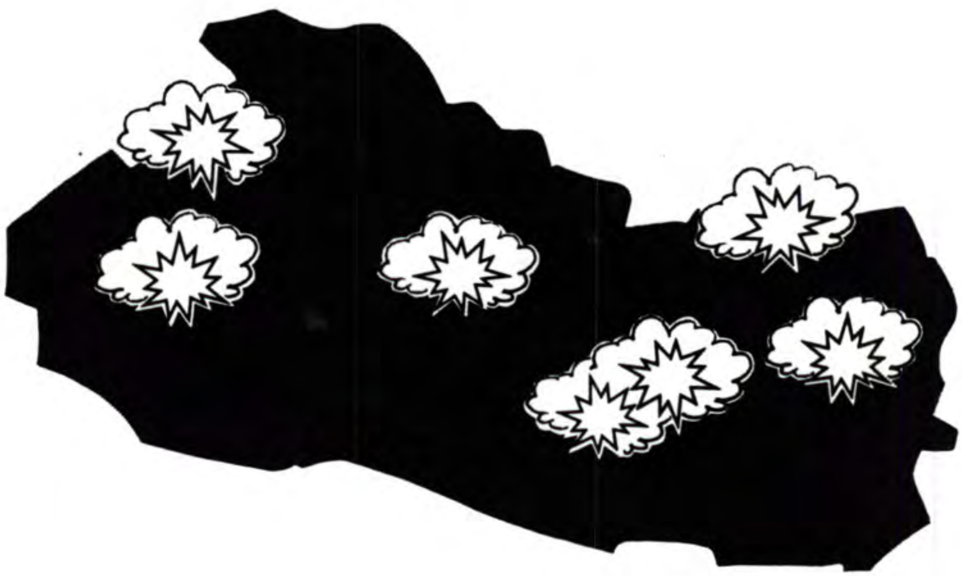
[redacted]

SPECIAL REPORT

American Military Policy in Small Wars:

The Case of El Salvador

A.J. Bácevich
James D. Hallums
Richard H. White
Thomas F. Young



INSTITUTE FOR FOREIGN POLICY ANALYSIS, INC.
IN ASSOCIATION WITH THE FLETCHER SCHOOL OF LAW AND DIPLOMACY, TUFTS UNIVERSITY

PERGAMON-BRASSEY'S

THE WHITE HOUSE

WASHINGTON

October 27, 1993

Mr. and Mrs. Ronald R. Geisler
9678 Scotch Haven Drive
Vienna, Virginia 22181

Dear JoAnne and Ron:

Hillary and I are delighted to send our best wishes for your 30th wedding anniversary. We, along with Ron's many friends here at the White House, wish you both good health and much happiness.

Happy Anniversary! And may you enjoy many more wonderful years together.

Sincerely,

Bill Clinton

THE PRESIDENT HAS SEEN 10/28

THE WHITE HOUSE

WASHINGTON

23 A9:20

September 23, 1993

DAILY NAFTA TELEPHONE CALLS

TO: Representative Bob Torricelli (D-NJ) (from Mon, 9/20)
Representative Norm Dicks (D-WA) (from Mon, 9/20)
Representative Norm Mineta (D-CA) (from Tues, 9/21)
Representative Sam Gejdenson (D-CT) (from Tues, 9/21)
Representative Ben Cardin (D-MD) (from Tues, 9/21)
Representative Tom Sawyer (D-OH) (from Wed, 9/22)
Representative Louise Slaughter (D-NY) (from Wed, 9/22)
Representative Herb Bateman (R-VA) (from Wed, 9/22)
Representative Chuck Schumer (D-NY)
Representative Buddy Darden (D-GA)
Representative Jack Fields (R-TX)

DATE: September 23, 1993

RECOMMENDED BY: Susan Brophy SB

PURPOSE: Daily phone calls on NAFTA that you committed to making.

BACKGROUND: (1) Rep. Torricelli is Chairman of the Foreign Affairs Subcommittee on Western Hemisphere Affairs. He was leaning yes before the August recess but because of pressure from his district, he is now leaning no. We believe that if he is strongly urged to support the Treaty, he will.

(2) Rep. Dicks is a strong environmentalist and his support for NAFTA may move other votes from the Pacific Northwest. He should be with us, as Boeing is a likely beneficiary of NAFTA.

(3) Rep. Mineta is undecided but should be reminded that NAFTA will be good for the hi-tech industry in his district.

(4) Rep. Gejdenson is Chairman of the Foreign Affairs Subcommittee on Trade and Environment and is undecided on the Treaty.

(5) Rep. Cardin is on the Ways and Means Committee and represents the Port of Baltimore. He is undecided on NAFTA.

(6) Rep. Sawyer is leaning toward supporting NAFTA. We believe that if you ask him to support the Treaty, he will.

(7) Rep. Slaughter is undecided on NAFTA. She has been an ardent supporter of all of your initiatives, and it may be hard for her to oppose you if she is asked directly for her vote.

(8) Rep. Bateman is undecided on NAFTA. We believe that if you stress the importance of bipartisan support for NAFTA and ask for his help, he may support the Treaty.

(9) Rep. Schumer is on the Foreign Affairs subcommittee on Trade and the Environment. He is undecided on NAFTA and a call may help him support the Treaty.

(10) Rep. Darden is undecided on NAFTA. We believe that he may support NAFTA if he is asked.

(11) Rep. Jack Fields is undecided on NAFTA. We believe that if you emphasize how important bipartisan support is on the Treaty, he may support it.

ACTION: ______________________________

____

____

Chron

THE WHITE HOUSE

WASHINGTON

October 28, 1993

The Honorable James L. Witt
Director
Federal Emergency Management Agency
Washington, D.C. 20472

Dear Mr. Witt:

I have determined that the damage in certain areas of the State of California, resulting from wildland fires on October 26, 1993, and continuing is of sufficient severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("the Stafford Act"). I, therefore, declare that such a major disaster exists in the State of California.

In order to provide Federal assistance, you are hereby authorized to allocate from funds available for these purposes, such amounts as you find necessary for Federal disaster assistance and administrative expenses.

You are authorized to provide Individual Assistance and Public Assistance in the designated areas. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Public Assistance will be limited to 75 percent of the total eligible costs.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

October 28, 1993

The Honorable Pete Wilson
Governor of California
State Capitol
Sacramento, California 95814

Dear Governor Wilson:

As requested, I have declared a major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) for the State of California due to damage resulting from wildland fires on October 26, 1993, and continuing. I have authorized Federal relief and recovery assistance in the affected area.

Individual Assistance and Public Assistance will be provided. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Public Assistance will be limited to 75 percent of the total eligible costs in the designated areas.

The Federal Emergency Management Agency (FEMA) will coordinate Federal assistance efforts and designate specific areas eligible for such assistance. The Federal Coordinating Officer will be Mr. Frank L. Kishton of FEMA. He will consult with you and assist in the execution of the FEMA-State Disaster Assistance Agreement governing the expenditure of Federal funds.

Sincerely,

Bill Clinton

THE PRESIDENT HAS SEEN
10.27.93

THE WHITE HOUSE

WASHINGTON

October 26, 1993

RECOMMENDED TELEPHONE CALL

TO: Congresswoman Lucille Roybal-Allard
(202) 225-1766

DATE: October 26, 1993

RECOMMENDED BY: Rahm Emanuel and William M. Daley R.E.

PURPOSE: The purpose of this call is to ask the Congresswoman to support Nafta, and, more specifically, to announce her support tomorrow.

BACKGROUND: Lucille Roybal-Allard is a freshman congresswoman from California. She is a co-sponsor with Congressman Torres of the North American Development Bank, which will be announced tomorrow.

TOPICS OF DISCUSSION:

1. You should point out that the White House has been working closely with the Congresswoman to address her concerns regarding Nafta. You can mention the creation of the NAD Bank, in particular.

2. You should then ask her to announce her support for Nafta tomorrow with Congressman Torres.

CONTACT PERSON: Rahm Emanuel

DATE OF SUBMISSION: October 26, 1993

ACTION:

Economic Strategy Institute

1100 Connecticut Avenue, NW, Suite 1300
Washington, DC 20036
Telephone 202·728·0993/Facsimile 202·728·0998

10/26
1. cc M. Kantor
2. BC

To Bob Rubin
per our discussion
R.

October 25, 1993

Ms. Nancy Hernrich
Deputy Assistant to the President for
Appointments & Scheduling
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Ms. Hernrich:

Enclosed is a letter to President Clinton in reply to his request for additional information on the Uruguay Round of trade talks. I would appreciate you forwarding my letter to him at your earliest convenience.

Thank you for your assistance.

Sincerely yours,

Clyde V. Prestowitz Jr.

Clyde V. Prestowitz, Jr.
President

ESI

Economic Strategy Institute

1100 Connecticut Avenue, NW, Suite 1300
Washington, DC 20036
Telephone 202·728·0993/Facsimile 202·728·0998

October 25, 1993

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

Thank you for your kind note of September 23 regarding my Washington Post article in support of NAFTA. I am writing now to respond to your post script request, that I further explain the concerns about the Uruguay Round I expressed in the same article. These concerns are described in the attached paper.

I am supporting NAFTA because, despite its flaws, I think the United States will be better off with it than without it. But I believe the reverse could well be true of the Uruguay Round. By failing adequately to protect intellectual property and to curb subsidies, industry targeting, and other predatory practices, ~~the potential of the current Dunkel draft agreement to~~ seriously damage the U.S. economy is great while the likely gains seem limited. This conclusion is reinforced by the probability that adoption of the Dunkel text would dramatically reduce the efficacy of U.S. trade laws, and particularly that of Section 301.

In my view, our strategy now should be to conclude a modest interim deal--a "small package"--while proposing a new Clinton initiative to review and reconstitute the GATT and the entire world trading system in the light of the dramatically new circumstances of the post cold war world.

We view your election 11 months ago as a clear signal from the American people that they want change in terms of expanding job growth and a rise in living standards that have been declining for several years. New rules that bring all world traders to U.S. levels of market openness are essential and achievable if we maintain our bargaining leverage. The Dunkel text would strip us of this leverage in exchange for negligible gains in agriculture, tariffs, and services.

The world economy should guarantee open trade on the basis of equal competitive conditions for all participants. Achieving such an objective via a Clinton trade initiative would continue the American tradition of world economic leadership begun half a century ago at Bretton Woods, spark growth throughout the trading world, create hundreds of thousands of U.S. jobs, and stand as a vital legacy left by your administration as the country enters the new era of geo-economics.

ESI

Yet, accepting the present Dunkel text or anything like it, could result in another bruising political battle with a Congress that you know is deeply concerned with potential loss of U.S. jobs. A Clinton trade initiative could forestall this.

I hope this is helpful. I'd be delighted to discuss this further with you and your advisors.

Sincerely yours,

Clyde V. Prestowitz, Jr.

Clyde V. Prestowitz, Jr.
President

ESI

Problems with Uruguay Round

I. U.S. Strategy for the Round was poorly conceived and negotiated

The original U.S. strategy was to slash agricultural subsidies and trade barriers, to gain access to foreign markets for services equivalent to that granted here, to phase out textile quotas, and to create a better trading environment by winning stronger intellectual property protection, reduced tariffs and subsidies, and stronger international rules against unfair trade.

This agenda, however, was poorly conceived. It placed great emphasis on agriculture (less than 20 percent of U.S. trade) and services trade (a relatively small job creator) while largely ignoring the foreign industrial targeting, keiretsu, cartel, and secretive regulatory and administrative practices that have bedeviled U.S. manufacturing trade (the vast bulk of our trade) for decades. In fact, these issues have been the source of most of the major trade disputes of the past twenty years.

Further the small gains conceivable from this agenda were diminished through poor negotiations by a Bush Administration bent on using the Uruguay Round for political gain. None of our original objectives are even close to achievement. Gains on agriculture and tariffs are much smaller than originally desired, and we face pressure to pay for them with concessions that would disadvantage our manufacturing and service industries and weaken our ability to deal with unfair trade practices. Although some of our negotiators claim to have made no such concessions, the text of the Dunkel draft belies their words.

II. The Dunkel Draft will weaken U.S. Trade Laws

The U.S. is far and away the world's most open market. Moreover, the U.S. system is totally transparent; other nations can and do use our procedures to force us to adhere to virtually all established rules. Thus, any agreement that does not fully open foreign markets will tend to lock U.S. industry into a disadvantageous position. And because the GATT allows the application of vastly different national rules to govern trading practices rather than enforcing a common standard of behavior, U.S. exporters are almost certain to face unequal conditions.

From this perspective, the most important problem is the dispute-settlement clause of the Dunkel text, which requires that all disputes be arbitrated by mandatory GATT dispute panel procedures. This clause would effectively nullify present Section 301 authority to take action against unfair trade, because using 301 after exhausting GATT procedures would violate the new GATT rules, and could unleash GATT retaliation against us. Thus, it is extremely unlikely that we would use 301 if the current draft text is adopted. It has been precisely the leverage created by the threat of 301 that has opened many foreign markets to U.S. producers--including the Japanese semiconductor market and the Brazilian computer market--and that has resulted in better intellectual property protection from our trading partners. Without 301, our leverage for future market-opening initiatives would be gone. The draft text would also exempt from GATT dispute-settlement procedures any complaints against practices such as cartel-like behavior, administrative guidance, collusion, and other complex barriers not addressed by the Uruguay Round. Such practices forever would therefore be placed beyond remediation.

The draft's effect on U.S. anti-dumping regulations would be nearly as bad. When Congress created negotiating authority for the Uruguay Round, it specified that the anti-dumping regulations were to be strengthened. In fact, all provisions of the current Dunkel text would weaken them. Circumventing anti-dumping duties would become easier, while the ability of U.S. industry groups to file cases would be narrowed. The method of calculation for dumping would also change so as to make a finding of dumping more difficult to obtain--while providing no disincentive to repeat offenders. In short, the Dunkel text would leave key U.S. industries vulnerable to the same tactics that have already wiped out many other U.S. industries, ranging from CB radios to semiconductor memory chips.

III. The Dunkel Draft is unacceptable on Services and Intellectual Property Protection
Evaluating the negotiations on services, intellectual property protection, and subsidies hinges on the fate of 301. Some gains toward more open foreign service markets have been made, but the Dunkel text would not even come close to giving U.S. services firms the same access abroad that foreign firms have in America. In most cases, for example, our firms would not even be accorded national treatment. Without the potential of 301, adherence to the services draft text would lock U.S. companies into an eternally tilted playing field.

The same is true for subsidies and intellectual property (IP) protection. Although there are some pluses in the draft's IP provisions, there are some major negatives, including provisions that would allow compulsory licensing of patents, deny any IP protection to bio-technology (one of our best potential growth areas), and phase in IP protection for pharmaceutical products over a very long (10 year) period. Without the potential of 301, these flaws become unacceptable. Further, the Dunkel text will actually legitimize subsidies that are now actionable under U.S. law. In terms of ultimately achieving a level playing field in these critical areas, U.S. companies would be better off with a series of bilateral negotiations that utilize the potential of 301 than with the present GATT deal.

IV. The Dunkel Text will hurt the U.S. Textile Industry
Under the Dunkel text, the textile quota system would be phased out without requiring in return any opening of the closed markets of some of the biggest textile exporting countries like India and Thailand. China would undoubtedly be the big winner because in order to earn foreign exchange, it can and does export without regard to cost. This means that China can displace virtually all other suppliers to the U.S. market--including, for example, Mexico. No one is considering the implications of the current $25 billion trade deficit with China rising to $50 billion, as many observers are forecasting.

V. Consequences for the U.S. Economy
Recent OECD estimates of a ten-year world GNP gain of $220 billion from a successful Round are not impressive (less than $22 billion annually of which the U.S. share would be only $2 to 3 billion) further, the calculations on which they are based ignore the question of losses America could incur from the GATT talks' failure to curb unfair trade practices. Yet in the past these practices have severely damaged key U.S. industries such as semiconductors, steel, and consumer electronics. Thus, the current draft agreement could easily worsen the U.S. trade deficit by $20 to 30 billion and reduce U.S. GNP growth significantly, costing Americans thousands of jobs.

VI. What would a Successful Conclusion be for the U.S.?

A "successful" Uruguay Round means that we must change the Dunkel text clauses that would nullify 301 and that would dilute the U.S. anti-dumping regulations. We must also achieve further curbs on industrial subsidies and plug the holes in the intellectual property clauses. And we must gain further tariff cuts in areas such as forest products and semiconductors, while securing a more level playing field in services. Achieving these will be extremely difficult, but compromising significantly on any of them could have very serious consequences for the U.S. economy.

The heart of the matter is that the GATT system has for decades maintained a situation in which the U.S. market is more open than others. This situation has benefitted others--who have come to take it for granted--and the United States has accepted it for Cold War reasons. But the Cold War is over, and American world leadership now increasingly depends on our prowess in technology and industry and on our ability to invest in the future, rather than on our military might. We can no longer accept GATT premises and procedures that put U.S. industries at a disadvantage. As we try to redress the inequalities of the GATT, other countries are striving to limit our options, for obvious reasons.

That is why we cannot afford at this time to give up our ability to act unilaterally. I recognize the limits of unilateral action and do not recommend its frequent use. Nor do I contend that the United States must have such power indefinitely. But before giving it away, we must create an international trading system that will guarantee equity for the United States, and we will need the power that comes from our trade laws to achieve such equity.

VIII. From Uruguay Round to Clinton Trade Initiative

The December 15 Uruguay Round deadline probably does not provide enough time to do all that is necessary. I suggest telling our trading partners that, in the wake of the NAFTA battle, you can not possibly present anything resembling the Dunkel text to the U.S. Congress. You should point out that the text's rejection by the Congress would be worse than a failed Round. Tell our trading partners frankly that the world has changed since the start of the Round back in 1986 and the current agenda is simply no longer adequate. Suggest a small deal of easily agreed-on items and promise to get renewed fast track authority if they accept the Clinton Trade Initiative (CTI). This CTI would not be a conventional negotiating round. Rather, it would recognize that the GATT structure never anticipated today's degree of international economic integration and is inadequate to deal with such a phenomenon. Thus the initiative would aim to redefine the principles of liberal trade and to use them to refurbish the entire trading structure. To give our partners an incentive to cooperate in such an effort, your Administration should initiate vigorous efforts to equalize competitive conditions on a bilateral basis wherever the markets of our trading partners are substantially less open than our own.

Mack – we need to discuss this

4:30pm

Gov. – This is a hazard and an

Richards opportunity

B:

TAB C

THE WHITE HOUSE

WASHINGTON

October 27, 1993

MEMORANDUM FOR THE PRESIDENT AND MACK MCLARTY

FROM: T.J GLAUTHIER, KEITH MASON, AND SYLVIA MATHEWS

SUBJECT: **Summary of Richards/O'Leary Meeting**

Governor Richards wants to go back to Texas and say that she accomplished three things:

- **Told the Administration that the Federal Government should make Texas whole** (High end Texas estimates $600 million -- Administration estimates could be much lower). She wants to say that they listened and "are inclined to do that." We should be careful not to indicate any commitment.

- **Discussed the viability of a number of projects that could continue in Texas.** (see attached) She also wants a guarantee that no projects will move from Texas. There may be some projects that would stay, however, we should not preclude the possibility that some projects should be moved.

- **Told the President that, even though the bill does have other things in it that are important to Texas, he should threaten to veto the bill over the SSC.** (Secretary O'Leary said she would not recommend that action and the Governor said that she understood, but still needed to deliver the message.) Richards says that Bush threatened a veto in 1990, but not in 1992.

Other points Governor Richards made:

- She does not want a fight with the Administration and does not want to sue -- just wants the Federal Government to hold up its end of the bargain.

- She would like to say that at some time the federal government will reexamine the completion of the project.

- The Administration needs to work quickly to determine what will happen to the people working on the SSC. Secretary O'Leary agreed and said we will get answers to those questions quickly.

• She mentioned that she will not push to fill up the hole and that she helped prevent Texas Congress people from giving the Administration explicit instructions about how to use the funds.

Secretary O'Leary's response:

- DoE set up a team to handle critical issues
- Sending people from DoE to Texas right now to start the process of working out what to do
- Secretary O'Leary will go to Texas on November 11th to spend a day with Governor Richards and others on the SSC
- O'Leary said she would be "the Administration point person" on this issue. She will be a "soldier for Texas" (Note: Jack Gibbons will also be involved)
- O'Leary promised a telephone call a week from today with the names of all those involved in the SSC project.
- O'Leary also mentioned tactfully that current DoE estimates of making Texas whole were $300 million instead of the $600 million that Richards will mention to you.

For a total cost of approximately $270,000,000.00 over two years, the DOE could complete the following facilities:

1. **TEST BEAM FACILITY**

This would involve completion of the Linear Accelerator, Low Energy Booster, and Medium Energy Booster with a fixed Target Detector. This would be a high luminosity beam facility devoted to full-time fixed target research. Such a facility is needed and would be in high demand.

It would take approximately two (2) years to complete this facility at a total cost of about $250 million over the two (2) year period.

This project would maintain about 1,000 construction jobs over the two year period. When completed, it would have about 200 full-time employees.

2. **COLD MAGNET RESEARCH AND DEVELOPMENT FACILITY**

This facility is essentially complete and in place. All that needs to be done is some minor retooling which could be done at very little cost.

When completed, this would be a unique, world class cold magnet super conducting research facility employing 200-300 people full time.

3. **CENTRAL LABORATORY AND RESEARCH FACILITY**

This is a prime real estate that includes a first class office/laboratory complex. Texas paid $35 million for this facility. The federal government could utilize the complex as a research laboratory for no additional cost.

4. **PROTON THERAPY TREATMENT CENTER**

This would require completion of the linear accelerator at a cost of approximately $25 million (approximately $50 million has already been spent on the linear accelerator). The LA stub required to re-direct the proton beam is already in place.

In addition, it would be necessary to spend approximately $10 million to construct the building for this treatment center. Once the building is complete, Southwestern Medical School would then pay for all necessary equipment with approximately $15 million raised from private sources.

Once completed, this would be the premier Proton Therapy Treatment Center in the entire United States. Presently there are only two such centers (New England and California), both of which are much smaller than this center would be. As such, this center would be a significant national asset that would serve the entire southwestern United States and would quickly evolve into one of America's preeminent medical facilities.

THE WHITE HOUSE

WASHINGTON

October 27, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JACK GIBBONS, T.J. GLAUTHIER, MARCIA HALE, AND SYLVIA MATHEWS

SUBJECT: **Attached Briefing Memos on SSC**

Today, you, Mack and Secretary O'Leary will all meet with Governor Richards, at separate times, to discuss the Supercollider. In Mack's conversation he will focus on her political concerns. Secretary O'Leary will discuss Governor Richards' suggestions on what to do in Texas.

During your conversation you will inform the Governor of the good news we have:

- all the SSC funds for FY '94 are going to termination, Congress will complete that action today or tomorrow (see attached memo)

- DoE is sending representatives to Texas today to work with Texans to assess how best to proceed

- the White House will have a team to work with DoE to coordinate and cut red tape on issues surrounding the SSC

- DoE and OSTP will work with outside experts to examine the future direction of high energy physics.

Because the termination process involves 47 other states where 50% of the money and jobs go and there are legal issues involved in what contracts can be terminated, **at this time you will be unable to tell Governor Richards how much money Texas will get or the specifics of what will happen.**

Please see the first attached memo for further background and talking points. The second memo, from Secretary O'Leary adds some of her thoughts and reflects the state of play as of last week. Since then the B-factory problem with California has been solved.

Before your meeting at 4:00 we will brief you on the other two meetings.

cc: Vice President, Secretary O'Leary

SSC Background And Talking Points

Background

- Yesterday, October 26, the House approved the Conference Report on the Energy and Water Appropriations Bill that included a provision terminating the Superconducting Super Collider (SSC). The Senate is expected to approve it later this week:

  - Congress provided $640 million to terminate the project.

  - Approximately half of the spending on the SSC to date has been in Texas.

  - Other States that will be significantly affected by SSC termination are California, Illinois and New York -- contracts for the SSC have been awarded in 48 States.

  - 7,600 The SSC supports 2,300 jobs at the site in Waxahatchie, Texas, another 1,500 elsewhere in North Texas, and an equal number of jobs elsewhere in the country.

Talking Points

- We have supported directing all $640 million of the FY94 funding for SSC to go for termination. The House has approved that amount and the Senate is expected to concur today or tomorrow.

- The Administration has developed the following principles to guide the project termination process:

  - Maintaining close cooperation between the Administration and State and local officials;

  - Giving high-level attention to affected workers and their families; and

  - Making the maximum use of State and Federal investment to date.

- I am taking the following steps immediately:

  Today, I am sending representatives of the Department of Energy to Texas to assess what needs to be done and how best to proceed. They will work closely with the State of Texas to identify State and local community needs, as well as the needs of individuals whose jobs are endangered by this action. The Department of Energy will have the lead responsibility for detailed planning and implementation of the termination effort.

I am appointing a White House team that will cut through red tape, coordinate and resolve critical issues with DOE. This will ensure that the needs of those affected by project termination are addressed compassionately and expeditiously and there is effective planning for future uses of the facility and technology. This team will include high-level representatives from the Office of Science and Technology Policy, the National Economic Council, and the Office of Management and Budget.

I am directing DOE, together with OSTP, to work with outside experts to examine the future direction of U.S. high energy physics research and opportunities for internationalizing future high energy physics projects. This panel will also review alternative uses for existing SSC facilities and technology.

- **In the next three weeks,** with the active cooperation of the Texas Governor's office, the Department of Energy will identify the short-term steps to be taken at the site. This includes determining:

  - Which contractors and contracts will be phased down;

  - What the relocation and benefits package will be for employees; and

  - What site-level activities will be continued over the next several months while long-term planning is underway.

Questions and Answers

- **Governor Richards had three recent requests regarding the SSC:**

  Q: Will the Federal government develop a continuing project from the SSC that can be useful to Texas and the Nation?

  A: DOE/OSTP will work with outside experts to address this question.

  Q: Will the Federal government fill in the 17-mile tunnel and restore the site to its original condition?

  A: The answer to this ought to await the outcome of the of the long-term site and program assessment.

  Q:. Will the Federal government repay the State's contribution of approximately $400 million to the project?

  A: We will work through this point. We understand it is one of your major concerns, but we do face some difficult issues, legal and otherwise.

The Secretary of Energy
Washington, DC 20585

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: HAZEL R. O'LEARY

SUBJECT: Status of the Superconducting Super Collider

This memorandum summarizes the current status of issues surrounding the Superconducting Super Collider (SSC). After discussions with the affected members from the Texas Delegation, Governor Richards, Senator Johnston, and key Administrative officials from the Office of Management and Budget, the Office of Science and Technology Policy, and the National Economic Council, I offer these recommendations to address the policy and political issues that have been raised by the vote to terminate the SSC.

I. POLICY ISSUES

The termination of the SSC leaves a perception that the Nation has decided not to sustain its leadership in high energy physics. I have tasked the leaders in the high energy physics community to develop a national strategy that will allow us to maintain an adequate program to continue exploring the frontiers of high energy physics in order to gain the economic benefits that result from such projects.

We must not only rationalize the Department of Energy's High Energy Physics Program, but determine how to increase international participation and support for future efforts. Due to the magnitude of the federal deficit, international participation and support is required to gain the public's and Congressional support in the future for large scientific endeavors. The Conferees are considering language which requires the Secretary of Energy to: (1) determine the feasibility of utilizing the SSC assets in whole or in part in pursuit of a high energy physics endeavor; (2) provide a strategy for all Department of Energy high energy physics projects this summer. The proposed language gives me the authority to develop and provide recommendations to the Congress on the future direction of high energy physics programs in the Nation. This work is important for the Administration's credibility with the scientific community.

II. POLITICAL CONSIDERATIONS

TEXAS

I have spoken to Governor Richards and Congressional members in the Texas Delegation in order to address their concerns resulting from the termination of the project. First, each stated their desire to develop a project from the SSC which can be useful to Texas and the Nation; (2) that the federal government fill the 17-mile tunnel and restore the ground to its original condition; and (3) the State will seek federal payback of the State's contribution to the project. I will attempt to have language included in the conference report which provides the Department the authority to work with the Governor of Texas to develop an appropriate package with the State. This is important for the Administration's credibility with the State.

We will quantify the cost and legal implications of such actions. We are coordinating this work with Jack Gibbons, Bob Rubin and the Office of Management and Budget.

CALIFORNIA

The amendment the Conferees are considering would delay construction of the B-Factory (which you just awarded to California on your last visit) until 90 days after the Department prepares a report (due July 1994) describing the major high energy physics facilities planned or under development by the Department of Energy. This would likely result in delay of important activities in Northern California until October of 1994. Based upon discussions with knowledgeable officials from Stanford, this delay would result in temporary layoffs of approximately 100 scientists in California. I have attempted to negotiate language to remove this impediment to the initial construction of the B-Factory and believe we will be successful. I will fight to keep the B-Factory on schedule and untouched.

I am available to discuss these issues with you at your earliest convenience.