

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Table of Contents (1 page)	11/01/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

November 1-6, 1993 [2]

2018-0662-S

rs3075

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]
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- 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]

11/2 cheow

THE WHITE HOUSE

WASHINGTON

NOV 2 87:21

November 1, 1993

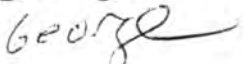
MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD W. NUSSBAUM 
COUNSEL TO THE PRESIDENT
CLIFFORD M. SLOAN 
ASSOCIATE COUNSEL TO THE PRESIDENT
SUBJECT: DEA Administrator

In light of DEA Administrator Bonner's departure from the DEA on October 31, you have asked about the status of the DEA Administrator position.

The Justice Department is reviewing potential candidates. A list of DOJ's 11 finalists is attached. (The order on the list does not reflect a ranking of the candidates).

Attorney General Reno plans to recommend a DEA Administrator to you by the end of the week.

C.C. Bruce Lindsey
MACK
DAVID
George 



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deal on this*

THE PRESIDENT HAS SEEN 25

U.S. Department of Justice

Drug Enforcement Administration

732 P5:17

Office of the Administrator

Washington, D.C. 20537

October 22, 1993

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

Dear President Clinton:

This is to advise you that I am resigning as the Administrator of Drug Enforcement and as the head of the Drug Enforcement Administration (DEA), effective October 31, 1993, in order to return to private life.

It has been a privilege for me to serve as the DEA Administrator since my appointment to this office on July 30, 1990, and I greatly appreciate the opportunity you have given me to serve into your Administration and under Attorney General Janet Reno.

In my view, there is no greater threat facing America than that posed by drug abuse and drug trafficking, and the associated social harms that arise from them. I join with all Americans in wishing you great success in the fight against the scourge of drugs, a fight so important to the future well-being of our children and our nation. I believe you will find that DEA can and will make substantial contributions in implementing the drug control strategy adopted by your Administration for our nation.

Respectfully yours,

Robert C. Bonner
Administrator of Drug Enforcement

cc: The Attorney General

Withdrawal/Redaction Marker

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THE PRESIDENT HAS SEEN 11/2

THE WHITE HOUSE
WASHINGTON

November 1, 1993

7:21 PM P2:14

INFORMATION

~~MEMORANDUM FOR THE PRESIDENT~~

FROM: Linda Moore, Political Affairs

SUBJECT: Governor Walters to Retire

Can't

I. SUMMARY

Oklahoma Governor David Walters (D) announced at 11:00 C.S.T. today that he will not seek re-election next year.

II. DISCUSSION

Walters said that he decided not to run in order to protect his family, noting that his first term had been very costly to them and that he wanted to avoid subjecting them to the pain and loss of privacy a second term bid might generate. He added that he wanted to announce his intentions now so that the Democrats would have more time to carefully select a nominee for 1994. Walters concluded by saying that he hoped Oklahoma's next governor would be treated more generously.

If you would like to call him, his phone numbers are (O) 405/523-4260 and (H) 405/521-9211.

*cc/ Currie
Hennreich*

THE WHITE HOUSE

WASHINGTON

November 1, 1993

MR. PRESIDENT:

Mack/George/SS
We need to discuss this

Senator Kerry called me this evening to say that he had spoken with you in Boston and that you had asked him to send you his recommendations for a crime package. He later messengered the attached package which recommends an increase in spending of an additional \$23 billion **above the Biden crime bill levels**. He recommends paying for this by declaring a national emergency (i.e. add the additional spending to the deficit). I would normally circulate this for comment before forwarding it to you, but the Senator was clear that he believed that it was your desire that you receive it **directly**, which I am respecting. Senator Kerry said that he intends to raise this in the Democratic Caucus tomorrow.

I'll send copies to Mack, David, George, Howard and Bruce Reed.

[Signature]
John Podesta

United States Senate

WASHINGTON, DC 20510

MEMORANDUM

TO: President William J. Clinton
FROM: Senator John F. Kerry
DATE: November 1, 1993

Thank you for your generous availability during your visit to Boston. As I mentioned to you, I believe you must place crime more at the center of your governmental and political agenda, with dramatic initiatives that demonstrate beyond doubt the commitment and the ability of your Administration to restore social order and reasonable peace. Otherwise is to invite growing disorder, racial conflict and political defeat. The Crime Bill now on the table is woefully inadequate.

1. Crime and fear continue to dominate the unofficial politics of the country. Nothing else explains Riordan's victory in Los Angeles and Guiliani's potential victory in New York. Polls of "most important issues facing the country" shift with press attention and publicity. But polls of "most important issue affecting your community," or "your life," show crime as most important year in and year out.

2. Crime and violence are rapidly completing what Congressman John Lewis calls the social "disintegration" of the Black lower class. Inner-city dwellers are being destroyed. Every year, in America we are raising more and more children without human ties.

3. Americans of all races -- but particularly the middle-class and other aspiring immigrants who carry the age-old values of the laboring and the middle-classes -- family, work, morality, peace and prosperity -- are filled with horror and increasing deep resentment. They have utterly lost confidence in the ability or determination of the government to protect them. They move out (from Baltimore, Cleveland, Detroit, Washington, DC, St. Louis and California as a whole); they hire private police (1.5 million private police versus 535,000 public police); they buy guns (hundreds of thousands were sold legally in California this last year); 13 states now have laws now mandating the issuance of carry permits for any citizens without a physical, mental or legal disability.

4. It is impossible to over-estimate the cynicism and resentment of politics and politicians that result. What mother, huddled in a housing project, can believe we care about her when we can send troops to bring to peace to Somalia but can find no police for her? What suburbanite is not filled with horror when he or she

hears of a carjacking in a nearby mall, or an intruder to a California slumber-party who kidnaps a teenaged girl after tying up her friends? For thirty years, the political system has taken not one serious initiative against this growing menace. Does not our own lassitude suggest that we think the situation hopeless, that we believe that those who live in the inner city or in poverty are just that way, and that our only policy is to let them kill each other?

5. One substantial reason for your own election was Mr. Bush's demonstrated inattentiveness to domestic security (his biggest single drop in the polls was in the week of the Los Angeles riots), coupled with your own promise to add 100,000 police, indeed it was this pledge that Mrs. Clinton said on a visit to New York proved you were "new kind of Democrats." You cannot renege on this promise, nor postpone to some indefinite future.

6. Your present Crime Bill provides in Title I for about 20,000 police (not 50,000, as the press is beginning to discover). The Senate Police Corps provisions, not duplicated in the House Bill, would give you 80,000 more officers; but the Administration has made no provision for funding them (or any portion of the Biden crime package). One hundred thousand cannot be considered as more than a downpayment on what we will need. Your own cited statistic that each policeman today must face ten times as much violence as his predecessors in the 1950s implies that we need many more. It is evident that, at least, several hundred thousand are needed additionally and quickly, for crime prevention, as well as for crime control. Nor is there adequate provision in this bill for coordinating our federal, state and country prison systems, or for creative use of ex-military personnel and military facilities so as to provide the space for those who deserve to be confined.

7. The latest uniform crime reports released by the FBI two weeks ago show a shocking drop in the clearance rates for the most serious crimes, especially homicide. Basically, in the 63 largest cities -- a part of the country where 42 million people live and tens of more millions work -- the chances are about even that a killer will even be arrested, and about 1 in 3 that he/she will be sentenced to serve as much as one year in prison. Half of our murders are now committed by strangers. This is a national emergency with real national security implications. Should any foreign threat take the lives of this number of Americas, we would not argue whether or not we need armies and munitions to defend ourselves. We would spend whatever it takes. We will know how much that is after we have solved the problem.

8. The Bush Administration focused its priorities on enforcement and interdiction, both at the federal level. You have focused your rhetoric on prevention and treatment, at the local level, although to date, this has not been reflected in your budgets. In truth, prevention programs that deal with children up

front through anti-drug efforts in schools, and through providing local, structured, community clubs and evening sports programs for young people are critical anti-crime interventions that will not take place without federal support. By tying these needed programs to the anti-crime effort, rather than as part of a "stimulus package," or other job related package, you have a better chance of breaking through with those in Congress who resist new federal spending of any kind.

9. The following attached is a plan which represents my view of minimal systemic approach which will have an impact. It would cost an additional \$5 billion or so a year beyond the amount currently in the Biden crime bill, which requires you to find \$1.1 billion a year beyond the amount currently in the budget -- but not yet funded.

10. In funding a real federal response to crime, you have the following choices:

A. Cut other programs to fund it, beginning with the rescission process.

B. Raise dedicated taxes, which could include taxes on ammunition and gun licenses.

C. Declare a national emergency waiving the budget act.

I recommend that you declare a national emergency, thereby raising the overall national commitment to anti-crime efforts and making it more difficult for Congressional opponents of the Administration to prevent you from moving ahead with a real anti-crime plan.

NECESSARY RESOURCES FOR A REAL ANTI-CRIME PROGRAM
SENATOR JOHN KERRY
NOVEMBER 1, 1993

BACKGROUND: BUDGET FACTS

THE PREVIOUS ADMINISTRATION MADE ANTI-CRIME EFFORTS A GREATER BUDGETARY PRIORITY THAN THE CURRENT ADMINISTRATION.

The Clinton Administration budgeted an overall 8 percent increase for criminal justice funding in 1993, and a 6.5 increase in the anti-drug budget (these increases overlap to a substantial degree). The overall budget request was for a \$776 million increase in anti-drug efforts.

By comparison, over the four years of the Bush presidency, overall anti-drug spending increased by an average of \$900 million each year, and by an average of 20 percent.

The Bush-era budgets provided larger percentage budget increases in essentially every category of fighting crime each year than did the first Clinton-era budget.

ELEMENTS OF AN URGENT COMPREHENSIVE PLAN

The administration should offer a comprehensive plan for reclaiming our communities. The five most important short-term components of this plan should embrace: (1) sufficient resources to guarantee adequate community policing throughout the country, including the Police Corps; (2) emergency and, in some cases, temporary measures for incarceration and detention so that anyone who should be jailed is; (3) proposals for bail modification combined with speedy trial capacity to avoid any flight of drug dealers or other criminals who encourage people to treat our system with disregard; (4) emergency court capacity to provide swift and certain punishment; and (5) treatment on demand for drug addiction. In addition to these five key components, there must be further proposals for diversion for certain youth with adequate counseling or boot camp availability; high school equivalency requirements for parole or release; a major federal grant program to provide incentives for state action and cooperation with bail, gun law and other requirements; a set of emergency inner-city resources to schools for tutoring, counseling and evening hours.

RATIONALE FOR A REAL ANTI-CRIME PROGRAM

PROGRAMS ALREADY IN CRIME BILL, BUT INADEQUATELY FUNDED.

1. ADEQUATE NUMBER OF COMMUNITY POLICE ARE NEEDED FOR CRIME SUPPRESSION/PREVENTION. Cops on the beat are the first casualty of police department cutbacks, as police are pulled first into "emergency response" to respond to crimes after they have taken place. The critical functions of CRIME SUPPRESSION/CRIME PREVENTION

are lost. The Administration needs to meet its commitment of 100,000 new community police without delay. FIVE YEAR COST: \$6.8 billion for community police, using formula of declining federal share over five years.

2. DRUG TESTING AND TREATMENT FOR YOUTHFUL DRUG OFFENDERS. Drug addiction rates are higher than they have ever been, for both cocaine and heroin. Most violent crime is drug-related. Only through testing and treatment can we begin to address the problem of incarcerated juveniles immediately returning to using drugs and committing violent crimes upon release. The Administration has adopted this strategy in its rhetoric, but not in its budget. Today, only one in four drug-addicted prisoners receives testing and treatment. Additional 600,000 per year need to be treated. FIVE YEAR COST: \$3.6 billion.

3. A SYSTEMIC APPROACH TO INCARCERATION AND DIVERSION, IN WHICH THE FEDERAL GOVERNMENT WORKS WITH THE STATES AND LOCALITIES TO ENSURE THAT VIOLENT OFFENDERS ARE NOT PREMATURELY RELEASED, AND NON-VIOLENT OFFENDERS RECEIVE TREATMENT AND BOOT CAMP TRAINING. State prisons are overcrowded, creating the problem of early release of violent offenders. The federal government offers states no systemic help for managing prison populations. Regional prisons, modular prisons, boot camps, drug treatment, and diversion programs are necessary to provide a systemic means of preventing early releases that today endanger communities. FIVE YEAR COST: \$4.2 billion.

4. JUVENILE OFFENDER AND JUVENILE CRIME PREVENTION PROGRAMS. The largest category of violent offenders today, including murderers, are juveniles aged 15-19. The largest group of victims of crime are their peers. Teenagers in violent-prone communities need to be served in two ways, neither of which are today available in most areas -- (a) secure facilities that segregate the 60,000 most violent criminals from other teenagers; and (b) Boys and Girls clubs (or similar local community centers with structured activities and adult leadership aimed at teenagers), at a level of some 30,000 clubs, to serve some one million at risk children. (This is an essential component of crime prevention) FIVE YEAR COST: \$2.3 billion.

5. POLICE CORPS. Urban police departments have shrunk over the past thirty years, as the demands on each officer have radically increased. Even with 100,000 additional community police, police departments face unprecedented challenges. Creation of a police corps of 80,000 police who rotate through departments after college as part of a national service plan provides an essential "boost" to demoralized, overworked, and sometimes corrupt urban police departments. FIVE YEAR COST: \$5.4 billion.

6. SAFE SCHOOLS AND MISCELLANEOUS PROGRAMS IN CRIME BILL. Current crime bill has \$300 million for safe schools over five

years. Current bill has \$500 million for rural drug enforcement and other miscellaneous programs in bill. Most people who have looked at these programs say these are amounts are probably minimally adequate. FIVE YEAR COST: \$800 million.

PROGRAMS NOT IN CRIME BILL WHICH REQUIRE FUNDING

1. DRUG TREATMENT. The single most urgent program not in the crime bill is drug treatment for those not in the criminal justice system. The Administration has promised this at the level of rhetoric, but its actual increases in budgeting for drug treatment are barely distinguishable from the Bush Administration. The Congress has already passed an open-ended authorization for drug treatment. What is missing are necessary appropriations at the level of another \$1.1 billion a year, to treatment 50% of addicts who are (a) treatable and (b) want treatment, for heroin and cocaine addiction. FIVE YEAR COST: \$5.5 billion.

2. ANTI-VIOLENCE CRIME GRANTS, MID-NIGHT SPORTS, RAPE PREVENTION, AND ENHANCED RECORDKEEPING. The House crime bill introduced by Congressman Washington contains proposals for "anti-violence crime grants," "mid-night sports programs," "rape prevention," and improvement of local and state law enforcement criminal record keeping, with a combined cost of about \$430 million per year. These are each fundamentally community-oriented crime prevention programs and would help restore the balance between prevention and enforcement/prosecution. FIVE YEAR COST: \$3.5 billion.

3. REGIONAL EMERGENCY ANTI-CRIME TEAMS. Serious consideration needs to be given to some form of regional emergency anti-crime reaction teams, as a variant or alternative to either national guard or other federalization of law enforcement. In some localities, such as Washington, D.C. recently, or Los Angeles after the 1992 riots, local law enforcement cannot do the job without help from outside. Federal assistance for regional law enforcement units, with a local match, to be deputized by state and local officials for short-term emergency response, would provide an essential back-stop when violence becomes greater than local law enforcement can handle. FIVE YEAR COST: \$375 million.

CONTROLLING THE AVAILABILITY OF GUNS AND AMMUNITION TO VIOLENT CRIMINALS THROUGH TAXING LICENSES AND AMMUNITION.

Nationally, 68% of all murders are committed with firearms. Handguns were used in 80 percent or more of these firearms-related murders. Limiting the availability of handguns, particularly to teenagers, would save lives. There are many gun-control proposals currently available for consideration by the Congress that would help. But most effective would be proposals to tax gun-dealer licenses and ammunition. These taxes could generate substantial revenues to offset the cost of anti-drug and anti-crime measures.

BUDGET SUMMARY

A. PROGRAMS IN CRIME BILL NOW

BIDEN BILL:

\$5.9 BILLION OVER FIVE YEARS (\$1.145b/year)

\$3.4 billion 50,000 community police
 \$1.2 billion drug court/drug testing and treatment
 for 200,000 youthful drug offenders
 \$.3 billion prisons (boot camps for 42,000 inmates, drug
 treatment for 110,000 prisoners or incarceration of
 26,000 violent drug offenders

 \$.1 billion juvenile offenders; secure facilities for
 3,000 violent juveniles, 3300 Boys and Girls Clubs
 serving 120,000 at-risk children
 \$.9 billion; \$.3b for safe schools; .2 b for Police
 Corps, .05 for rural drug enforcement and
 miscellaneous programs

RECOMMENDED HIGHER LEVELS FOR BIDEN/FUNDED PROGRAMS:

\$23.0 BILLION OVER FIVE YEARS (\$4.6b/year)

\$6.8 billion 100,000 community police
 (priority hiring of 40,000 former U.S. military)
 \$3.6 billion drug court/drug testing and treatment
 for 600,000 youthful drug offenders
 \$4.2 billion prisons (boot camps for 150,000 inmates,
 drug treatment for 200,000 prisoners and
 incarceration of 30,000 violent drug offenders)
 \$2.3 billion juvenile offenders; secure facilities for
 60,000 violent juveniles, 30,000 Boys and Girls
 Clubs serving 1 million at-risk children
 \$6.1 billion; \$.3b for safe schools; 5.4 b for Police
 Corps (80,000 police), .05 for rural drug
 enforcement and miscellaneous programs

TOTAL APPROPRIATIONS NEEDED FOR PROGRAMS NOW IN CRIME BILL
 (CATEGORY A): \$9.2 billion over two years (\$4.6 billion per year)*
 *spend out on police corps only \$1 billion first two years;
 increase to \$1.5 billion/year over last three years)

ADDITIONAL APPROPRIATIONS NEEDED FOR PROGRAMS NOW IN CRIME BILL
 BEYOND AMOUNT ALLOTTED IN BUDGET (CATEGORY A): \$6.91 billion over
 two years (\$3.455 billion per year)

B. ADDITIONAL APPROPRIATIONS FOR OTHER NECESSARY PROGRAMS NOT COVERED IN CRIME BILL AS OF TODAY

DRUG TREATMENT. \$2.2 billion over two years (expanding drug treatment to cover 450,000 additional addicts per year).

According to April, 1993 report by Senator Biden, the system could expand this quickly. In the April, 1993 report, based on expert opinion, Biden recommended an increase in FY 1994 of \$1.1 billion over FY 1993 funding, from the current level of \$2.4 billion to \$3.5 billion. (Such funds as may be appropriated are already authorized for this purpose for these years)

ANTI-VIOLENCE CRIME GRANTS. \$380 million over two years. Federal grants to states and localities for the training of additional personnel, technical assistance, data collection, and other equipment for the more widespread apprehension, prosecution, and adjudication of persons committing violent crimes, and specifically for training law enforcement officers to identify crimes of sexual assault and domestic violence and enlarging victim services programs.

REGIONAL EMERGENCY REACTION TEAMS. (Would be alternative to National Guard request of DC Mayor Kelly rejected by President Clinton) \$150 million over two years. Establishes regional units, with local match, of specially trained police force regional teams seconded from local departments, called up on a temporary basis to assist state and local law enforcement agencies in combatting crime. Members would be deputized by state officials so that they could make arrests and proceed under state law.

MIDNIGHT-SPORTS PROGRAMS. \$6 million over two years. Federal grants to serve youths and young adults from neighborhoods with a substantial drug, crime, teenaged pregnancy, and unemployment programs for midnight sports, job counseling, job training and education, matched by 50% non-federal funds.

RAPE PREVENTION. \$120 million over two years. Federal grants to provide anti-rape education programs, to operate rape telephone hotlines, to develop treatment programs for sex offenders, and to prepare educational material on sexual assault and prevention.

IMPROVING CRIMINAL RECORDS. \$200 million over two years. Federal grants to create computerized criminal history record systems and to improving existing systems, to improve accessibility to a national instant check background system (for handgun purchases and other law enforcement purposes).

TOTAL REQUESTED APPROPRIATIONS FOR ADDITIONAL PROGRAMS IN CATEGORY B: \$3.056 billion over two years (\$1.528 b per year).

TOTAL REQUESTED APPROPRIATIONS FOR PROGRAMS IN CATEGORY A (THE CRIME BILL): \$9.2 billion over two years (\$4.6 billion per year)

GRAND TOTAL REQUESTED APPROPRIATED FUNDS (A+B): \$6.128 billion/year, an increase of \$4.983 billion over budget.

GUIDE TO CHARTS

CHART ONE: CRIME CLOCK. Violent crimes are taking place in America every 22 seconds, with a murder every 22 minutes.

CHART TWO: Since 1988, violent crime rates are up 19 percent.

CHART THREE: Murder is up 11 percent.

CHART FOUR: Rape is up 14 percent.

CHART FIVE: Aggravated assault is up 19 percent.

CHART SIX: Robbery is up 19 percent.

CHART SEVEN: There are six hundred thousand more violent crimes a year in the U.S. today than there were eight years ago.

CHART EIGHT: There are four thousand more murders a year in the U.S. today than there were eight years ago.

CHART NINE: Drug overdoses are increased to 105,000 per quarter, higher than they have ever been.

CHART TEN: Heroin overdoses are dramatically increasing, to levels higher than they have ever been.

CHART ELEVEN: Cocaine overdoses remain at record levels.

CHART TWELVE: Illegitimacy rates have dramatically increased over the past 25 years for all races.

CHART THIRTEEN: The largest category of murder offenders are teenagers aged 15 to 19.

CHART FOURTEEN: Violent crime rates have dramatically increased over the past twenty years.

CHART FIFTEEN: Clearance rates for violent crimes range from 65% for murder, to 56% percent for aggravated assault, 52% for forcible rape, and 24% for robbery.

CHART SIXTEEN: Clearance rates for property crimes are almost never cleared. (20% for theft, 14% auto theft, 13% for burglary)

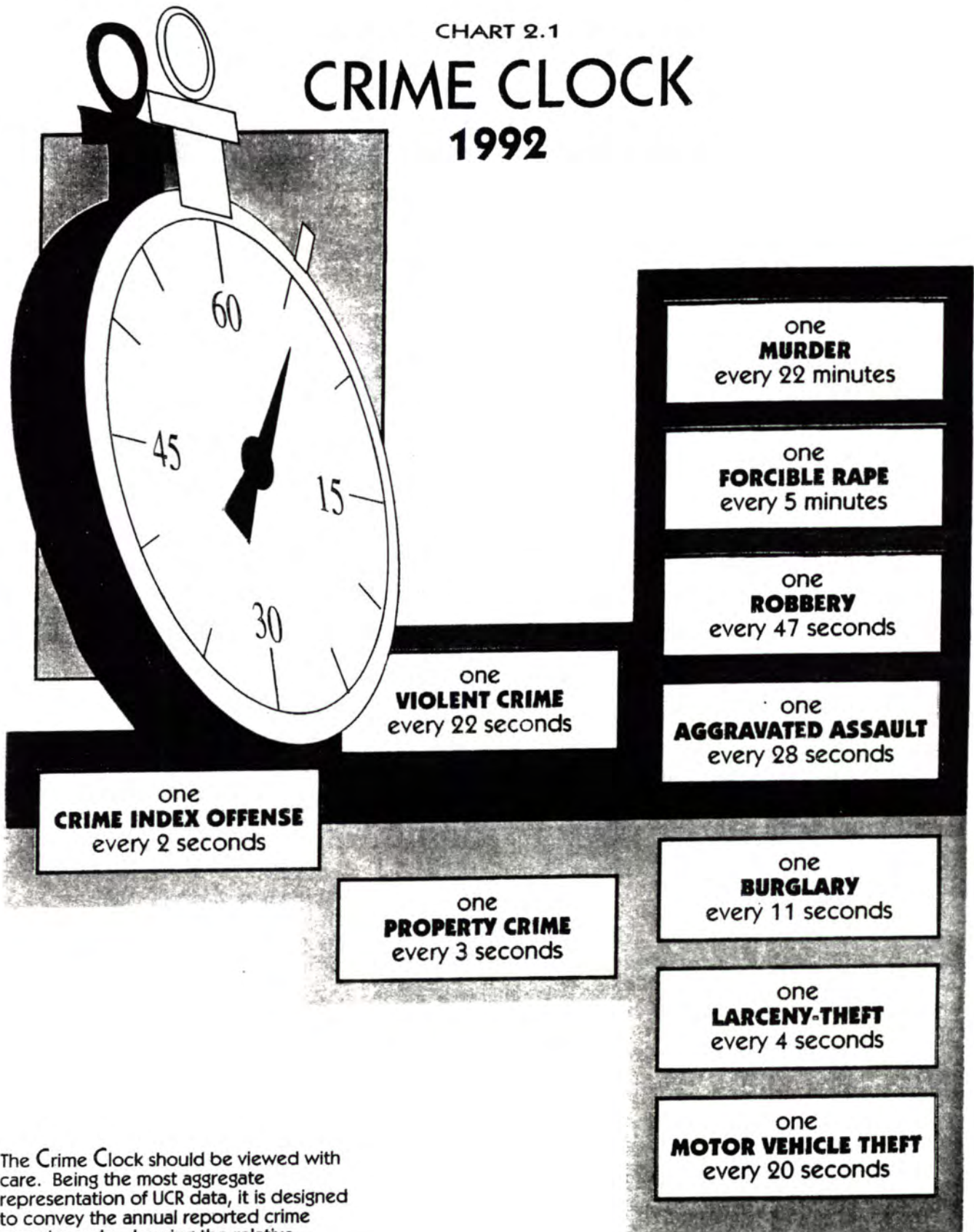
CHART SEVENTEEN: Clearance rates in cities of 250,000 and over and 1 million and over are less than 40% for violent crime and less than 15% for property crime.

CHART EIGHTEEN: Total federal government expenditures on local law enforcement have declined from \$2.3 billion in 1974 in constant dollars to about \$700 million today.

CHART 2.1

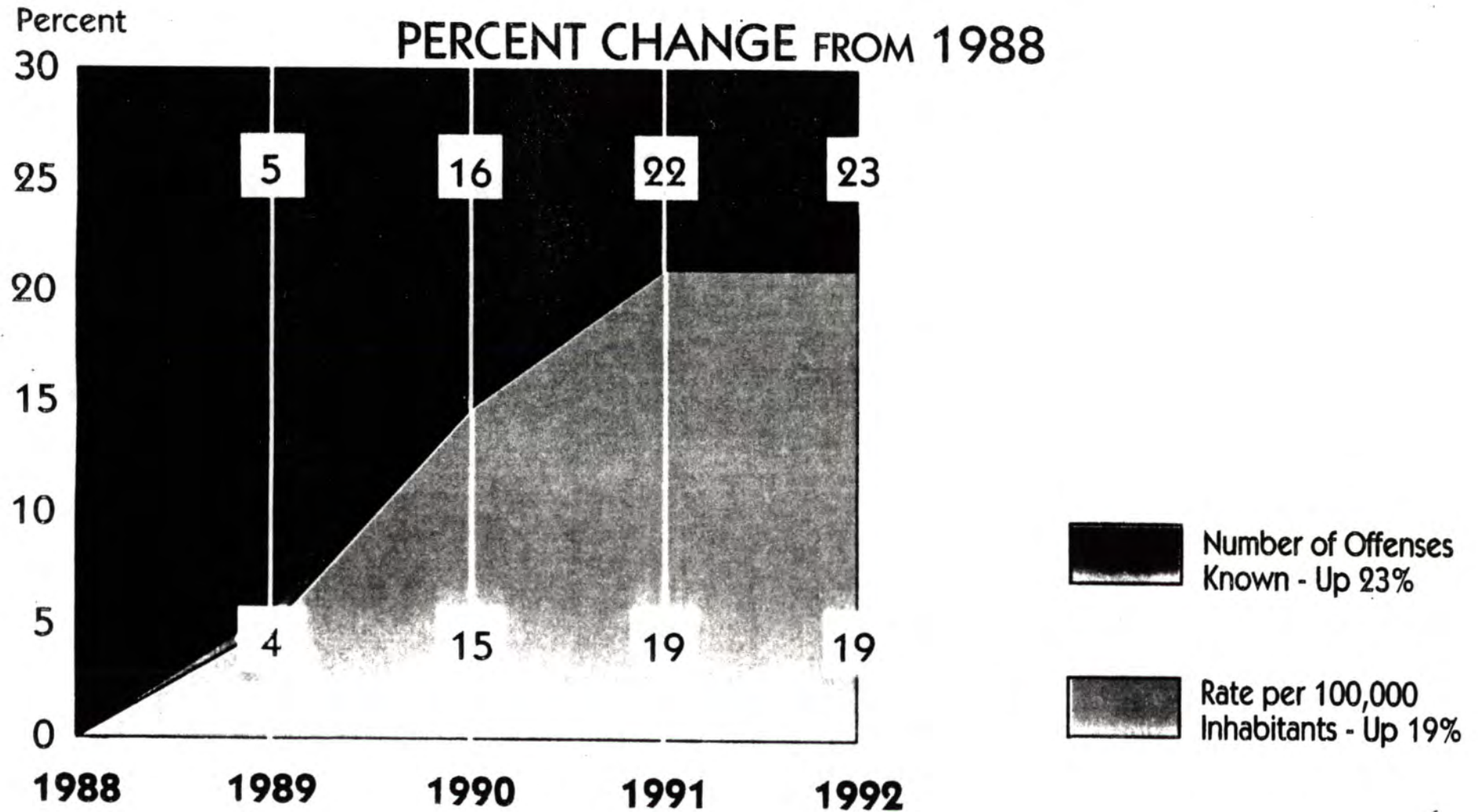
CRIME CLOCK

1992

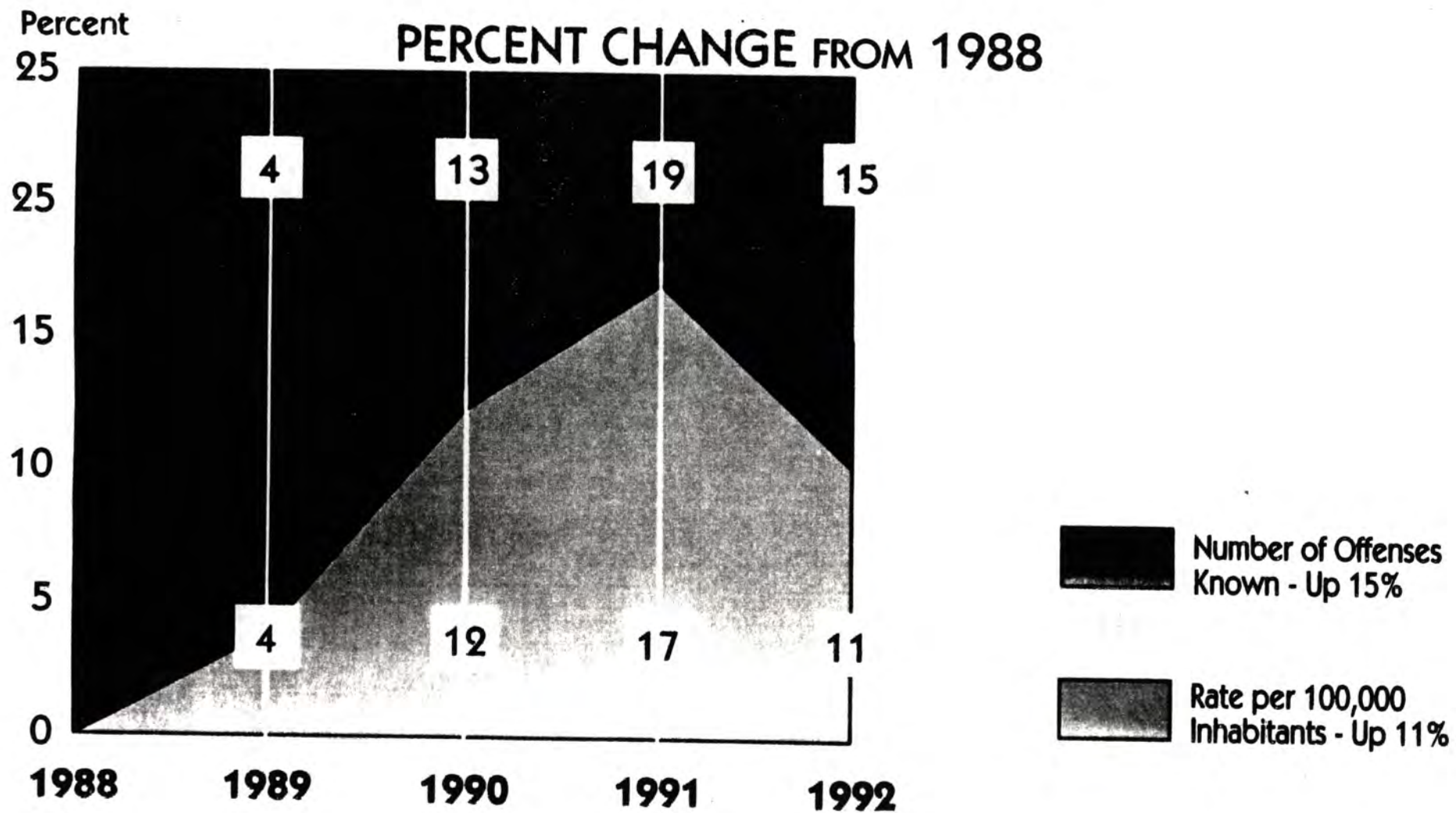


The Crime Clock should be viewed with care. Being the most aggregate representation of UCR data, it is designed to convey the annual reported crime experience by showing the relative frequency of occurrence of the Index Offenses. This mode of display should not be taken to imply a regularity in the commission of the Part I Offenses; rather, it represents the annual ratio of crime to fixed time intervals.

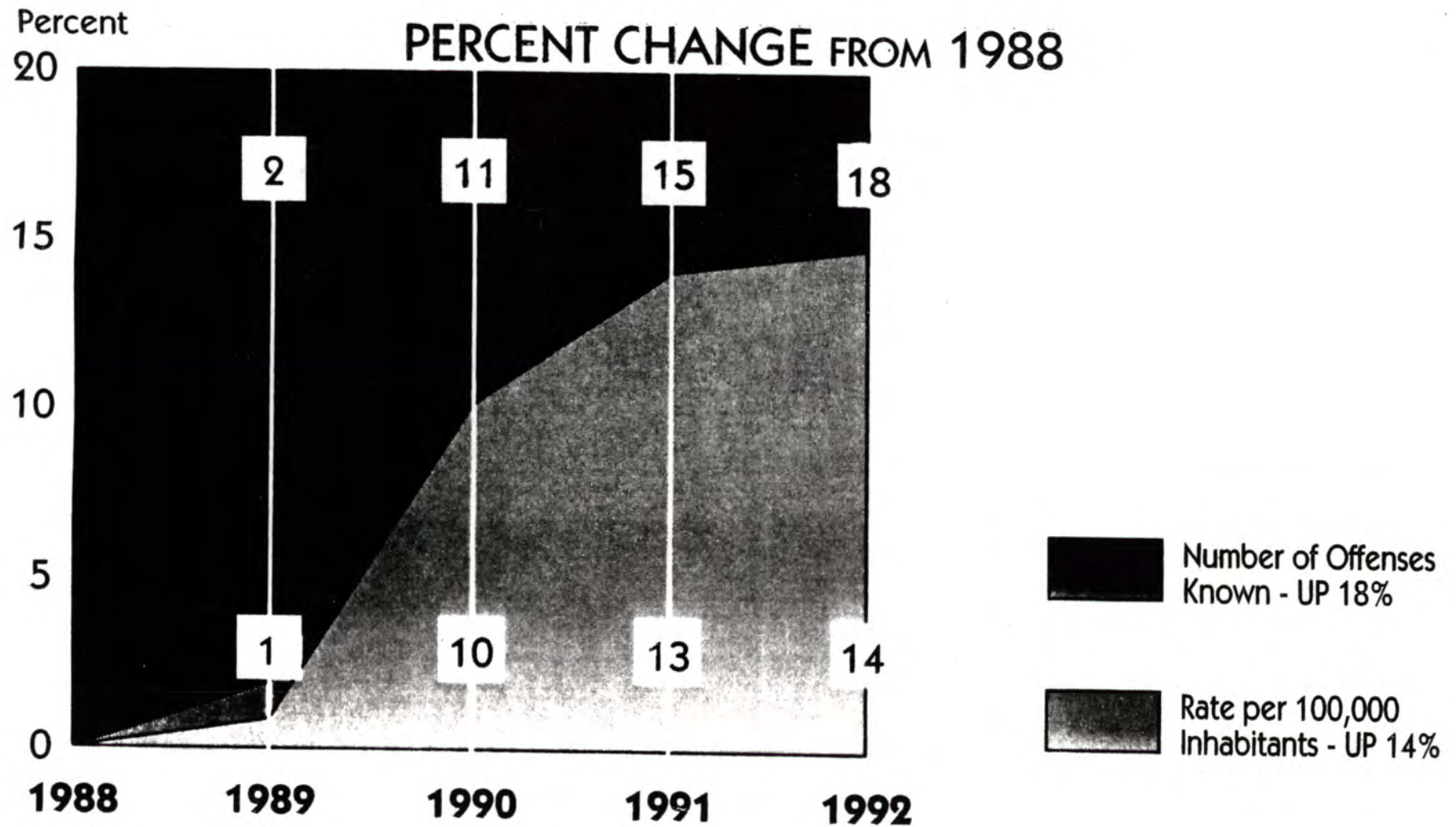
VIOLENT CRIME



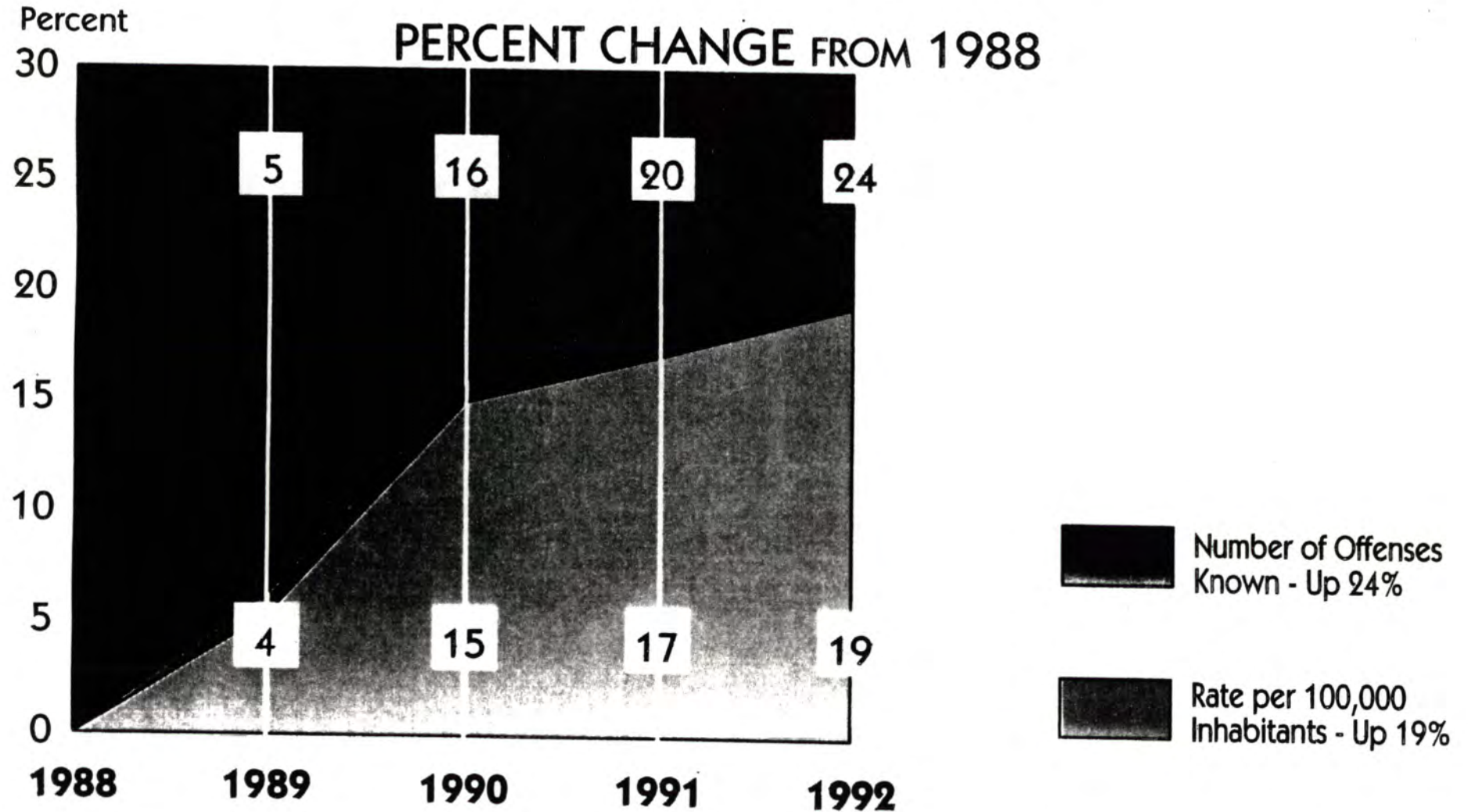
MURDER



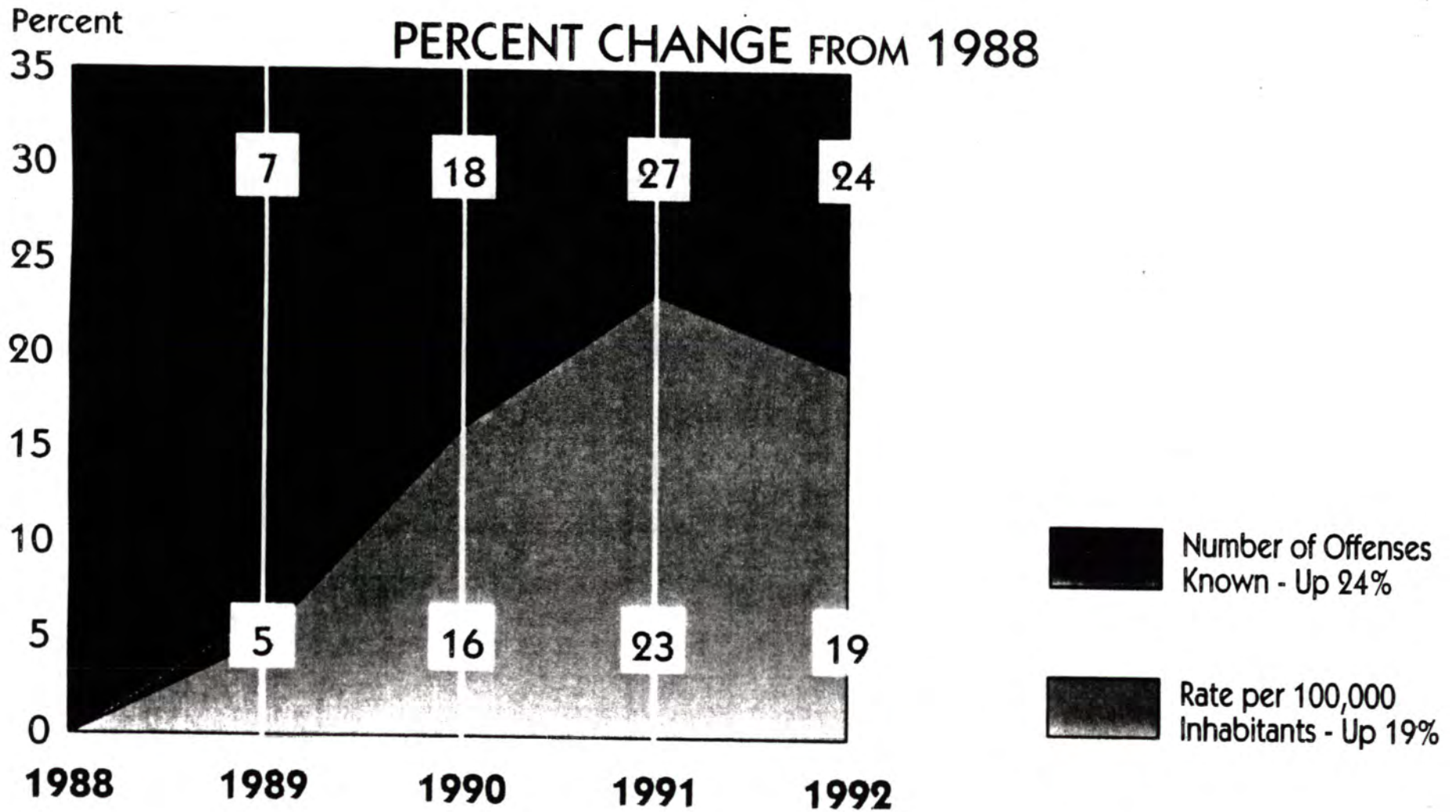
FORCIBLE RAPE



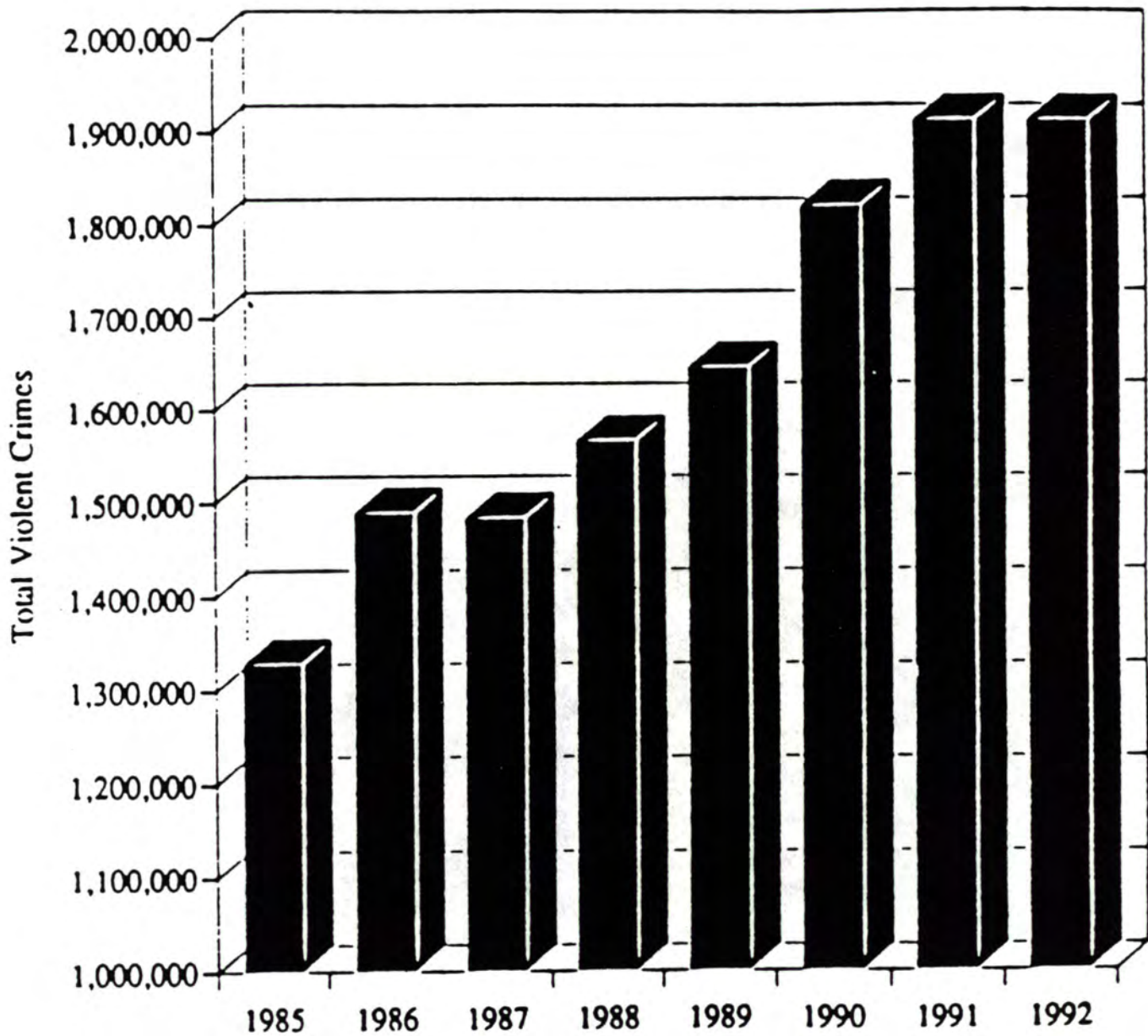
AGGRAVATED ASSAULT



ROBBERY

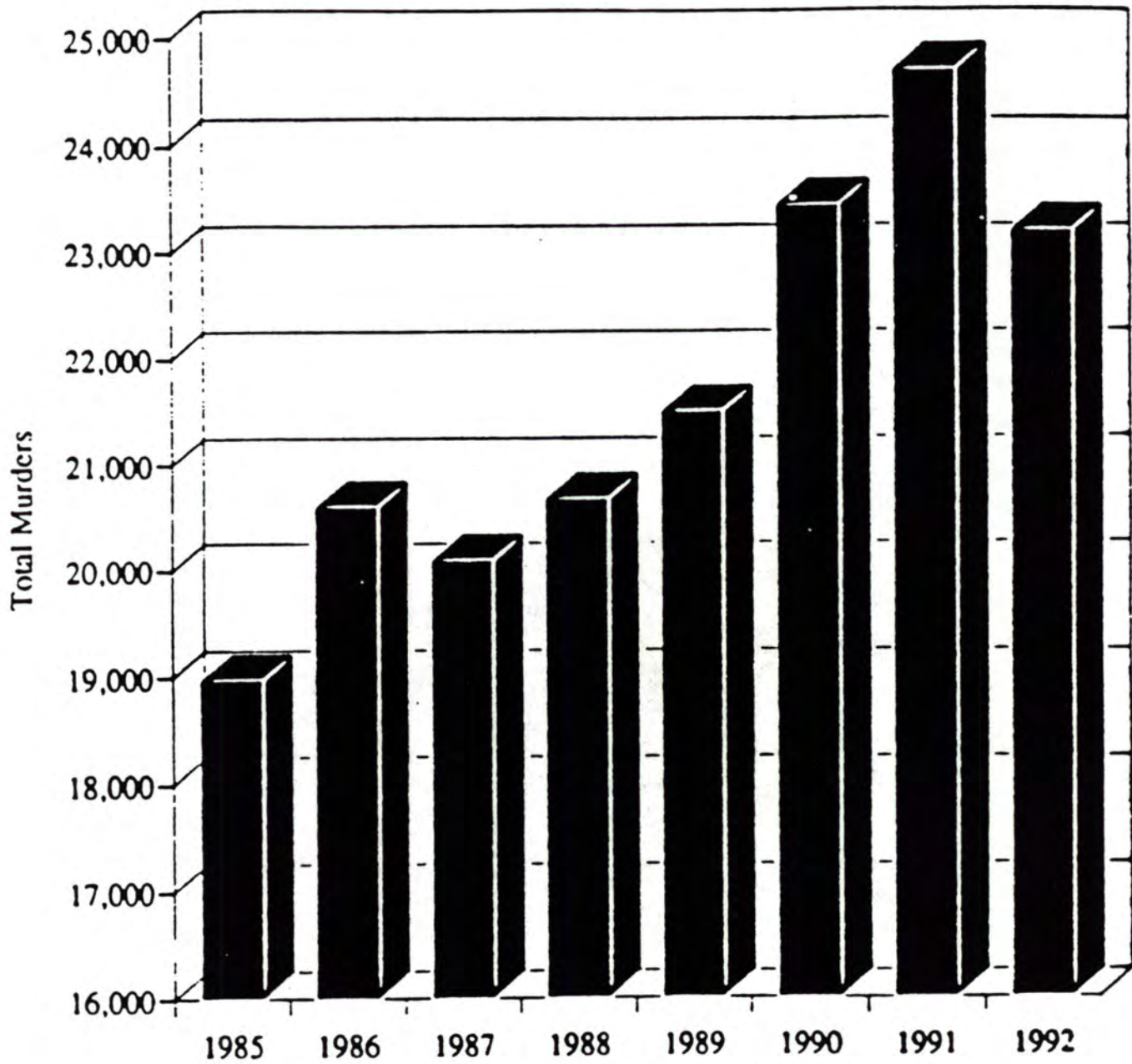


Record Levels of Violent Crime



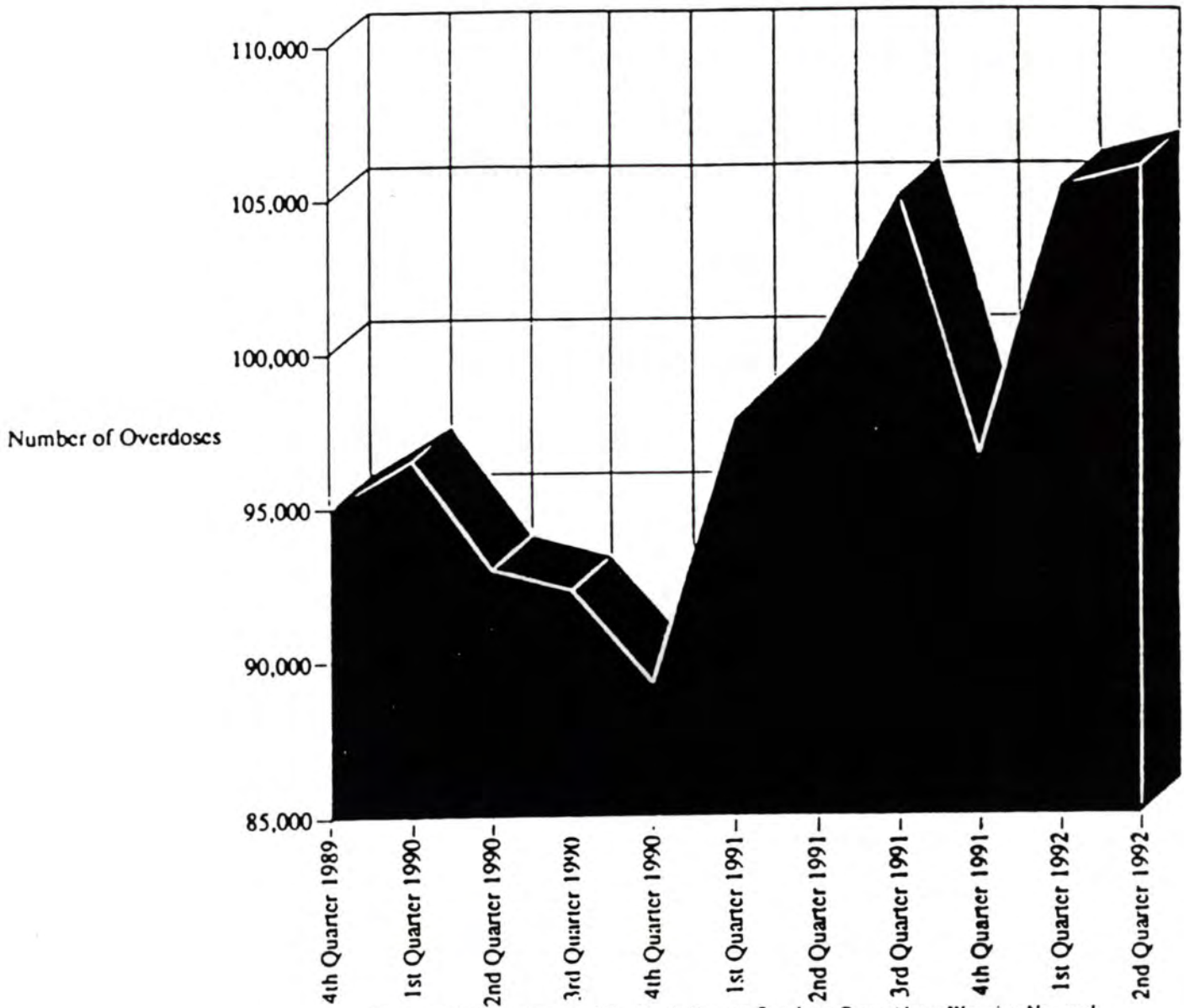
Source: Federal Bureau of Investigation, Uniform Crime Report

The Rise of Murder



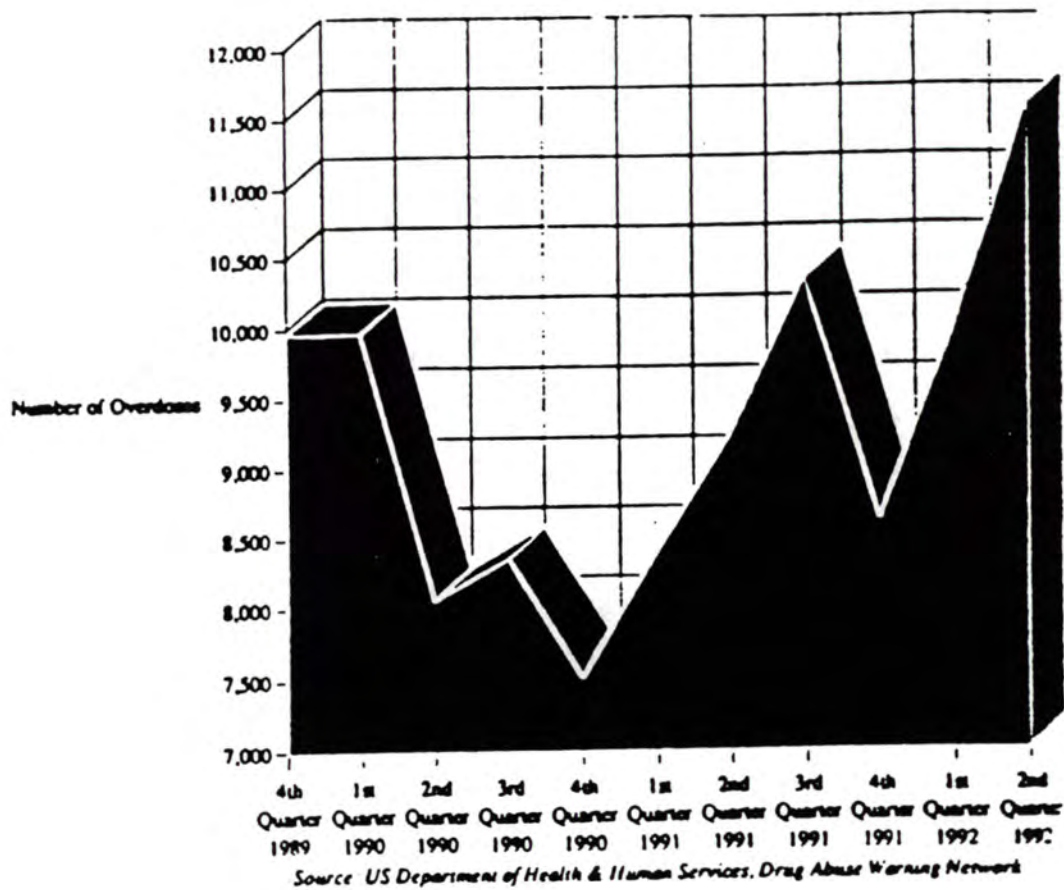
Source: Federal Bureau of Investigation, Uniform Crime Report

Drug Overdoses: More Than When the Strategy Began

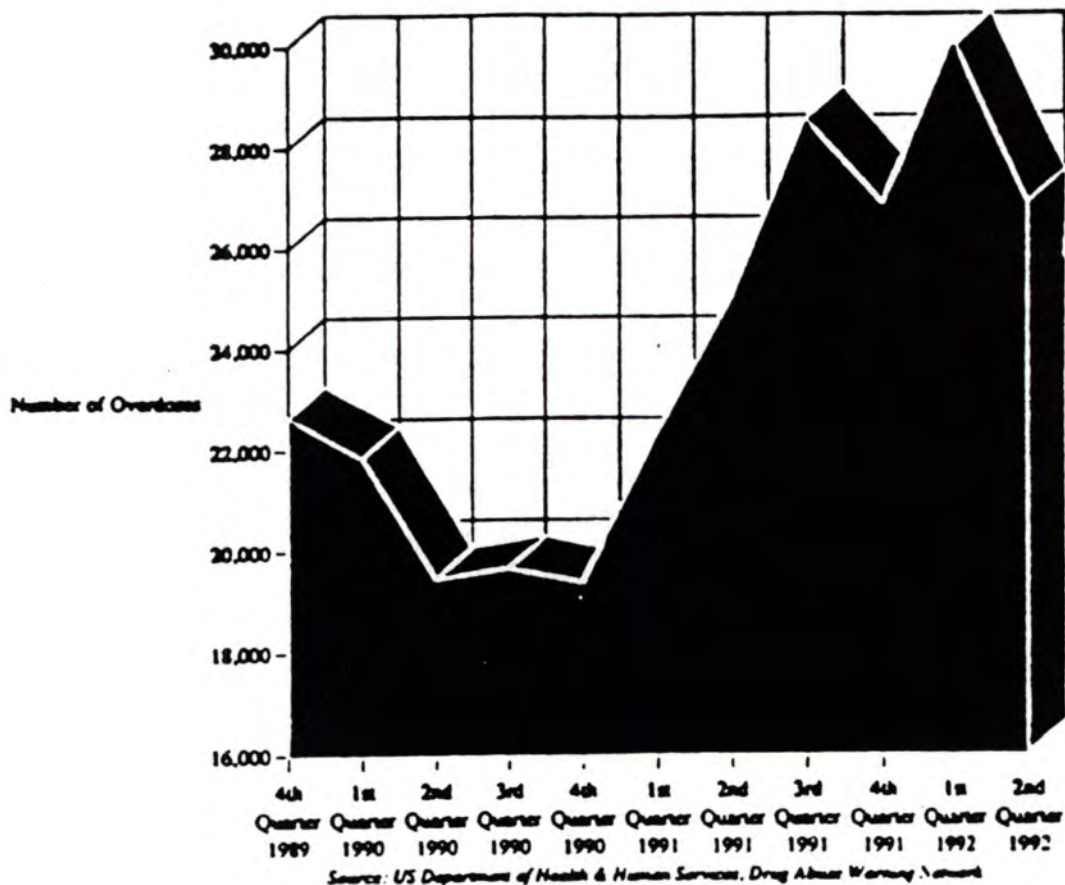


Source: US Department of Health & Human Services, Drug Abuse Warning Network

Heroin Overdoses: More Than When the Strategy Began



Cocaine Overdoses: More Than When the Strategy Began



Illegitimacy Rates

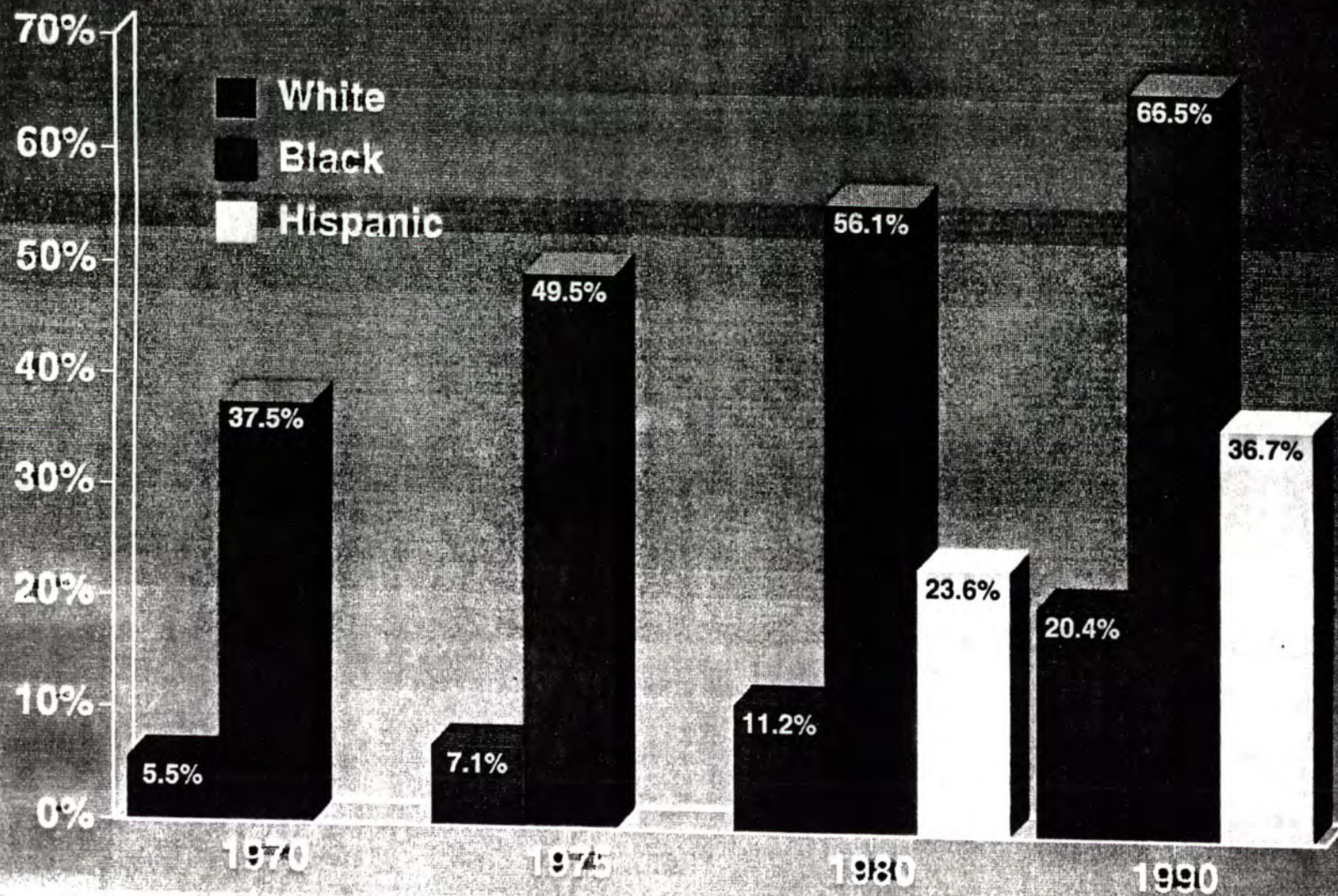


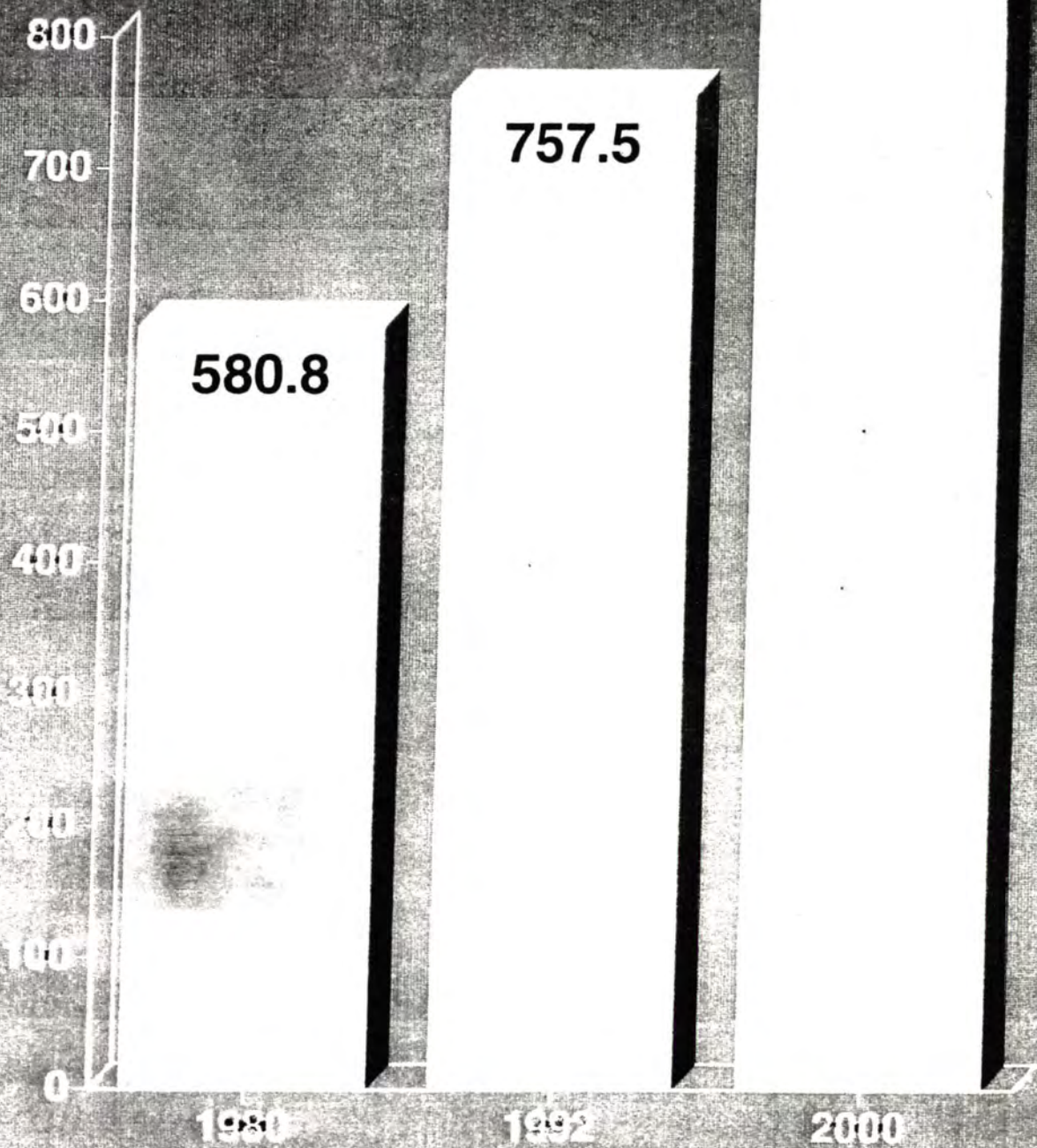
Table 2.5—Age, Sex, and Race of Murder Offenders, 1992

Age	Total	Sex			Race			
		Male	Female	Unknown	White	Black	Other	Unknown
Total	25,180	15,867	1,696	7,617	7,427	9,497	401	7,855
Percent distribution	100.0	63.0	6.7	30.3	29.5	37.7	1.6	31.2
Under 18 ¹	2,343	2,178	150	15	868	1,389	58	28
18 and over ¹	14,154	12,650	1,497	7	6,237	7,498	322	97
Infant (under 1)								
1 to 4								
5 to 9	4	3		1	1	1	1	1
10 to 14	263	228	33	2	117	133	9	4
15 to 19	4,249	4,029	208	12	1,493	2,622	100	34
20 to 24	3,929	3,611	316	2	1,494	2,339	83	13
25 to 29	2,614	2,335	278	1	1,125	1,391	66	32
30 to 34	1,805	1,530	274	1	887	873	37	8
35 to 39	1,262	1,070	191	1	631	589	33	9
40 to 44	848	718	130		458	357	24	9
45 to 49	568	494	73	1	339	211	13	5
50 to 54	319	256	63		186	122	8	3
55 to 59	219	191	28		118	97	2	2
60 to 64	148	129	19		91	52	3	2
65 to 69	115	96	19		64	50		1
70 to 74	67	58	9		41	25	1	
75 and over	87	80	6	1	60	25		2
Unknown	8,683	1,039	49	7,595	322	610	21	7,730

Violent Crime Rates

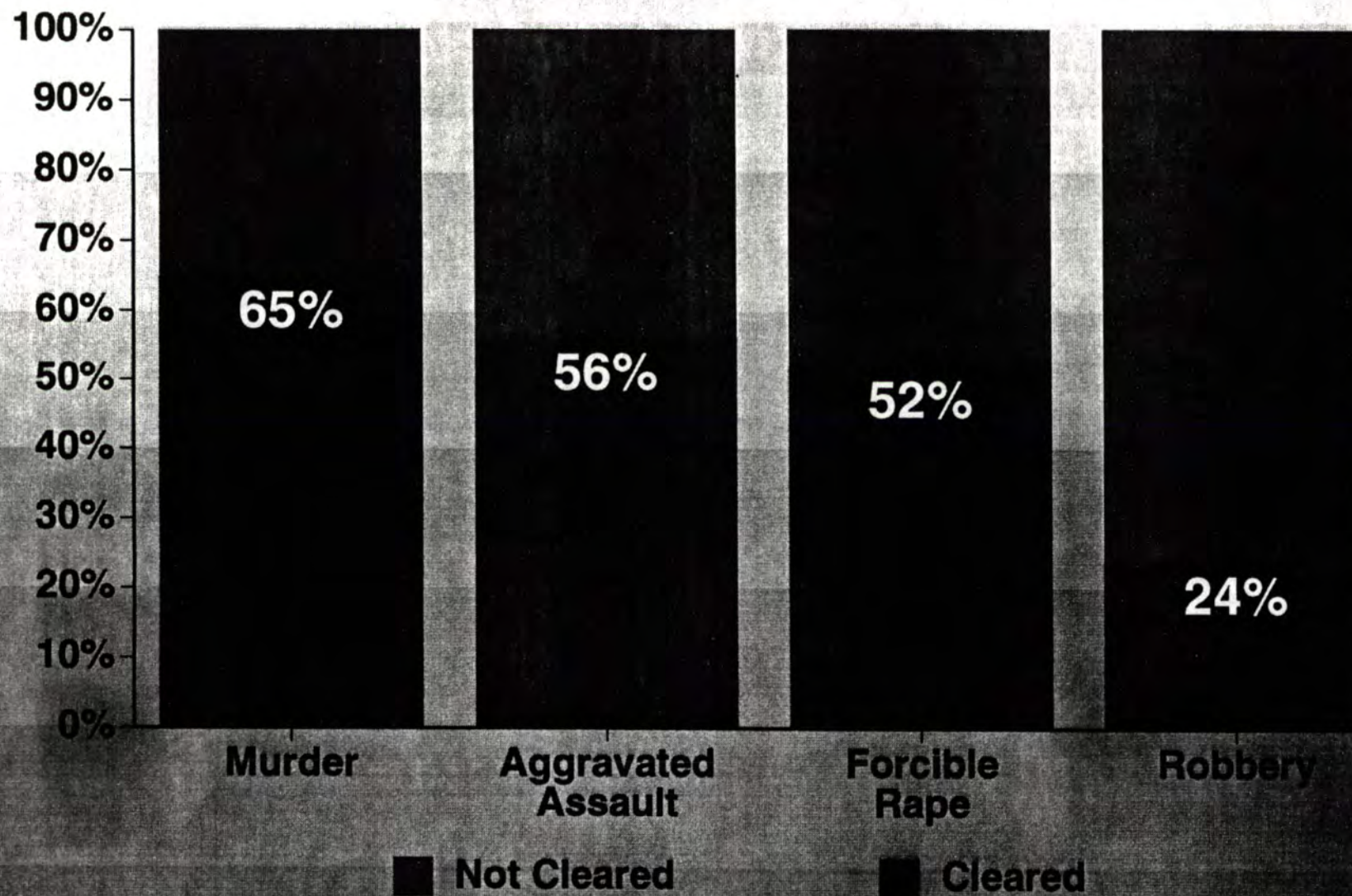
(per 100,000 persons)

?



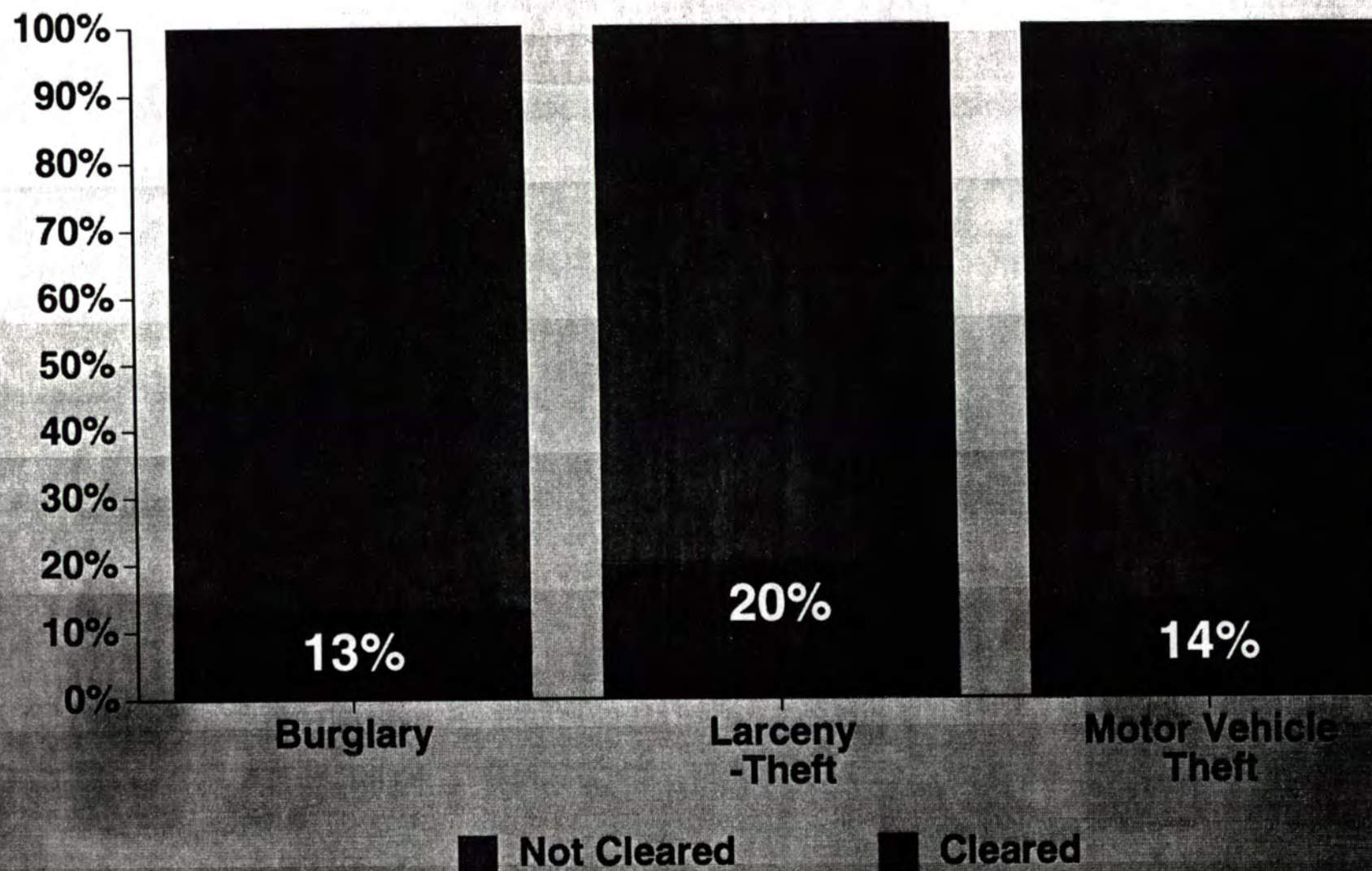
Crimes of Violence Cleared by Arrest

1992

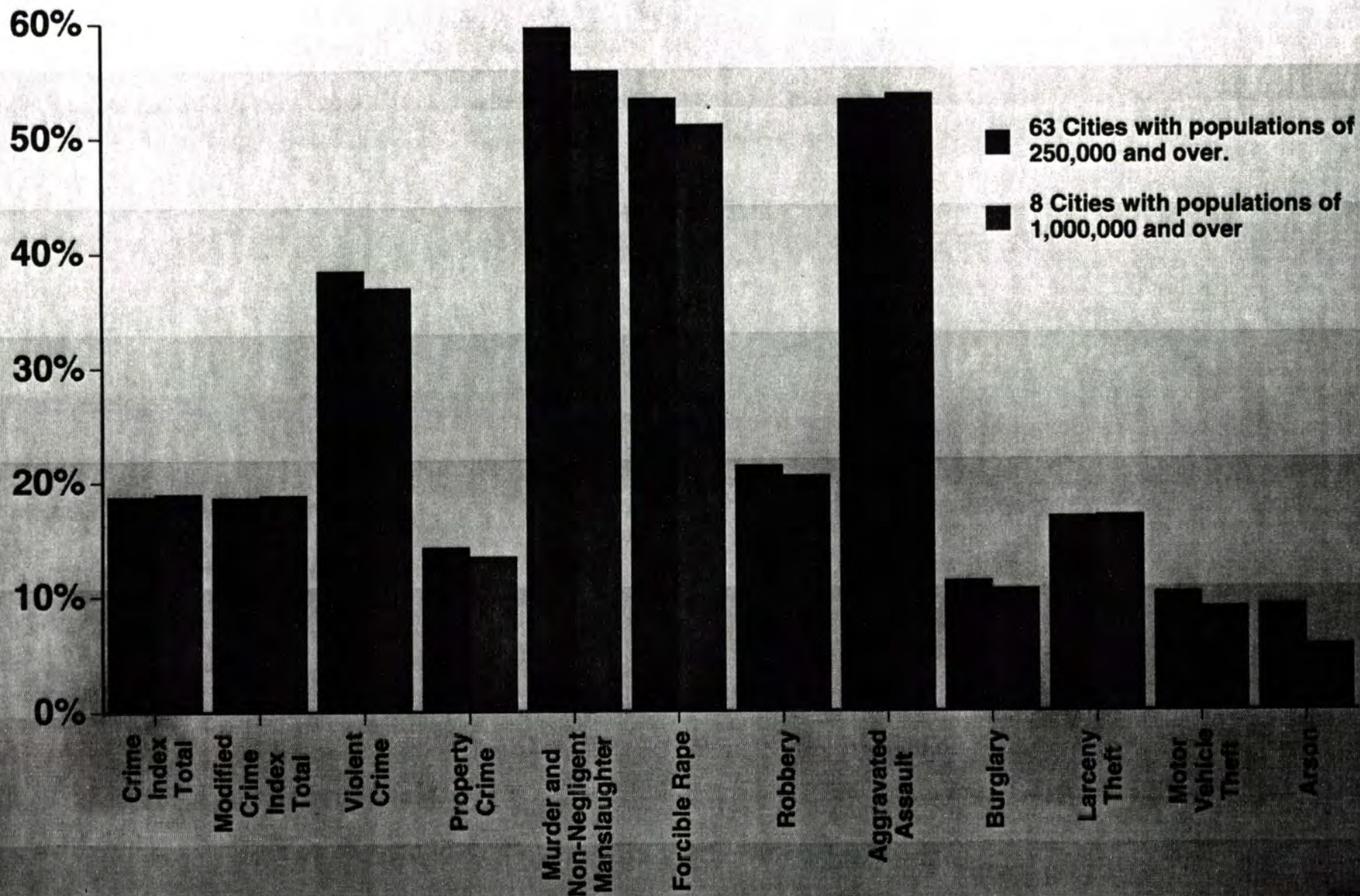


Crimes Against Property Cleared by Arrest

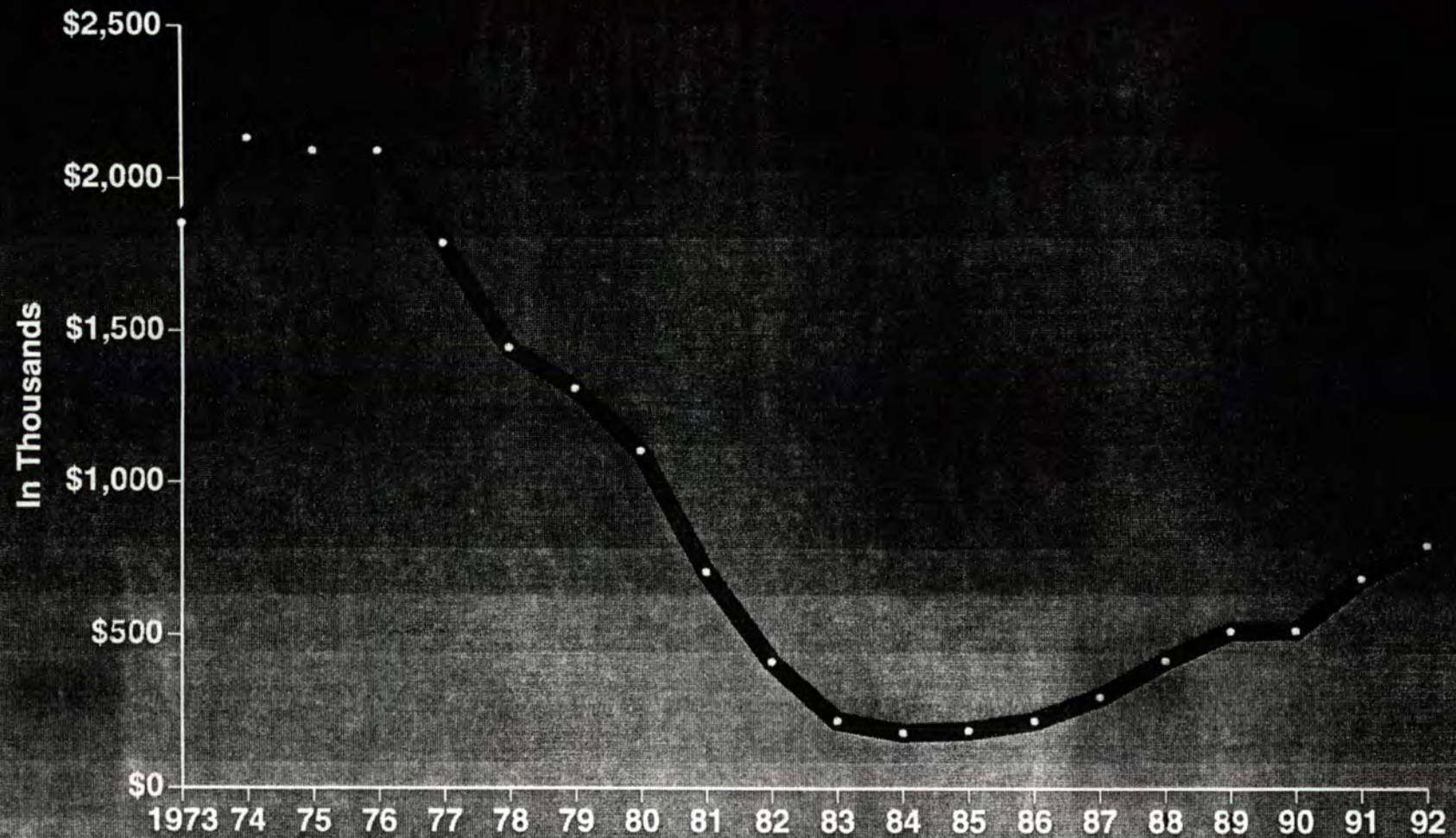
1992



Percent of Known Offenses Cleared by Arrest 1992



Total Federal Government Expenditures on Law Enforcement at State & Local Levels (in constant 1992 dollars)



THE PRESIDENT HAS SEEN 11/2

THE WHITE HOUSE
WASHINGTON

November 1, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN D. PODESTA
R. PAUL RICHARD

SUBJECT: PRESIDENTIAL MEDAL OF FREEDOM FOR MARTHA RAYE

As the attached article indicates, Martha Raye underwent surgery last weekend. Reports indicate that her health is failing rapidly, and that she could die anytime.

Earlier this year you approved awarding the Presidential Medal of Freedom to Ms. Raye at a date to be determined. Given the state of Ms. Raye's health, we suggest that you approve issuance of the following text of the Medal citation this afternoon, and we will have the Medal struck and the formal citation prepared for delivery in California later this week.

The proposed text is as follows:

A talented performer whose career spans the better part of a century, Martha Raye has delighted audiences and uplifted spirits around the globe. She brought her tremendous comedic and musical skills to her work in film, stage, and television, helping to shape American entertainment. The great courage, kindness, and patriotism she showed in her many tours during World War II, the Korean War, and the Vietnam War earned her the nickname "Colonel Maggie." The American people honor Martha Raye, a woman who has tirelessly used her gifts to benefit the lives of her fellow Americans.

☒] Approve

☐] Disapprove

☐] Discuss further

Names & Faces

Martha Raye Surgery

■ **Martha Raye**, the big-mouth powerhouse who entertained countless troops on USO tours, was in serious condition yesterday after surgery in Los Angeles to amputate her left leg below the knee.

"She tolerated the surgery very well and is showing hourly improvement, said **Ron Wise**, a spokesman for Cedars-Sinai Medical Center. She still has a lengthy recovery period."

Raye, 78, who has had several strokes and other health problems, had been plagued by circulatory problems in the leg.

Her husband, **Mark Harris**, has been on a vocal, sometimes controversial crusade to persuade President Clinton to present Raye with the Presidential Medal of Freedom.



UNITED PRESS INTERNATIONAL

Martha Raye (in 1985): Out of surgery.

this week for lying in the middle of a busy street, much as in the movie scene in which young football players do it to prove their masculinity.

"It was just a spur-of-the-moment thing, a stupid thing to do," said **Nathan Maulucci**, 16, of Bristol. "We were bored. That's basically what it comes down to." **Maulucci**, **Donald Bunn Jr.**, 17, and **Shawn Borysewicz**, 16, were each charged with reckless use of a highway and fined \$35. Earlier this month, one teen was killed and two others were seriously hurt when they tried to reenact the scene.

Disney has already axed the segment in the film, which was released this month.

End Notes

■ It seems **Roger Johnson** was one of the lucky ones. The head of the General Services Administration found that his Laguna Beach home was spared by the firestorms ravaging Southern California . . . **Miss America Kimberly Aiken** has been seen around town almost as much as **Jesse Jackson** lately. Today look for her to sing at the Capitol Hill Seventh-day Adventist Church and to rock boarder babies at D.C. General Hospital. Tuesday she'll be at the National Capital YMCA to kick off a food drive . . . **Curtis and Lisa Sliwa**, the powers behind the **Guardian Angels**, are separating after a tumultuous 12 years of marriage. She reportedly wants a divorce, but he's still thinking reconciliation . . . Rather than the usual bookstore mob scenes, **Robert Fulghum** is flacking his fourth best-selling book, "Maybe (Maybe Not): Second Thoughts From a Secret Life," with a 40-city benefit concert tour on which he hopes to raise \$1 million for various charities. Last night he told stories for Children's Hospital at the Warner Theatre, and tonight he's at Towson State University on behalf of Maryland Special Olympics . . . Washington power couple and Clinton friends **Peter and Marian Wright Edelman** are among those who'll be honored by the National Association for Public Interest Law at its gala tonight at the Hyatt Regency . . . The Florida orange juice industry may have soured on **Burt Reynolds**, but the state hasn't totally deserted him since he abruptly filed for divorce from **Loni Anderson**. Reynolds will be inducted into the Florida Artists Hall of Fame today, before the FSU-Wake Forest football game.

—Compiled from staff and wire reports by Mary Alma Welch

Guns 'n' Concert Tickets

■ Here's a gun control method that's music to your ears: free concert tickets in exchange for firearms.

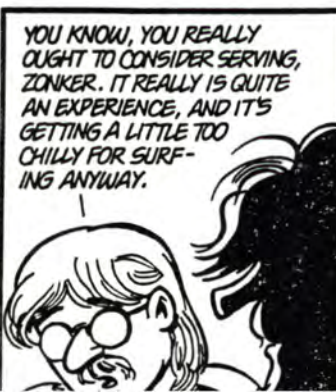
In Albuquerque, music fans are selecting the show of their choice and handing over their weapons as payment. Most people "bring them in brown paper bags," said Ticketmaster's **Barry Finkenberg**. The program, sponsored by radio station KKSS and the Albuquerque Tribune, has collected dozens of illegal weapons, including sawed-off shotguns. **Rapper Dr. Dre** and grunge band **Pearl Jam** have fetched the largest arsenal so far—largely, organizers point out, from fans under 30.

'Program' Stunt Repeated

■ Three more reckless teens have been caught imitating a potentially deadly scene from the new Disney movie "The Program." The Connecticut trio were arrested earlier

DOONESBURY

By G.B. Trudeau



Shadow Over Japan

Last May, North Korea test-fired into the Sea of Japan a long-range missile that could easily have reached Tokyo. Understandably, the Japanese public became alarmed, because it is aware that North Korea also is trying to build a nuclear bomb.

Because Japan is positioned directly in the line of fire, the Japanese government believes that abolishing the North Korean nuclear program is essential to Japan's security. The vice minister for foreign affairs, Kunihiko Saito, goes one step further, saying that "the development of nuclear weapons in North Korea threatens the security of [all of] Asia."

In a series of recent interviews, Japanese officials made clear their hope that the North Korean regime can be persuaded through diplomatic channels to abandon its bold military initiative. But key Japanese officials are becoming increasingly pessimistic about the prospects for diplomatic success and are seriously contemplating the possibility of imposing international economic sanctions on North Korea. As Japan's new foreign minister, Tsutomu Hata, acknowledges, "Japan is greatly concerned. Suspicions are deepening."

A few weeks ago, Hata met with Iran's foreign minister, Ali Akbar Velayati, in New York. In a most un-Jap-

anese fashion, Hata told Velayati that Japan believes Iran was involved in the testing of the long-range missile by North Korea; in fact, Iranians were reportedly present at the testing site. Moreover, the Japanese government has received information that Iran is planning to purchase the North Korean missile. These Iranian actions, Hata warned his Iranian counterpart, are unacceptable to Tokyo.

Hata reports that Velayati denied any Iranian role in North Korea's missile program. The skeptical Japanese official said he warned Velayati that if Iran does not heed Japan's warning, "You'll find yourselves isolated."

Japan, of course, enjoys a certain amount of leverage over Iran. Vice Minister Saito points out that his country not only has good relations with Iran, but that recently Japan extended a loan to Iran on favorable conditions. Moreover, Japan has provided Iran approximately \$800 million in loans and grants; meanwhile, Japan last year imported \$2.4 billion worth of Iranian oil. Japan's international behavior is changing. As a leading Japanese foreign policy analyst noted, "We've found out how to use our economic aid as leverage."

As things stand, Japanese officials ponder whether the international community should move to impose sanc-

tions on North Korea. According to Foreign Minister Hata, it's too soon: "There still remains some room for dialogue with North Korea." Saito adds: "We would prefer to avoid economic sanctions if it's at all possible."

"Don't chase them into a corner," warns Hata. Rather, he would try further to make North Korea understand the possible consequences of its actions. If sanctions are imposed, Saito warns, North Korea may react violently.

The Japanese government, moreover, shares South Korea's concern that sanctions could provoke an economic collapse in North Korea, thereby producing instability throughout the Korean peninsula and a flood of refugees that could reach Japan. Thus Japan, according to Saito, favors giving North Korea "a carrot"—some tangible inducement to abandon its nuclear program. The minister specifically mentioned North Korea's interest in improving relations with the United States. "Our impression at the moment is they're not really interested in pursuing normalization talks with Japan," he said.

Yet, in spite of its reservations, the Japanese government has made clear to the United States that it will cooperate with economic sanctions if they are imposed by the United Nations. "We're determined to do so," said one high-ranking official.

Sanctions would pose difficulties for Japan. There are about 70,000 Koreans living in Japan, of whom about 40 percent have chosen to retain formal ties to North Korea. They steadily ship remittances from Japan to support their relatives in North Korea. It's difficult to stop these payments—in many instances, they take the form of cash hidden in suitcases. Attempting to interfere with or to cut these money transfers carries a risk: Tokyo might face terror strikes instigated by North Korea. Japanese officials believe the ultimate success of sanctions would depend in large measure on the cooperation of China, which sells oil and other goods to North Korea).

In the end, "Our anxiety about North Korea is much stronger than that of South Korea," says Prof. Hajime Izumi, a Japanese scholar and expert on Korea. South Koreans, he maintains, believe that they and the North Koreans are one people—that the North "won't use weapons on them because they are all Koreans." But Japan can make no such assumption about itself, Izumi explains.

Although Japanese officials are coordinating their policy closely with both Washington and Seoul, one high-ranking Japanese official makes clear that North Korea is "our issue—it's a threat to Japan. Peace on the Korean peninsula is essential to Japanese security."

Eventually, President Clinton will have to turn his attention to North Korea. If he doesn't do so quickly, however, Kim Il Sung—North Korea's aging despot—will have nuclear weapons and long-range missiles that threaten Japan as well as South Korea (not to mention the threat to Mideast peace posed by Iran's possession of the same missiles).

THE WASHINGTON POST

MONDAY, NOVEMBER 1, 1993

Doing - we need to
discuss this

7.

SOMALIA: Warlord Aidid Reportedly Rearmed His Militia

Aidid Fooled U.N. to Rearm, Sources Say

By MARK FINEMAN
TIMES STAFF WRITER

MOGADISHU, Somalia—Warlord Mohammed Farah Aidid rearm his militiamen right under the noses of tens of thousands of U.N. peacemaking troops charged with disarming them, apparently using extortion and sympathetic middlemen to build his arsenal during his months-long battle against the United Nations and the United States, according to informed Somali sources and U.N. military officers.

Aidid's forces may well have employed this arms cache when they shot down two U.S. Black Hawk helicopters and killed 18 American soldiers in their fierce Oct. 3 attack on an elite Army

Please see SOMALIA, A3

Continued from A1

Ranger squad, and in renewed battles with rival clansmen in the war-ruined capital, which flared last week for the first time in more than a year.

The Oct. 3 battle, in which Aidid's militiamen used hundreds of rounds of rocket-propelled grenades and thousands of rounds of automatic weapons fire against Rangers who had captured two dozen Aidid supporters, altered U.S. policy in Somalia and led to unilateral cease-fires between Aidid and the U.N. force.

In interviews with U.N. military officials here and key members of both of Mogadishu's two powerful warring clans, sources said Aidid's Somali National Alliance militia had free rein over a major Somali port and the main road linking it to Mogadishu.

An Italian mercenary in the capital, the sources said, arranged a resupply of rocket launchers, machine guns and small-arms ammunition. This took place during the four months in which Aidid evaded a manhunt by U.N. troops, including U.S. Special Forces.

The weapons allegedly supplied to Aidid's militia were the same type used in last week's pitched battles with rivals loyal to warlord Ali Mahdi Mohamed. That fighting broke out when Ali Mahdi's supporters marched to a "peace rally" across the so-called Green Line. The line—a gutted zone—has separated Ali Mahdi's area of control in north Mogadishu from Aidid's stronghold in the south of the city.

The weapons used in the clan fighting were the same types used to shoot down the two U.S. helicopters in what proved to be a turning point in the costly Oct. 3 battle that also left 77 American troops wounded and a helicopter pilot held hostage.

With public and congressional criticism of U.S. involvement mounting, President Clinton made it clear that the U.S. would end its lead role in the U.N. hunt for Aidid. The Administration then moved toward negotiations that would permit a peaceful

withdrawal of all U.S. troops by March 31.

Weapons resupply was crucial to Aidid's guerrilla campaign against U.N. forces and inter-clan skirmishing. His militia had stockpiled weapons in secret caches around south Mogadishu before the U.S. Marines landed here Dec. 9, opening the American-led U.N. military intervention to end the Somali famine and to pacify and rebuild this nation. But much of Aidid's previous arms stores were destroyed in air strikes in mid-June, which Clinton ordered as retribution for the warlord's suspected role in the ambush slaying of 24 Pakistani peacekeepers June 5.

When the smoke cleared, the President declared the operation against Aidid a success, asserting that the aerial bombardment by U.S. AC-130 Spectre gunships and Cobra attack helicopters had broken Aidid's military capability.

Aidid's ability to rearm is testimony both to his effectiveness as a guerrilla commander and to dangerous divisions in U.N. ranks here.

The warlord got new supplies for his Habre Gedir subclan militia at a time when U.N. special envoy Jonathan Howe sought to conduct an aggressive disarmament campaign in the Somali capital.

Howe's senior commanders, in a U.N. force dominated by U.S. military officers, refused to confirm or deny Aidid's rearmament efforts. But there are indications that Howe, who was committed to capturing Aidid and his top lieutenants, took steps several weeks ago to try to halt the flow of arms to Aidid.

On Sept. 30, Howe ordered the arrest and deportation of an Italian businessman who had been living in a villa in an Aidid-controlled area of the capital. U.N. officials gave vague reasons for the deportation, saying that the Italian's guards had fired on U.N. officers when they approached his gate. But several well-informed Somalis said the Italian was instrumental in arranging purchases for Aidid of rocket-pro-

pelled grenades and rocket launchers. Those Soviet-made weapons, Aidid's militiamen learned in mid-September, were effective against helicopters flying below 900 feet.

The Italian, who could not be reached for comment, reportedly carried a U.N. card identifying him as a human rights worker with an Austrian aid agency that runs a hospital in an Aidid stronghold. But U.N. military officials said the ID card, easily obtained in Mogadishu, was "just a cover." They confirmed that the Italian was suspected of providing arms and ammunition to Aidid.

"He brought in 50-foot trailers with all these" rocket-propelled grenades, said Abdulkadir Yahya Ali, a Somali and a U.N. political officer with ties to Aidid's rival in north Mogadishu. Yahya also confirmed accounts from Aidid loyalists that most of the weapons used against the Ranger helicopters in the Oct. 3 battle were newly acquired rocket-propelled grenades.

U.N. military officials, who said they were surprised by the force Aidid troops displayed in the Oct. 3 fighting, said they were convinced that Aidid had managed to rearm himself under the eyes of U.N. forces.

Yahya and Somali witnesses said the weapons supply routes passed through territory of Aidid supporters, an area for which Italy's military contingent here was responsible. U.N. sources said they believed the weapons arrived at the central Somali port of Hobyo, long controlled by militia loyal to Aidid.

Sources said the arms then were trucked to the capital through the nearby town of Balcad, also in Aidid turf. They said the arms probably entered the capital at Checkpoint Pasta, a U.N. post near an abandoned spaghetti factory in northwest Mogadishu.

The site was under Italian control until early September, when Italian forces turned it over to Nigerian troops under a compromise that settled one of

the most bitter public rifts in the U.N. mission in Somalia.

Rome had sharply criticized the U.N. hunt for Aidid, singling out U.S. military commanders within the mission for pursuing a hard-line campaign against the warlord that the Italians suggested was no different than Aidid's assaults against U.N. forces.

When Italy threatened to pull out of the 28-nation coalition, U.S. and Italian diplomats negotiated a settlement under which Italian troops left the war-torn capital for the largely peaceful countryside north of Mogadishu.

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Nigerian officers later described a meeting they had just had with the local Somali elders and militia, who demanded large sums of money. Nigerian officers said local Somali elders told them that Italian forces at the checkpoint had paid as much as \$1,000 a night in exchange for promises that they would be safe from militia attacks. Nigerian and Somali sources said the elders and gunmen around Checkpoint Pasta told them the Italians also agreed not to search any vehicles or confiscate any weapons entering the capital.

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After the battle, U.N. commanders abandoned Checkpoint Pasta, which apparently has returned to the direct control of Aidid allies. Italian troops are now deployed in and around Balcad. And the port of Hobyo remains far north of the area designated for the U.N. mission to pacify and reconstruct southern and central Somalia.

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THE PRESIDENT HAS SEEN 11/2

Rony

Lake copied this one only

Los Angeles Times

MONDAY
NOVEMBER 1 1993

A Defensible Foreign Policy ✓

Just as the Clinton Administration began to build political momentum with its carefully prepared campaign for health care reform, foreign policy embarrassments in Somalia and Haiti brought unwanted distractions and a new drop in the President's poll ratings.

Mr. Clinton is right to want to de-emphasize foreign policy now that American is no longer under constant strategic threat. But the best way to do that may be for the President to talk more, rather than less, about the country's changed international situation and the need for a more selective and restrained use of force.

Despite the polls, Mr. Clinton's foreign policy record hasn't been so bad. On the big issues, like Russia and the Middle East, he's generally done the right thing at the right time. But clumsy mistakes, like the Ranger debacle in Somalia and the turning back of an American warship by a mob in Haiti, feed an image of indecisiveness about force that Republican critics have been quick to exploit.

No one has yet devised a set of principles to guide American conduct in a radically transformed world, where American interests are no longer threatened by superpower competition and Washington is the only power able to deploy massive military force far beyond its own borders.

In that sense, everyone is groping for a new framework. Unfortunately, Mr. Clinton's key foreign policy advisers — Secretary of State Warren

Christopher, Defense Secretary Les Aspin and Anthony Lake, the national security adviser — are groping more visibly than most.

When Under Secretary of State Peter Tarnoff tried to suggest a few months back that America now needed to be more selective about where and how it intervened abroad and should try to coordinate its actions with other nations, he triggered high-level denials that anything would change. Yet subsequent events have largely borne Mr. Tarnoff out. By trying to split the difference between interventionist hawks and multilateralist doves, the Administration has managed to alienate both.

Part of the Administration's image problem comes from its laudable refusal to live up to send-in-the-marines expectations drilled into the popular mind by 40 years of cold war. The public seems happy enough with the idea of keeping Americans out of foreign conflicts, so long as it doesn't look like wimpishness. But that's exactly the caricature critics will draw unless the Administration better explains its overall strategy.

The end of the cold war presents Americans with a rare opportunity to redemocratize foreign policy making. No longer are choices pressured by red telephones and launch-on-warning deadlines.

This Administration needs to start a national discussion of global purposes and acceptable sacrifices and then campaign for its chosen policies. The President himself should lead the effort.

A Different Message to Jakarta ✓

The plight of East Timor has nagged at American consciences since 1975, when Indonesia devoured this former Portuguese colony. The United States has never recognized Jakarta's annexation of its tiny neighbor, but until recently Washington was loath to offend a powerful authoritarian regime that was an important customer for U.S. arms.

Creditably, the Clinton Administration is making amends, spurred by an international outcry over the mass killings of unarmed East Timorese protesters in November 1991. Earlier this year, the U.S. for the first time joined in favoring a United Nations inquiry into Indonesia's human rights abuses. Now, with Administration support, the Senate Foreign Relations Committee has unanimously approved an amendment to condition the sale and transfer of U.S. arms to Indonesia on improvement in human rights conditions in East Timor.

The amendment, put forward by Senator Rus-

sell Feingold of Wisconsin, would require the President to weigh, in consultation with Congress, Indonesia's compliance with specific steps, like providing access by humanitarian groups to East Timor and accounting for the victims of the 1991 massacre. The need for access is underscored by credible reports of yet another crackdown in the territory.

Adopting these conditions would not affect non-military trade with Indonesia, but would address for the first time the continued abuse by an occupying nation of an unwilling people. It would begin to redress the inconsistency between Washington's vigorous punishment of Iraq's annexation of Kuwait and its past indifference to Indonesia's comparable aggression.

And if Jakarta fails to understand the changed American mood, President Clinton will have a chance to amplify at the Asia Pacific Economic Conference in Seattle later this month.

THE PRESIDENT HAS SEEN ^{11/}2

ASSOCIATED PRESS

Somali gunmen drive through Mogadishu more freely since U.S. troops adopted "force protection" strategy.

GIs in Somalia Dig, Duck and Cover

Mean Streets Get Meaner as U.S. Military Avoids Conflict

A1

By John Lancaster
Washington Post Staff Writer

MOGADISHU, Somalia, Oct. 31—On the mean streets of this divided capital, the nearly completed buildup of American combat forces in Somalia is starting to seem more irrelevant than daring.

U.S. combat troops—3,600 Army soldiers backed by the same number of Marines on ships nearby—are all but invisible here. They do not patrol city streets or enforce the U.N.'s ban on openly carried weapons and militia checkpoints.

Instead, the evolving American military strategy in Somalia might best be described as duck and cover. While gunmen rule the streets outside, American soldiers live in vast, protected enclaves linked

NEWS
ANALYSIS

by specially constructed bypass roads, avoiding all but occasional contact with the city they were sent to help secure. For now, at least, U.S. military commanders are focusing almost exclusively on one goal—keeping American casualties to a minimum until the planned U.S. withdrawal next March.

"You've got this huge force flying in with nothing to do but protect its perimeters and bases," said one frustrated U.S. officer. "Meanwhile, everything is going to hell in a handbasket on the outside."

There are, of course, good reasons for caution. With the forces of faction leader Mohamed Farah Aideed holding their fire against American and U.N. troops, U.S. commanders want to avoid offensive measures that could foil diplomatic efforts to broker a peace settlement among Aideed and rival clans.

See SOMALIA, A14, Col. 1

U.S. Soldiers in Somalia

Avoiding Confrontation

THE WASHINGTON POST

MONDAY, NOVEMBER 1, 1993

SOMALIA, From A1

On the other hand, there is no evidence that President Clinton is fulfilling his pledge to "keep open and secure the key roads and lines of communication" in Somalia and "keep the pressure on" armed looters and factional fighters.

Despite the cease-fire, security in Mogadishu has eroded in recent days, with gunmen and militia checkpoints reappearing on city streets amid renewed clashes among rival subclans. U.N. and American civilian officials complain privately that they now have more difficulty moving around the city than during their four-month confrontation with Aideed and that factional tensions and extortion threats are once more interfering with relief operations here.

"Checkpoints, gunmen running around town—that's got to stop," said a U.S. government official here who asked not to be named. "The city throughout the war with Aideed was functioning better than it is now. Now, you can't get across town."

The official added, "We keep building wider bypasses instead of dealing with whatever the problem is that's forcing us to build wider bypasses. It's the classic military conundrum. Are you more secure improving your fortifications or going out more aggressively and patrolling?"

The deteriorating security situation—and the absence of any American military response—prompted a cable from the American diplomatic mission here to the State Department late last week expressing concern that U.S. forces have "totally pulled back," according to a U.S. official familiar with its contents.

U.S. military officers too are frustrated by what they describe as an absence of clear guidance from Washington. They are hoping to receive such guidance this week from Clinton's special envoy to Somalia, Robert B. Oakley, who arrives here Monday in a bid to jump-start stalled political negotiations among rival clans. Oakley met last week with members of the military's Joint Staff to try to clarify the U.S. military mission, a U.S. official said.

"I'd call it 'Waiting for Oakley,'" said a U.S. officer here of the posture of American forces. "I do not think that in the end events will allow us to carry out the policy as it exists right now and achieve the desired results. There will have to be choices made."

At present, the diplomatic process is stalled, with Aideed refusing to send delegates to U.N.-sponsored political talks. U.S. officials say Oakley has little chance of breaking the deadlock so long as Aideed believes he has nothing to fear from the expanded U.S. military presence here. "I suspect [Oakley] is going to give them [U.S. forces] a little more room to maneuver," as U.S. official said. "Something needs to be done."

For now, soldiers devote most of their professional energies to self-preservation—stringing barbed wire, filling sandbags and plotting

defensive artillery coordinates in keeping with the "force protection" mission that U.S. commanders say is their number-one priority. Even the formidable U.S. armored contingent—30 M1A1 tanks, 48 Bradley Fighting Vehicles and eight self-propelled howitzers—will for now be parked at a remote base now being bulldozed out of an old surface-to-air missile site several miles outside the city.

The U.S. decision to dig in rather than move out also has affected the posture of multinational U.N. peace-keeping troops. These troops were supposed to serve as the front-line enforcers of security in Mogadishu, with the American soldiers standing by for emergencies. But the arrival of the American reinforcements has done little to boost the confidence of their U.N. partners, who remain largely confined to 11 U.N. strongholds around the city.

In keeping with their non-confrontational approach, American and U.N. military commanders sought to negotiate with representatives of Aideed's political organization, the Somali National Alliance, after members of his militia began brandishing weapons in full view of several Pakistani strongpoints last week. But when they convened a meeting Saturday of a newly formed "security advisory committee" purported to include each of the city's 15 factions and clan groups, only four representatives showed up, none from Aideed's faction.

Later in the day, American helicopters dropped leaflets over the city explaining once again the U.N. rules against the open display of weapons. But the message seemed to have eluded a jeering mob of armed Somalis who showed up today outside the main journalists' hotel in Mogadishu after members of a rival faction held a news conference there. The latter escaped by car after firing a warning shot in the air.

American helicopter pilots who fly reconnaissance patrols over the city still report occasional gunfire in their direction, but they too are exercising extreme restraint. During a battle between Somali factions last Monday, the pilot of a U.S. helicopter spotted through his targeting camera the Somali who had just tried unsuccessfully to kill him with a rocket-propelled grenade, according to a senior officer. But the pilot elected not to return fire.

The American retreat from the streets has been accompanied by a rise in thuggery and factional violence, which once more has begun to interfere with humanitarian relief work here. Last week, the port was virtually shut down for three days after Somalis from south Mogadishu prevented rivals from the northern half of the city from reporting to their jobs as dockworkers, port officials said.

The anarchy of city streets is in stark contrast to the largely self-contained world of the adjoining U.N. and American compounds here. Behind the fortified walls are orderly rows of tents and air-conditioned trailers, volleyball courts and an Israeli-run post exchange featuring shaded outdoor seating and cold, canned beer.

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THE PRESIDENT HAS SEEN ^{11/2}

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MACK McLART

October 20, 1993

Mr. President:

This is the kind of "crud" that continues to distort the real essence of our economic plan, particularly with medium-size and small business people.

In my view, it is essential that we continue to make our case for our economic plan in a cogent and concerted way. Roger Altman is heading up an effort to do precisely that, and we will continue to maintain our focus on this important effort despite the demands of ongoing business, such as health care and NAFTA.

Mack

cc: Roger Altman
David Gergen
Bob Rubin
George Stephanopoulos

10/18/93

(Continued From Page 5)

teensie bit misleading. It will be interesting to see whether the state Attorney General's office will interpret Sabb's resurgence as a violation of the state's going-out-of-business law.

As we've told you before (Whispers, Aug. 19), the attorney general has been investigating several rug companies and other businesses for possible violations of the law.

Banking With the Enemy

It's no secret that the intense banking competition in Jonesboro is spurred by Wallace Fowler's First Bank of Arkansas.

First Bank is offering such good interest rates to attract depositors that even its competitors are opening accounts.

Sources tell us that if a better yielding investment can't be found, a competing bank will park its money with First Bank, part of the Fowler's Southwest Bancshares.

The holding company also owns First State Bank of Arkansas in Trumann and First Bank of Arkansas in Russellville.

Cherry Picking

Speaking of Southwest Bancshares, you may have heard its purchase of Cherry Valley Bancshares in Wynne was a done deal.

What you didn't hear is that Southwest bought the holding company of First Arkansas Bank in Wynne for a reported \$988,000.

The three largest blocks of stock ownership were: W.M. Smith Jr. of Birdeye (Cross County), 28 percent; Security Bank in Paragould, 18.34 percent; and Citizens Bank of Jonesboro, 17.77 percent.

First Arkansas Bank reported year-end 1992 deposits of \$9.2 million and an annual profit of \$43,000. That represents a flip-flop from 1990, when deposits totaled \$17.5 million and the bank reported a \$148,000 loss for the year.

Campaign Promise

After the bad publicity President Clinton has received about breaking campaign promises, it was refreshing to hear one nationally known speaker focus on

one promise Clinton has kept.

Zig Ziglar, who travels the country giving motivational speeches to sales organizations, recently noted one Clinton promise that is coming true.

"Mr. Clinton told us if we voted for George Bush, our taxes would go up," Ziglar says. "Well, I voted for Bush and my taxes are going up."

Leave-Takings

The AIDC's director of communications, Janet van der Werff, recently left that post to join AccuPay Inc. as vice president of marketing. AccuPay is a fast-growing company riding the crest of the health care reform movement.

AccuPay audits medical bills for individuals and self-insurers in a quest to find erroneous charges. The company's success in finding downright comical mistakes recently garnered it national attention, with its officers being featured on "Good Morning, America," Paul Harvey's radio program and elsewhere.

No word yet on who will replace van der Werff.

Another high-profile business person who recently vacated his position is Bill Brown, a longtime vice president at Heritage Publishing Co. After nearly 20 years at Heritage, Brown recently left to pursue other opportunities out of state.

A New Brew

Clear Mountain Direct Distributors of Little Rock has been appointed the Arkansas distributor for a new beverage product called West End All Natural Soda Brew.

The product, being classified as a "new age" healthy beverage in the same vein as Clearly Canadian, is being distributed through delicatessens, convenience stores and specialty shops. In Little Rock, the beverage is reportedly available at the University of Arkansas at Little Rock, Wal-Mart Stores Inc. locations, St. Vincent Infirmary Medical Center and Harvest Foods Inc. grocery stores.

By the way, don't be fooled by the "brew" in the title of that beverage. This is a non-alcoholic product made from heating up large amounts of fruit and

THE WHITE HOUSE
WASHINGTON

October 30, 1993

RECOMMENDED TELEPHONE CALL

TO: President Clinton

DATE: October 30, 1993

RECOMMENDED BY: Howard Paster

PURPOSE: To place a quick courtesy call to Chairman Rostenkowski to thank him for his help on NAFTA, and express your appreciation for his agreeing to complete Ways and Means work by the end of Tuesday, enabling us to introduce the implementing legislation on Wednesday.

BACKGROUND: You have called Senator Moynihan to express this message, and this call will close the loop.

TOPICS OF DISCUSSION: 1. As above.

CONTACT PERSON AND
TELEPHONE NUMBER(S): Howard Paster, 2230

DATE OF SUBMISSION: October 30, 1993

ACTION: _____

Handwritten signature: Howard Paster

THE WHITE HOUSE

WASHINGTON

October 29, 1993 OCT 29 P7:

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD W. NUSSBAUM ^{BN}
COUNSEL TO THE PRESIDENT

CLIFFORD M. SLOAN ^{CMS}
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Meinhold gays-in-the-military decision

The Supreme Court today issued a stay of the injunction in the Meinhold case, insofar as it applies to anybody besides Meinhold. (A copy of the Supreme Court's order is attached).

Although Meinhold brought the case only on his own behalf, the district court issued a nation-wide injunction, and the Court of Appeals refused to narrow it. On Tuesday, October 26, the Solicitor General filed a request for emergency relief on the ground that the injunction was preventing implementation of the new policy and that the extension of the injunction beyond Meinhold personally was a clear legal error.

The Supreme Court's order rests on a narrow procedural ground about the scope of an injunction in a case brought by an individual. It should not be read as a ruling on the constitutional merits of Meinhold's claim. The distinction that the Court drew (applicability to Meinhold, as opposed to applicability to other people); the case that it cited (Heckler v. Lopez); and the swiftness and unanimity of the order all highlight the narrow procedural character of the order.

The Solicitor General's application to the Supreme Court also requested a stay of the injunction to the extent that it required destruction of documents relating to Meinhold. The Court refused to stay that part of the injunction, but suggested that the government could comply by filing the documents under seal with the district court.

The Meinhold case on the merits with respect to Meinhold himself remains pending in the Court of Appeals and is scheduled for argument in December.

The way is now clear for implementation of the new policy. It is possible that we will not issue the new regulations until the DOD authorization bill (with the Nunn language on gays-in-the-military as one provision) emerges from conference. Although we have not publicly stated that the regulations will wait for

the legislation, we do not want the new regulations to become a target while the legislation remains in conference.

ORDER LIST

FRIDAY, OCTOBER 29, 1993

ORDER IN PENDING CASE

A-373 UNITED STATES DEPARTMENT OF DEFENSE, ET AL.
V. VOLKER KEITH MEINHOLD

The application of the Solicitor General for a stay, presented to Justice O'Connor and by her referred to the Court, is granted in part. It is ordered that so much of the order of the United States District Court for the Central District of California, No. CV 92-6044 TJH (JRx), filed September 30, 1993, as grants relief to persons other than Volker Keith Meinhold is stayed pending disposition of the appeal by the United States Court of Appeals for the Ninth Circuit. See *Heckler v. Lopez*, 463 U.S. 1328 (Rehnquist, J., in chambers), motion to vacate stay denied, 464 U.S. 879 (1983); *id.*, at 881 (Stevens, J., dissenting in part). The request for a stay of the portion of the injunction prohibiting the Government from maintaining records pertaining to Meinhold is denied. It is further ordered that the Government can file, under seal, any such documents pending the final outcome of this litigation.

THE WHITE HOUSE
WASHINGTON

3 OCT 19 P4:18

OCTOBER 14, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MACK McLARTY

SUBJECT: SENATOR PRYOR AND ECONOMIC SUMMIT

I think David's idea (see attached) has merit, but needs to be discussed and vetted. It might be a better fit in early January, prior to your State of the Union address. However, mid-December might also work.

I am ready to discuss this matter with you at your convenience.

Attachment

cc: David Gergen
Bruce Lindsey
Roy Neel
Howard Paster
Bob Rubin
George Stephanopoulos

Mac

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THE WHITE HOUSE
WASHINGTON

October 8, 1993

MEMORANDUM FOR MACK MCLARTY

FROM: HOWARD PASTER *HP*
SUBJECT: SENATOR PRYOR AND ECONOMIC SUMMIT

Attached is a letter to the President from Senator Pryor that requests that he convene another Economic Summit this December.

I am requesting that you show this to the President. I would also appreciate it if you call Senator Pryor to discuss this request.

Thank you very much for your assistance. Please call me if you would like to discuss this.

Good idea - Let's trade

Russell - Geo - Censor - Bruce

(197)

Attachment

DAVID PRYOR
ARKANSAS

RUSSELL SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-2353

ARKANSAS OFFICE:
3030 FEDERAL BUILDING
LITTLE ROCK, AR 72201
(501) 324-6336

United States Senate
WASHINGTON, DC 20510-0402

Howard P. - Rep.
COMMITTEES:
AGRICULTURE, NUTRITION, AND
FORESTRY
FINANCE
GOVERNMENTAL AFFAIRS
SPECIAL COMMITTEE ON AGING

October 6, 1993

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

Dear Mr. President:

Last December in Little Rock, you convened a remarkable three day national summit on our economy. I do not know of any participant, nor any observer, who had anything but good things to say about this unique conference. The setting was conducive to full participation and in-depth exploration of constructive proposals. Personally, I think you gained tremendous stature due to your ability to grasp these complex issues and manage such a conference.

Mr. President, I am respectfully proposing that this December you convene another national summit. There is no more pressing issue in our country today than America's social fabric and our personal security which has been put at risk. The facets of this national crisis, as you know and articulated so well in your speech at the Democratic dinner, are not limited to just crime or education. It encompasses all aspects of poverty, including its causes, the growing insecurity of all Americans, and is resulting in the decline of the American family. This conference could be entitled "America's Social Fabric: What is Happening and What Do We Do About It?"

This morning, I met with several CEOs of national corporations. After I suggested this as the number one agenda item in America today, these executives agreed and pledged their moral and financial support in moving such a summit forward. Without question, the financing (even creating a foundation, if necessary) would be a simple matter to address.

There are no issues in America any more important than would be addressed by this summit. To find constructive solutions to these monumental problems would be a legacy your presidency could leave to a grateful nation.

I hope you will consider this suggestion. Time is of the essence.

Respectfully,

David
David Pryor

STROBE TALBOTT
2812 Calvert St., NW
Washington, DC 20008

October 18, 1993

The President
The White House
Washington, DC

Dear Bill:

Since your first meeting as President with Yeltsin in Vancouver, you and the rest of the Administration have been pressing the Russians to return the Lubavitcher Archive to their rightful owners. As you know, this is an issue that the Vice President and Leon Fuerth feel very strongly about. I recently fell into discussion on the subject with Justin Leites, a very impressive young man (a Yalie, naturally!) who works for Brooke at the White House Fellowship Commission and who turns out to be quite knowledgeable about the issue. He explained to me why the fate of the books is important to many "secular" Jews. I found his observations helpful in understanding what is really at stake here, so I asked Justin to write his views down for me to share with you and Chris. The result is attached.

We're off this week to the FSU, among other things to prepare the way for your own victory tour in January.

Cheers,


Strobe Talbott

To Leon Fuerth
Fyl-
V. Vignier

Why Mainstream American Jews Would Be Grateful if the Lubavitcher Collection Was Returned to the Lubavitchers

Most Jews, even most secular Jews, acknowledge two sets of cultural obligations: obligations towards the Jewish past and obligations towards the Jewish future. The obligations they feel for the future - to support for the state of Israel, and to rear children who acknowledge a Jewish identity - are familiar to acquaintances of American Jewish culture. The other obligations, towards the past, may be less obvious to the casual observer, but, in my opinion, they are just as deeply and widely felt.

The Holocaust Museum in Washington, D.C. is the most visible recent American monument to this sense of obligation. But the period 1933-1945 is not the only portion of the past that modern Jews are concerned with. For Jews, the Lubavitch books currently kept in the Lenin Library are the embodiment of the collective memory from a major period of Jewish history. In addition, regaining physical possession of the books is important because they are keepsakes, items which mean a great deal to the current generation of Jews because they meant so much to previous generations.

President Ronald Reagan's visit to Bitburg, and Secretary of State James Baker's stated disdain for American Jewish concerns ("Fuck the Jews, they won't vote for us anyway") were the two defining moments of the Reagan and Bush administrations' relationship with the American Jewish community. Reagan's visit, because of its disregard for the ~~past~~ past, was even more painful for American Jews than Baker's off-color remark. The Clinton Administration produced a glorious moment of support for the Jewish future on the South Lawn last month. The retrieval of the Lubavitcher Library would win the Administration wide-spread acclaim from those who are concerned with the Jewish past.

The History of the Lubavitcher Hasidim and their Library

The first Lubavitcher Rebbe, Shneur Zalman of Liady (1745-1812), and the five Rabbis who followed after him as leaders of that Hasidic sect, were among the most influential leaders of the Eastern European Hasidic community - the largest Jewish community in world history, a community that had more Jews than are currently living in the state of Israel. For six generations, the Lubavitch library was one of the main repositories of the learning and literature of that community. When Lenin seized the library from the sixth Lubavitcher Rebbe, Yosef Yitzchak Schneerson, in 1920, it contained over 12,000 volumes.

Large numbers of non-Hasidic Jews had left Europe for America or Palestine in the period 1880-1920. For the most part, it was the Hasidim who remained and were slaughtered. After World War II, most of the surviving Hasidic communities were completely demoralized. It was ~~Yosef~~ Yosef Yitzchak Schneerson (1880-1950), the Lubavitcher Rebbe whose library had been seized by Lenin, who provided the spiritual guidance and practical leadership that enabled the surviving Hasidim to gather together, settle and thrive in the neighborhood of Crown Heights in New York City. (Most of Schneerson's own family perished at Treblinka.) Today, the Hasidic community whose "world-wide headquarters" is in Crown Heights, is, in a sense, a living museum of Eastern European Jewry. It is the only community in the world that speaks Yiddish as a mother-tongue, and the only group of Jews that still dress and follow the customs of their eighteenth-century ancestors.

Why Jews care about their past, their books in general,
and the books of the Hasidim in particular

Inculcated in every Jew who has ever attended prayer services or Hebrew school is a fear of forgetting the collective Jewish past. In the Bible, and in daily and holiday prayer services, the injunction to remember is stated as an moral imperative, incumbent on the entire people.¹ Jews are warned over and over again to remember their history, so that God in turn will not forget the covenant with Israel.² The Passover seder, the religious service that even most assimilated Jews observe, revolves around this duty. ("Remember that you were slaves in, Egypt . . .") The message conveyed is: do not forget the history of your people, or you, too will be forgotten.³

The successive political misfortunes of the Jews taught the survivors and their descendants to appreciate their books, which were usually the only possessions, and the only hold on the past, that Jews could retain as they moved from land to land. (More "valuable" property was usually confiscated.) The most important book was the Torah, but the commentaries that Jews wrote about the Torah took on a life of their own, and themselves became the vehicle for preserving the succeeding centuries of Jewish communal life and thought. These books became the portable homeland of the Jewish people, their means of remembering and keeping alive their culture.

These commentaries have always been, by design, about everything and anything that could possibly be of interest. They were used not only as the source of spiritual guidance, but as the primary receptacle of practical advice as well. When the plans for building a home were being drawn up, or medical guidance was needed, the commentaries were consulted for advice. Parents used these works as a means to teach their children everything from the alphabet to ethics. And, in the margins, alongside the ancient words of Genesis and Exodus, Lamentations and Job, are

the records of each generation's innermost thoughts about suffering and redemption. Their struggle to answer questions like: What sort of world do we live in that terrible things can happen, and how can it be repaired, so that it is a fit place for human beings? Because these were needed as practical texts, these works were continually updated. Commentaries were written upon commentaries, upon commentaries. Each generation in each community was to make their own contribution.

It is important to realize that these books have always had an significance which is greater than the information recorded in them. The books themselves are regarded in the way that an orphan might regard her mother's bible, or her father's prayer shawl. It is also important to remember that the Hasids themselves function as keepsakes as well. The Jewish world of Eastern Europe is gone; but the Hasidim remain, a living piece of history. As long as they remain, that period of the Jewish past still belongs to the Jewish people. Because they remain, many American Jews (myself included) feel a moral obligation to help them get their books back. Many more American Jews, who are not now aware of this issue, will be grateful once the announcement is made that the books have been returned.

¹ But take utmost care and watch yourself scrupulously, so that you do not forget the things that you saw with your own eyes and so that they do not fade from your mind as long as you live. And make them known to your children, and to your children's children. (Deuteronomy 4:9)

Remember these things, O Jacob, for you, O Israel, are my servant; I fashioned you, you are my servant - O Israel, never forget me. (Isaiah 44:21)

² Go and assemble the elders of Israel and say to them: the Lord, the God of your fathers, the God of Abraham, Isaac, and Jacob, has appeared to me and said "I have surely remembered you . . ." (Exodus 3:16)

³Yerushalmi, the Israeli historian, writes: "Given that we cannot draw the lines between too much and too little historical research, I will take my stand on the side of 'too much' rather than 'too little' for my terror of forgetting is greater than my terror at having too much to remember."

THE WHITE HOUSE
WASHINGTON

852 P7:40

October 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Mike Lux

SUBJECT: BlueCross BlueShield of Rochester

Jeff Eller mentioned that you were concerned because Cleve Killingsworth of Rochester BlueCross BlueShield said they had no input. In fact, both Judy Feder and I had separate meetings with Killingsworth and others from Rochester. (FYI, have attached a couple of letters he sent to Alexis and me thanking us for those meetings.)

[Handwritten signature]

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4500

June 3, 1993

Dear Ms. Herman:

As you may know, last week, I along with a group of health care leaders from Rochester, met with Dr. Judith Feder to discuss the impact of the President's reform proposal on the Rochester health care system.

It was a good discussion. We had a chance to explain a bit about how our system works and exchange views about how and what we have accomplished would fit into the new structure. Dr. Feder was engaging and clearly interested in understanding our perspective. She invited us back to explore in more depth how we could preserve what Rochester has accomplished. We will be following up with her.

I also believe that we have taken a big step in building the kind of support we discussed at the beginning of this process.

Your help in this process is deeply appreciated. Mike Lux has been invaluable in planning the strategy and arranging our meeting with Dr. Feder. While this effort has benefits for both the administration and Rochester, I know that Mike and others worked very hard to create this opportunity for us in spite of the tremendous workload you and your staff are managing.

Sincerely,

Alexis Herman
Old Executive Office Building
Room 122
Washington, D.C. 20500

CLK:clc
c: Mike Lux

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4500

May 21, 1993

Dear Mike:

As I promised, below are the list of individuals that have agreed to attend the meeting with Dr. Feder next Thursday. There is one person, Joe Laymon from Xerox, who has not yet confirmed. I will let you know about his participation as soon as we do.

Howard Berman, President and CEO, BCBS
Patricia Bomba, M.D., Secretary, BCBS Board of Directors
Richard Dent, M.D., Chairman, RCIPA
Paul Griner, M.D., Executive Director, Strong Memorial Hospital
Thomas Mooney, President, Greater Rochester Chamber of Commerce
Judith Peters, Director, State and Government Relations, Kodak

Also attached is a confirmation memo that we will send on Tuesday. As you can see, it deals with logistics and describes the format for the meeting as we discussed it. Please review it and let me know if you are uncomfortable with what I have presented. If I don't hear from you, I will send it out Tuesday morning.

Sincerely,

Mike Lux
Old Executive Office Building
Room 122
Washington, D.C. 20500

Enclosure
CLK:clc

DRAFT

May 21, 1993

Dear Judy:

Thank you for agreeing to join in the meeting with Dr. Judith Feder next Thursday, May 27th at 9:00 a.m. The meeting will be held at the Hubert Humphrey building in room 415 F.

We are working on travel arrangements and will contact you shortly with the details, if we are able to schedule a group charter.

Our plan is that the meeting will consist of a briefing by Dr. Feder sharing what she can of the content and status of the President's health reform proposal. After this, a discussion of the impact on the Rochester system is planned. Any next steps that are needed will be a planned on the basis of this discussion.

Once again, thank you for your agreement to participate on such short notice. If you have any questions, please call me at 482-0242.

Sincerely,

Judy Peters
Director, State and Govt. Relations
Eastman Kodak Co.
343 State Street
Rochester, NY 14650-0516

CLK:clc

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4500

May 18, 1993

Dear Mike:

After talking with Debra Fine, and confirming May 27th at 9:00 a.m. with Dr. Feder's office, I began contacting the individuals that we will ask to attend from our side. Although I am still trying to reach many of the following, the tentative list looks like this:

Howard Berman, President and CEO, BCBS
Patricia Bomba, M.D., Secretary, Board of Directors BCBS
Richard Dent, M.D., Chairman, Rochester Community Individual
Practice Association
Paul Griner, M.D., President, Strong Memorial Hospital
Cleve Killingsworth, Senior Vice President, BCBS
Joseph Laymon, Director, Corporate Industrial Relations, Xerox Corp.
John McCarthy, Senior Vice President, Kodak
Thomas Mooney, President, Greater Rochester Chamber of Commerce
Judith Peters, Director, State and Local Government Relations, Kodak

I expect to have a final list by the end of the week. Please feel free to forward this information to Dr. Feder's office or let me know if I should communicate it directly.

As you know, I think this meeting will be helpful for both Rochester and the administration. I appreciate your help.

Sincerely,

Mike Lux
Old Executive Office Building
Room 122
Washington, D.C. 20500

CLK:clc

WASHINGTON

723 P4.42

~~THE PRESIDENT~~

ROBERT E. RUBIN

Follow-up on Articles

1993 128 P4.42

Summary

try to keep up
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on we will follow up on articles from
ation memos, coordinated by Sylvia

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- shift in relative labor demand against blue collar work and less educated workers
- shift in employment opportunities out of the central cities into the suburbs
- decline in affirmative action pressure and anti-discrimination activities

2. Black Entrepreneurs – Washington Post, "Where Are the Black Entrepreneurs." The number of black businesses grew by 83% between 1977 and 1987, while the number of all businesses grew by only 39% during the same period. (Most recent data available.) Emerging black businesses play an important role in generating more jobs for blacks and stimulating inner-city economies: 1) almost 80% of all black employers have a minority workforce of 75% or more; 2) emerging black firms have attracted substantial capital and a racially diverse clientele that does not depend on weak inner-city markets; and 3) they are more likely to locate in minority areas.

Hopefully, our inter-agency community empowerment undertaking will develop some useful measures with regard to these critically important issues of black employment and black ownership, and the CRA reform, the CDFI bill and SBA One-Stop Capital Shops/Empowerment Zones address some of the problems that retard minority business development. Welfare reform and other more dramatic measures would carry this effort to a higher plane.

3. EITC Marriage Penalty – The EITC marriage penalty is not as bad as some have implied; fixing a marriage penalty is not easy, and the marriage penalties associated with the EITC are limited and less important than the overall benefits of the EITC. The following was developed by David Ellwood, Treasury, CEA and Bob Greenstein:

Number of People Affected:

The numbers of couples affected is exaggerated. The estimates of numbers of couples "affected" (3.4 million pre-OBRA '93, 10.8 post-OBRA '93) include a large number of people who are not receiving EITC, but would if they got divorced, **and** childless workers who were not even eligible for the EITC before the Clinton plan passed. Treasury has asked that **we not use these numbers publicly**, but as many as 80% of the couples "affected" could be in these categories.

- **Our increased funding actually reduces the marriage penalty for many.** Sixty percent of the 3.4 million couples that were subject to an EITC marriage penalty, pre-OBRA '93, will see their marriage penalty reduced.
 - The number of couples subject to penalties in excess of \$2000 will decrease from over 100,000 to fewer than 15,000 even after including those newly subject to the penalty.
- **The penalty for many is relatively small.** Of the approximately 7.4 million additional married couples who will be subject to an EITC marriage penalty for the first time, 2.5 million will be subject to a relatively modest marriage penalty (under \$100) and 4.8 million will be subject to a marriage penalty of between \$100 and \$500.

Limited Opportunity to resolve the penalty. EITC marriage penalties could be eliminated by treating a married couple as two distinct individuals, for purposes of the EITC, rather than as a single economic unit. However, this would create a number of problems:

- It would be inconsistent with our income tax system's general approach of treating a family as a single economic unit.
- The cost would be extensive (Treasury estimates tens of billions of dollars).
- It would be complicated to administer.
- It would eliminate the EITC marriage reward that can go to welfare mothers.

4. **Clyde Prestowitz' criticisms of the Uruguay Round**, and the alternative, are being evaluated by White House and USTR staff, and you will receive a response in a few days.

On balance, all involved in developing this response to your comments feel that we are in the best position possible, given budgetary realities.

THE WHITE HOUSE

WASHINGTON

23 OCT 29 P7:01

October 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
Week of October 30 to November 6, 1993

CABINET-WIDE ACTIVITY

CALIFORNIA FIRES

There is a pre-existing coordinating structure in place to handle fire emergencies and it has responded well since the fires broke out earlier this week. The Departments of Interior (Park Service), Agriculture (Forest Service) and Defense are coordinating the Federal response with the Federal Emergency Management Agency (FEMA). Mack McLarty convened a meeting at the White House yesterday to oversee the ongoing coordination. Four Disaster Assistance Centers (DACs) will be open by Saturday to assist disaster victims. FEMA Director James Lee Witt travelled to California yesterday with Senators Boxer and Feinstein, Secretary Espy will be in Los Angeles this evening and Secretary Babbitt will arrive Saturday morning.

HEALTH CARE REFORM

Secretaries Bentsen, Shalala and Reich and SBA Administrator Bowles testified this week before key Congressional Committees regarding the launching of legislation. Many of the other Cabinet Members either travelled to participate in health care events or gave interviews to regional media to promote the legislation.

* * * * *

DEPARTMENT SUMMARIES

Department of Treasury

- o **RTC Funding:** Staff to anticipated Senate conferees on RTC funding legislation forwarded their most recent counter-offer to the House last Friday. That counter-offer was generally well received, with the exception of language Treasury continues to promote which would allow for the maximization of premium income to the Savings Association Insurance Fund (SAIF), specifically language that authorizes the FDIC to adjust SAIF premiums.
- o **ABC News Special on Violence and Juveniles:** On November 6, Peter Jennings will host a 90-minute, town-meeting style show in Washington focusing on violence and juveniles. Patrick Hynes, ATF Special Agent in Charge of the Washington Field Division, will participate by displaying firearms often used by Washington youth.
- L.A. Times Story on Administration Gun Control Policy:** The Los Angeles Times interviewed Ron Noble, Assistant Secretary for Enforcement, for a story expected to run this weekend on Administration gun control policy. The Noble interview focused on ATF's central role in regulating firearms.

Department of Commerce

- o **Berkeley Roundtable on the International Economy (BRIE):** November 4-5, Secretary Brown will be in the San Francisco area to co-chair the BRIE 1993 Technology Summit on the Administration's civilian technology agenda. The summit brings together approximately 500 top high-tech executives and Administration officials to discuss the Administration's technology policy and economic growth agenda. Senior Administration officials will attend the two-day conference which will focus on technology and trade; defense conversion; National Information Infrastructure initiatives; and biomedical technologies as they relate to health care costs. You or the Vice President may address the gathering via video.
- o **Census Reports:** On November 2, the Bureau of Economic Analysis will release Composite Indexes of Leading, Coincident, and Lagging Economic Indicators for September, 1993. On November 5, Commerce will present the "We" series of reports from the 1990 decennial census. This series summarizes demographic and economic information for selected race and ethnic groups, for broad demographic groups, and for selected demographic topics.

Department of Labor

- o **United Automobile Workers (UAW) and General Motors (GM) Agreement:** The UAW and GM agreed to a tentative three-year agreement this week. The pact tracks the pattern set by Ford in the wage and benefits area, but offers GM opportunities for cost savings in its restructuring efforts. The agreement was reached without establishment of a strike deadline. The contract must be approved by the Union's leadership council and its membership.
- o **Key Statistics:** On November 4, the Bureau of Labor Statistics (BLS) will issue preliminary data on productivity in the third quarter of 1993. On November 5, BLS will issue the employment and unemployment data for October.
- o **New Jobs:** The Department has reached accord with the Congressional Hispanic Caucus on the Administration's transitional worker adjustment proposal. This newly resolved agreement removes an obstacle to the Caucus' endorsement of NAFTA.
- o **First Jobs/Better Jobs:** The Secretary awarded Job Training Partnership Act Presidential Awards to corporate and civic leaders, outstanding academic enrichment programs and outstanding community service projects which provided job and academic experiences for youth during the summer of 1993. On November 10, the Secretary will chair the first meeting of the Commission on Leave, a Congressional committee established by the Family and Medical Leave Act.

Department of Transportation

- o **Operation Support Democracy:** The Coast Guard remains involved in this effort as well as the repatriation of Haitians.
- o **New Transit Project in Chicago:** Dedication ceremonies for a new Federal Transit Administration-funded transit line in Chicago will take place November 3.
- o **Lexington Bridge:** On November 1, there will be a ceremony to open the Lexington Bridge to the public. This is the last major bridge across the Missouri River, damaged by the summer floods, to open.

- o **U.K. Aviation Talks:** Working group discussions resume with the British on November 1 in London. They will be followed on November 4-5 by settlement discussions regarding the Heathrow User Fees Arbitration.

Department of Justice

- o **Abortion rights:** Today the Attorney General held meetings with pro-choice and anti-choice groups, including Operation Rescue.
- o **Home Mortgage Disclosure Act (FMDA) and Fair Lending:** On Thursday, November 4, the Attorney General will testify before the Senate Banking Committee regarding discrimination in lending. Secretary Cisneros will testify as well, as outlined below.
- o **New York City Elections:** On November 2, 1993, federal observers will monitor mayoral elections in NYC. PLEASE NOTE, we have not yet advised the jurisdictions or announced this decision.
- o **City of NY v. Dept. of Commerce:** On November 8, we file our appellate brief in this case in which several cities, states and individuals seek to readjust the 1990 Census to correct alleged undercounts.
- o **Meinhold v. Dept. of Defense:** On October 26, the Solicitor General applied for a stay of the district court's injunction. The ruling bars the Defense Department from taking any action against military personnel based on sexual orientation in the absence of specific conduct that is proven to interfere with the military mission of the armed forces.
- o **Haitian Refugees Case:** A settlement agreement was reached in this case on October 21. When fully implemented, it will free the Executive Branch of the court-imposed restrictions on handling any future Haitian refugee situation.
- o **Senator Durenberger's case:** On October 22, Chief U.S. Magistrate Judge Earl Cudd (MN) recommended that Senator Durenberger's motion to dismiss, based on the Speech and Debate Clause of the Constitution, be denied. Senator Durenberger has until October 29 to file objections to the recommendation.

Department of Health and Human Services

- o **Welfare Reform Waivers:** HHS will approve the Wisconsin welfare reform waiver on Monday November 1; HHS' approval represents a compromise between a draconian proposal supported by the Governor and passed by the State Senate and a more liberal proposal passed by the (Democratic) Assembly members. On Monday, HHS will also notify Georgia of approval of its waiver proposal.
- o **Empowerment Zone Implementation:** HHS has begun discussions with public interest groups about local planning for the use of Title XX funds.

Department of Housing and Urban Development

- o **Vidor, TX:** HUD has identified 11 families interested in moving to Vidor and another 23 who may be interested. HUD hopes to have a substantial pool by the end of next week from which to select the first 10 families to move to Vidor.
- o **Home Mortgage Disclosure Act (HMDA) and Fair Lending:** On Tuesday, Secretary Cisneros will testify about discrimination in mortgage lending before the Senate Banking Committee. He will respond to new data demonstrating that black applicants are twice as likely as white ones to be rejected. He will discuss HUD's new aggressive enforcement of the HMDA, including the first promulgation of rules for what constitutes discrimination in lending as well as new, tougher sanctions.

Veterans Affairs

- o **VA Home Loan Guaranty Program:** VA sells acquired properties to fund this loan program. As a result of improvements in local economies and in VA marketing procedures, for the first time in recent years, VA received more for the sale of properties than it expended for their acquisition, management and resale.

Office of National Drug Control Policy

- o **DC/National Guard:** On Monday, November 1, Dr. Brown and DC Police Chief Kelly will co-chair a meeting with District-wide law enforcement officials regarding resources available to DC. DOJ and the US Attorney's office are also involved in the meeting.

- o **ONDCP Reauthorization:** ONDCP expects to send its reauthorization bill to Congress this week. ONDCP anticipates some trouble with reauthorization due to congressional criticism of Administration emphasis on drug issues.

Department of Education

- o **Goals 2000:** The Secretary met this week with Senator Dole in preparation for Senate action on the bill. The Department is working with Senators on several amendments but does not expect many changes to the bill.
- o **Pell Grant Hearings:** The Department is working closely with Senator Nunn on cleaning up Pell Grant abuses dating back to the early 1980s. The Senate Governmental Affairs Committee's Permanent Subcommittee on Investigations conducted hearings on October 27 and 28 (in consultation with the Department) on this issue and several stories resulted. The Department welcomes the attention and is working vigorously to clean up these historical problems.

Department of Agriculture

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- o **Safe Food Handling Labels:** After consultation with the White House, the Department will not pursue further legal action and has forwarded the proposed regulation to the Federal register. OMB has approved the notice. On November 9-10, the Food Safety and Inspection service will host a conference on the "Meat and Poultry Regulatory Program of the Future." Representatives of industry, academia and consumer groups are expected to attend.
 - o **Japanese Rice:** Japan purchased 15,000 tons of California rice, marking its first confirmed U.S. rice purchase in decades.
 - o **Reorganization:** Legislation to reorganize the Department will be introduced in the Senate next week by Senators Leahy and Lugar. Mark-up is expected soon, potentially as early as next week.
 - o **School Lunches:** Secretary Espy and Assistant Secretary Ellen Haas released a report showing school lunches do not meet the nation's nutritional guidelines for healthful eating and contain too much fat and sodium. Senator Leahy was at the press conference and pledged to work with the Administration to make school meals more nutritious.

- o **Harvests:** As of October 25, 31% of the corn in the 17 leading states had been harvested. This is on track with last year's late season number, but is 64% behind average progress. Soybean harvest, at 68% in the 19 leading states, is close to average progress. Reports indicate that much of both crops is of poor quality.
- o **Wood exports:** USDA will soon announce \$43 million in credit guarantees for exports of solid wood and wood pulp.
- o **Rivers:** On November 6, Assistant Secretary for Natural Resources and Environment Jim Lyons will address the America Rivers Conference on "The Future of America's Rivers." The conference is expected to gain considerable media exposure.
- o **Debarment and Suspension:** In the wake of the New York Times series, USDA has developed an interagency group on debarment and suspension procedures to: 1) address congressional inquiries, 2) assess the validity of the Department's longtime opposition to the "common rule" among federal departments, and 3) formulate the necessary changes within the Department.
- o **Farm Weather Outlook:** The National Weather Service 6-10 day outlook calls for unseasonably cool but mostly open weather across the corn belt and above normal rainfall in the mid-Atlantic and New England states. This pattern should promote rapid fall harvest throughout most of the nation's major crop areas.

Department of Energy

- o **Super Collider:** This week the Department rapidly began shifting to the task of providing orderly termination of the SSC. Secretary O'Leary met with Governor Richards who stated that Texas expects full reimbursement for the \$500-600 million the state invested in the project, and also wanted the Department to make a \$270 million investment in four specific research projects. The Secretary agreed to coordinate closely with the White House and the Governor.
- o **Oil and Money Conference:** After the Secretary's remarks in London on Monday, there was quick negative reaction from independent oil producers in the press. The Secretary did interviews with each newspaper that ran a negative story, indicating that her remarks were taken out of context. Subsequent stories have been very favorable and the leading trade association will issue a statement of support today.

- o **Belgian Reactor Spent Fuel:** As reported in the press, the Secretary is implementing emergency procedures and accepting 144 spent nuclear fuel elements from Belgian reactors thus preventing them from going to Europe where security is a concern. The shipment will enter the country at Hampton Roads, VA, and be stored at the Savannah River Site near Aiken, SC.

Environmental Protection Agency

- o **Cabinet Bill:** Administrator Browner and the Vice President will hold a press conference next week to discuss the bill and to release the congressional schedule for its consideration. House full committee markup is scheduled for November 4, and the House leadership has committed to holding a floor vote during the following week. If the schedule holds and the conference process goes smoothly, Administrator Browner believes you could have legislation on your desk by the end of the session.
- o **Superfund:** The Inter-Agency Policy Committee on Superfund will hold its final meeting next Friday (11/5). After the meeting, the Committee will prepare a report for you outlining a recommended reauthorization policy.

Department of State

- o **Russian Visit:** Secretary Christopher met with President Yeltsin, Prime Minister Chernomyrdin, and Foreign Minister Kozyrev. The leaders expressed their gratitude for U.S. support during the recent crisis. Yeltsin and Kozyrev repeated both privately and publicly, their assurances that the December 12 elections would be fair and free, and their understanding that a free press is an integral part of the democratic process. Both had high praise for our NATO "Partnership for Peace" initiative.
- o **Foreign Aid:** The Department will transmit to key Members of Congress a "discussion draft" of rewritten foreign aid authorization legislation by Monday, November 1. The draft should reflect interagency consensus and will serve as the basis for achieving bi-partisan support in Congressional negotiations.

Department of Defense

- o **Somalia:** Additional ground forces, including armor, are arriving in Mogadishu. The carrier USS America will replace the USS Lincoln which

will return to port on its original schedule. Ambassador Oakley will return to the region this week. DoD is working with the UN to convene a humanitarian conference, although there is much disagreement between African leaders and the UN Secretariat on its particulars.

- o **Haiti:** The Department believes the security situation will remain reasonably calm. Should the security of Americans in Haiti take a turn for the worse, DoD is prepared to respond. U.S. forces are on alert in Guantanamo Bay and elsewhere. U.S. participation in the maritime interdiction effort continues without incident. Several ships have been diverted, and repatriation of migrants has been successful. As a follow up to last week's Principals meeting, DoD is preparing peacekeeping options for Haiti.
- o **Japan/Korea Trip:** On November 4, in Seoul, Secretary Aspin will co-chair the 25th Security Consultative Meeting with the Republic of Korea's Minister of Defense. The discussion will include a wide range of security issues, with the most urgent being the North Korea nuclear problem. The Secretary will consult on coordinated next-steps in the joint strategy to bring the North Koreans to a more forthcoming position on the nuclear issue.

While en route to Korea, the Secretary will stop in Japan for a half day to consult with Japanese government leaders on the U.S./Japan bilateral security relationship.

United Nations

- o **Haiti:** The French have prepared a draft resolution which would broaden sanctions and will likely push for action early next week, assuming Aristide does not return to Haiti.

United States Trade Representative

- o **NAFTA:** The U.S. and Mexico announced final agreement on the creation of two organizations, a Border Environment Cooperation Commission (BECC) and a North American Development Bank (NADBank), which will assist in the development and financing of border environmental projects and, in the U.S., of NAFTA-related community adjustment and investment.
- o **Aerospace Exports:** On Monday, November 1, Ambassador Kantor will meet with members of the Defense Policy Advisory Committee on Trade

(DPACT), DPACT Chairman and Raytheon Chief Executive Officer Dennis Picard, ITT Chief Executive Officer Travis Engen and GTE Chief Executive Officer Frank Gicca, to discuss aerospace exports.

- o **Japan:** Ambassador Kantor announced the breakthrough action plan proposed by the Japanese government to take specific steps to reform its public sector construction market. Sanctions, scheduled to take effect on November 1, have been postponed to January 20, 1994, to allow for elaboration of and progress against the proposed plan.

* * * * *

cc: Vice President Gore
Mack McLarty

THE WHITE HOUSE
WASHINGTON

sent
23 NOV 1 P4:45

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: ELI J. SEGAL

Fax Number: 606-4928

Phone Number:

FROM: JOHN PODESTA

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet): 6

MESSAGE:

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

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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
MARIC

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):

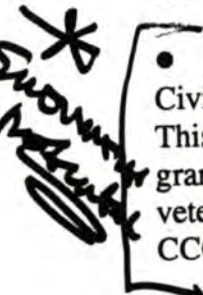
Program

- 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 not 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 have 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 Garibaldi.



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

October 29, 1993

100 P3:48

MEMORANDUM FOR THE DIRECTOR

FROM: Joseph J. Minarik *[Signature]*
SUBJECT: Friday Economic and Financial Report

SUMMARY

Q3 GDP: Right on the Money -- The economy grew at a 2.8 percent annual rate in the third quarter, nearly identical to the 2.9 percent rate assumed in the Mid-Session Review and nearly one percentage point faster than in the prior quarter.

- Growth was spurred by the interest-sensitive sectors: residential investment, consumer durable purchases and equipment investment.
- Growth was restrained by the flood and a cutback in auto production. Bounce-backs in the current quarter from these two negative factors will add about 1-1/2 percentage points to fourth quarter growth.

Fourth quarter growth, as well as 1994 growth, may exceed that predicted by the MSR in light of the ongoing acceleration of economic activity.

Tax Expenditures: Budgetary Gorillas in Our Midst -- The Budget does not report the total revenue lost from tax expenditures, the various forms of tax preferences, as complex interactions among the different provisions would affect total revenue estimates. However, simply adding up the individual tax expenditure items in the January 1993 Budget Baselines yields a total of over \$420 billion in fiscal year 1994.

A major problem associated with tax expenditures is the lack of explicit budgetary control and systematic, periodic reevaluation. This has resulted in acceptance of tax expenditures that may be much less efficient than alternative policies in delivering outputs. Many tax expenditures also principally benefit high-income taxpayers, even when intended to promote broad social goals such as home ownership.

Reform options include budget reporting and procedural changes, such as more integrated comparisons of tax expenditures and outlay programs as means of achieving policy objectives.

*Kerry Commission
10/31/93*

*Kerry Commission
should look into.*

*cc. frat page to Mack
Leon
G.S.
fyi*

J Carter: Le Haiti

THE WHITE HOUSE
WASHINGTON

- ① AWGGs trailing
- ② don't lift restraints
on trade band on morin
~~cooking~~ must be carried out
- ③ cordon - Mon effective in
turning back -

Nixon

- ① not w/ going in US has
Haiti on its hands & it's
ungovernable
- ② Mil. intervention - Most
team support but cooks
quietly if have to stay -
- ③ hold your pattern but do
nothing to Maximize H. mil -
use non-problem reminder
US might intervene -

cc Tony

original to

(RM)

THE WHITE HOUSE
WASHINGTON

④ symposium by BC re
Doc's move.

⑤ if H gives cash, then
can move in -

Op's to be of GATT, list
get this

⑥ going to Moscow end
of next week -

13 NOV 1 A10:30

Handwritten notes, possibly a list or index, with some text crossed out. The text is written in a cursive script and includes words like "Cave", "not", "B", "Cave", "B", "Cave", "B", "Cave", "B".

THE PRESIDENT HAS SEEN

//

Don't mean it
out of this article
man from any other
source — B

MIAMI — The second most powerful military man in Haiti personally receives and distributes \$100 million or more in drug-trafficking bribes, according to a confidential U.S. Senate report.

"The drug-trafficking 'perk' right now is controlled by the Port-au-Prince police chief, Lt. Col. Michel Francois," says a report summary obtained by The Associated Press.

Francois also controls the attached paramilitary thugs.

The military is bitterly resisting the return to Haiti of elected president Jean-Bertrand Aristide in part because



"their lifestyle depends on the drug trade" and they fear prosecution, the report said.

The three-page document is a summary by Senate investi-

By Tom Squitieri
USA TODAY

PORT-AU-PRINCE, Haiti — Talks aimed at restoring democracy collapsed Wednesday — and Haiti braced for anarchy and confusion.

Haiti's parliament failed for the second straight day to muster a quorum and pass two key pieces of democracy-related legislation. Streets began to clear in the capital city and checkpoints manned by armed guards sprang up throughout the countryside.

Gun-wielding attaches — civilian thugs — patrolled the streets here. The military junta warned it would close international airports to preserve order. The U.S. Embassy issued its strongest warning yet to U.S. citizens, urging them not to leave Port-au-Prince because of the quickly deteriorating political situation and to stay inside at night.

Coup leader Raoul Cedras canceled a Wednesday meeting with Prime Minister Robert Malval, intended to jump-start the stalled democratic process. President Jean-Bertrand Aristide, ousted in September 1991, was supposed to return to power Saturday, a prospect that's unlikely. U.S. officials tried to downplay the importance of the missed deadline.

Secretary of State Warren Christopher said, "The particular date (of Aristide's return) is much less important than achieving the result in the very near future."

Christopher made clear the administration does not want army leaders involved in any new government. That, he said, "would not be acceptable."

"I do not contemplate nor would I recommend that military forces be part of the current government," he said.

Haiti's military has refused to abide by July agreements to step down. The military blamed U.N. special envoy Dante Caputo for the stalemate, accusing him of showing bias against coup leaders.

With the July 3 accord seemingly dead, Malval told a group of businessmen he definitely would resign Saturday because the military has placed "too many new conditions" on the return to democracy in Haiti.

That would leave Haiti with no legitimate government. No other member of Haiti's official government is likely to accept the job; all have been threatened with death.

Malval huddled with diplomats from the United States, Canada and France to determine what steps should be taken in the next few days.

Meanwhile, even fewer members of parliament showed up Wednesday to work on new legislation. Most stayed away in fear.

Parliament is trying to pass legislation separating the military from the police, as well as legislation, backed by anti-Aristide delegates, that grants a

general amnesty to those involved in the 1991 coup.

Meanwhile, 15 Haitian boat people were returned here by a U.S. Coast Guard cutter, the first repatriation of Haitian refugees since 297 people were brought back to Port-au-Prince Sept. 21.

The repatriation, which came off without problems, was the first time a U.S. ship entered the harbor here since the USS Harlan County was turned away by a gun-waving mob on Oct. 11.

Although taunted by a small group of *attaches* shouting anti-Aristide curses, the return of the boat people was routine and they were eventually escorted away.



MALVAL: De
nounces military

Richard Cole writes for The Associated Press

THE PRESIDENT HAS SEEN *11/1***In America**

BOB HERBERT

**Violence in
The State
Of Denial**

Altaf Quershi was a 27-year-old immigrant from Pakistan who was chasing the American dream in a yellow taxicab. He drove the cab to hustle money for his education, carrying passengers over the pocked and rutted roads of the outer boroughs, hoping eventually to go to law school, or maybe the journalism school at Columbia.

He lived in Brooklyn and died in Queens, the victim of the flip side of the American dream, which is the American way of violence.

Mr. Quershi's body was found last Saturday, lying face down on the floor in the front of his cab. He had been shot in the head, apparently by a robber. The body remained in the car, unreported, for nearly two days and then a tow truck was summoned and it carted both the taxi and Mr. Quershi away.

We can crane our necks and peer across the oceans for as long as we please in search of a threat to America, but the gravest threat, without a doubt, is the epidemic of murderous violence here at home. Altaf Quershi was the third New York City cabdriver murdered in just one week. He was the 32d driver murdered this year. Last year 45 were murdered. The cabbies are frightened and fed up, and yesterday a couple of thousand of them drove around Manhattan in protest, tying up traffic for hours.

But the problem is hardly confined to New York. Much of the United States has become saturated with vi-

olent crime. During the 1980's more than 7,600 people were murdered while at work, according to the National Institute for Occupational Safety and Health.

Citing just one week in August 1989, the institute reported that the "owner of a pawn shop, a convenience store clerk, a psychologist, two sanitation managers, a tavern owner, a fisherman, a cook, two cabdrivers, a co-owner of a furniture store, a restaurant manager, a maintenance supervisor, a video store owner, and a postal carrier were all victims of workplace homicide."

It's becoming more and more difficult to remain in a state of denial about the extent of the violence. It is overwhelming local authorities. The carnage on the streets of Washington D.C. prompted Mayor Sharon Pratt Kelly to ask President Clinton for authority to call out the National Guard to serve as support troops for the police. Her appeal was turned down.

In Florida the murder of tourists was big news, but there have also been several less-publicized encounters there between armed criminals and elected officials. A State Representative and her husband, a Dade County commissioner, were held up at gunpoint over the weekend. The thief drove off with \$500 and the commissioner's county car. Three years ago the Mayor of Miami had to reach for his own gun to chase burglars from his home. Last year the Dade County Manager was robbed at gunpoint, and earlier this year a former Miami police chief shot at burglars who were trying to rob his home.

Carjackings, killings at school, kidnappings, rapes and muggings at the mall — the flip side of the American dream.

The Clinton Administration's biggest response so far has been to attack the television networks. Attorney General Janet Reno has warned TV executives to curb some of the small-screen violence, or else — whatever that means. Ms. Reno's stern warning may send a chill through some network offices but it will have zero effect on violence in the United States. Heavily armed, drug-dealing gang members don't much care whether "N.Y.P.D. Blue" is toned down, cleaned up or even taken off the air.

Lee Brown, the President's principal drug policy adviser, went up to Capitol Hill last week to present the Administration's plan for combating illegal drugs. That would be a critical component in any fight against violent crime. But Mr. Brown's office has already been seriously handicapped by the President, who cut the staff from 146 employees to 25, and who agreed to reductions in drug treatment and education funding that totaled nearly a quarter-billion dollars.

Public anxiety about crime is rising. The toll that crime is taking on the American way of life is growing. But the Clinton Administration, committed to other struggles, like health care reform and the North American Free Trade Agreement, is not yet paying close enough attention. □

*65 - someone
summed up? full
him about this
Crim (kill) (kill)
Brady (kill) (kill)
Assault (kill) (kill)
When has he
been
summed up
people on this
Mr. Pinos!*

Maier / Bol / Bugen / 65
 with reading

NEWSDAY, THURSDAY, OCTOBER 21, 1993

U.S. Experts With Bad Memories



Lars-Erik Nelson

In the spring of 1988, when Panamanian strongman Manuel Antonio Noriega was our bad guy of the moment, President Ronald Reagan's State Department had a brilliant idea: Snatch him.

But in top-level White House meetings, one voice ridiculed this demonization of Noriega. One voice said it was wrong to kidnap foreign leaders, wrong to use U.S. troops on such reckless missions, wrong to think you could solve complicated foreign policy problems with a simplistic snatch.

That voice belonged to Adm. Jonathan

Howe, then of the Joint Chiefs of Staff — yes, the same Jonathan Howe who as United Nations special envoy in Somalia has turned 180 degrees and become obsessed with capturing our current bad guy of the moment, Mohamed Farah Aidid.

On Oct. 3, at Howe's urging, a U.S. landing team in Somalia tried to snatch Aidid — and 18 young Americans were killed. Aidid remains free. No problems have been solved.

What turned Howe, the prudent dove of Panama, into Howe, the reckless hawk of

Somalia? A United Nations investigator, Thomas Farer of American University, suggests Howe was swayed by his civilian political adviser — another voice from the past: April Glaspie.

Yes, the same April Glaspie who was President George Bush's ambassador in Baghdad on the eve of the 1990 Iraqi invasion of Kuwait. After the invasion, Glaspie was widely — and wrongfully, in my view — scapegoated for failing to talk Saddam

Please see NELSON on Page 132

NELSON from Page 17

Howe out of invading Kuwait. A brilliant professional diplomat, she was deeply hurt at being hung out to dry by the State Department. Her career seemed at an end. Then she was assigned to the UN in Somalia.

"In Somalia, she was determined not to make the same mistake twice," says a friend. "She was determined to stop this dictator, Aidid." Farer's report says Glaspie openly sided with one of Aidid's rivals, put Aidid on the defensive and led him to think the UN was out to eliminate him. His men then ambushed and killed 24 Pakistani peacekeepers.

U.S. forces, including the Rangers, were sent back in to punish Aidid. And who approved this use of force to solve a political problem? Yet another voice from the past, Secretary of State Warren Christopher.

How strange! When President Jimmy Carter wanted to end the 1979-1981 Iran hostage crisis with a military rescue mission, then-Secretary of State Cyrus Vance bitterly opposed such a risky, far-fetched feat of derring-do. It would cost lives and solve nothing, he said. While Vance was on vacation, his deputy sat in for him at a White House meeting — and never warned Vance that the White House was agreeing to the option that Vance so deeply opposed. The rescue failed, and eight U.S. airmen were killed. Vance resigned. The deputy, Warren Christopher, stayed.

My point: The people who have run our screwy policy in Somalia are not some country bumpkins who rode in on the turnip truck with naive President Bill Clinton. They are professionals. They have been around the track once or twice.

The weird part is that, in Chris-

topher's case, he is making the same mistake twice; in Howe's, forgetting his own better judgment, and in Glaspie's, learning the wrong lesson from a past disaster.

Clinton has turned to the best-qualified, most experienced people he could find — well trained public servants who served ably in prior administrations, both Republican and Democrat — and look what it got him: the impression that he is hopelessly inept in foreign policy.

Except for one criticism, it's a bad rap on Clinton. "This group has learned nothing and remembers nothing — except the wrong things," says an exasperated Democratic former diplomat. "Christopher is determined to prove that he is more cautious than Vance. Tony Lake [the low-key National Security adviser] is determined to prove that he is not [the combative, ambitious] Zbigniew

Brzezinski. April is determined to prove that she is tough."

The ultimate irony is that even if Clinton's team performed perfectly, it would do no better than it has done.

There is no solution for Bosnia unless you accept the advice of former arms-control negotiator Paul Nitze: Bomb Belgrade and then occupy Serbia with tanks.

The feuds in Somalia are literally between clans of cousins; not even a superpower is equipped to resolve a family squabble. And Haiti is a hopeless case that can be solved only by armed conquest and prolonged military occupation.

My one criticism of Clinton: Like his aides, he, too, is making the same mistake twice. After the mass suicides and murders at David Koresh's Waco fortress, he should think twice before he follows the advice of any more experts.

THE WHITE HOUSE
WASHINGTON

October 28, 1993

Dennis W. Bakke
The AES Corporation
1001 North 19th Street
Arlington, Virginia 22209

Dear Dennis:

Thanks for your letter of October 25 and for sharing with me the information about the four projects AES is undertaking to support our global warming initiative. Each one sounds interesting and will contribute to the Administration's overall effort to reverse the trend of global warming.

I appreciate the work you are doing. Thanks.

Sincerely,

Tom

*Great stuff
Thane*

*cc. Katy
McGinty
TO VP. He's a
good friend - with
whom we can help to
get more of these
efforts - B*

**The AES
Corporation**

October 25, 1993

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

Dear Bill:

In support of your global warming initiative and to encourage you in the direction you have taken let me share four projects we are undertaking at AES consistent with your program.

1. To offset CO₂ emissions from our power plant in Connecticut, we are supporting a CARE sponsored program involving 40,000 farmers in Guatemala that includes planting approximately 50 million trees over 10 years.

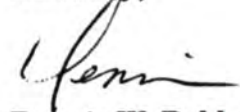
2. To offset emissions from our plant in Oklahoma, we are supporting an OXFAM America led project in cooperation with indigenous people in Peru, Ecuador and Bolivia to protect 1.2 million acres of pristine rain forest that would have been lost to other activities.

3. To offset emissions from our Hawaii plant, we have helped The Nature Conservancy to purchase and preserve a 143,000 acre forest in Paraguay.

4. Finally, we are planning a project with Appropriate Technology, International in India to offset emissions from our new plant in England. The project involves the use of feed supplements for cattle that improves digestive efficiency (and reduces methane releases from both ends of the cows). We expect economic benefits to nearly 670,000 Indian families over 10 years.

All of these are without cost to the electricity rate payer or the U.S. tax payer—no bureaucracy, no laws and no regulations.

Sincerely,



Dennis W. Bakke
President

DWB/jh

cc: Vice President Al Gore
The Hon. Hazel R. O'Leary
Mr. Thomas (Mack) McLarty
Mrs. Carol Browner

1001 North 19th Street
Arlington, Virginia 22209
(703) 522-1315
Telecopier (703) 528-4510

Applied Energy Services, Inc.



THE WHITE HOUSE
WASHINGTON

October 30, 1993

MR. PRESIDENT:

The Vice President notes that in the meeting on this topic, you agreed to change the name of the Commission to reflect its focus on structural issues other than budget savings. I'll make sure that his concerns are addressed.

Leon is looking for guidance on whether you have strong preferences amongst (or in addition to) the list of possible commission members which he and Gene Sperling present.

Jch
John Podesta

cc: The Vice President
Mack McLarty
Leon Panetta
Bob Rubin
David Gergen
George Stephanopoulos

*Mack
Panetta
meet on our
afternoon-
N*



THE DIRECTOR

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

THE PRESIDENT HAS SEEN *11/*

120 11:58

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 / *Tsongas / Pataki*
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 Dornbusch, 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

- *Hujar*
- *Woodside*
- *John Kasich*
- *Concord*
- *Women*

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

Jim Thompson

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,

11

THE WHITE HOUSE
WASHINGTON

October 30, 1993

RECOMMENDED TELEPHONE CALL

TO: ~~President Clinton~~

DATE: October 30, 1993

RECOMMENDED BY: Howard Paster

PURPOSE: To place a quick courtesy call to Chairman Rostenkowski to thank him for his help on NAFTA, and express your appreciation for his agreeing to complete Ways and Means work by the end of Tuesday, enabling us to introduce the implementing legislation on Wednesday.

BACKGROUND: You have called Senator Moynihan to express this message, and this call will close the loop.

TOPICS OF DISCUSSION: 1. As above.

CONTACT PERSON AND
TELEPHONE NUMBER(S): Howard Paster, 2230

DATE OF SUBMISSION: October 30, 1993

ACTION: None

Amir's

THE WHITE HOUSE
WASHINGTON

October 29, 1993 11:29 P7:

*Reinhold, my
B*

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD W. NUSSBAUM *BN*
COUNSEL TO THE PRESIDENT

CLIFFORD M. SLOAN *CMS*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Meinhold gays-in-the-military decision

The Supreme Court today issued a stay of the injunction in the Meinhold case, insofar as it applies to anybody besides Meinhold. (A copy of the Supreme Court's order is attached).

Although Meinhold brought the case only on his own behalf, the district court issued a nation-wide injunction, and the Court of Appeals refused to narrow it. On Tuesday, October 26, the Solicitor General filed a request for emergency relief on the ground that the injunction was preventing implementation of the new policy and that the extension of the injunction beyond Meinhold personally was a clear legal error.

The Supreme Court's order rests on a narrow procedural ground about the scope of an injunction in a case brought by an individual. It should not be read as a ruling on the constitutional merits of Meinhold's claim. The distinction that the Court drew (applicability to Meinhold, as opposed to applicability to other people); the case that it cited (Heckler v. Lopez); and the swiftness and unanimity of the order all highlight the narrow procedural character of the order.

The Solicitor General's application to the Supreme Court also requested a stay of the injunction to the extent that it required destruction of documents relating to Meinhold. The Court refused to stay that part of the injunction, but suggested that the government could comply by filing the documents under seal with the district court.

The Meinhold case on the merits with respect to Meinhold himself remains pending in the Court of Appeals and is scheduled for argument in December.

The way is now clear for implementation of the new policy. It is possible that we will not issue the new regulations until the DOD authorization bill (with the Nunn language on gays-in-the-military as one provision) emerges from conference. Although we have not publicly stated that the regulations will wait for

the legislation, we do not want the new regulations to become a target while the legislation remains in conference.

ORDER LIST

FRIDAY, OCTOBER 29, 1993

ORDER IN PENDING CASE

A-373 UNITED STATES DEPARTMENT OF DEFENSE, ET AL.
V. VOLKER KEITH MEINHOLD

The application of the Solicitor General for a stay, presented to Justice O'Connor and by her referred to the Court, is granted in part. It is ordered that so much of the order of the United States District Court for the Central District of California, No. CV 92-6044 TJH (JRx), filed September 30, 1993, as grants relief to persons other than Volker Keith Meinhold is stayed pending disposition of the appeal by the United States Court of Appeals for the Ninth Circuit. See *Heckler v. Lopez*, 463 U.S. 1328 (Rehnquist, J., in chambers), motion to vacate stay denied, 464 U.S. 879 (1983); *id.*, at 881 (Stevens, J., dissenting in part). The request for a stay of the portion of the injunction prohibiting the Government from maintaining records pertaining to Meinhold is denied. It is further ordered that the Government can file, under seal, any such documents pending the final outcome of this litigation.

THE PRESIDENT HAS SEEN'''

THE WHITE HOUSE
WASHINGTON

10 P4:10

OCTOBER 14, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MACK McLARTY

SUBJECT: SENATOR PRYOR AND ECONOMIC SUMMIT

I think David's idea (see attached) has merit, but needs to be discussed and vetted. It might be a better fit in early January, prior to your State of the Union address. However, mid-December might also work.

I am ready to discuss this matter with you at your convenience.

Attachment

cc: David Gergen
Bruce Lindsey
Roy Neel
Howard Paster
Bob Rubin
George Stephanopoulos

Mac

My group
discuss along
Cruin (sum) 47
B

THE WHITE HOUSE
WASHINGTON

October 8, 1993

MEMORANDUM FOR MACK MCLARTY

FROM:

HOWARD PASTER *HP*

SUBJECT:

SENATOR PRYOR AND ECONOMIC SUMMIT

Attached is a letter to the President from Senator Pryor that requests that he convene another Economic Summit this December.

I am requesting that you show this to the President. I would also appreciate it if you call Senator Pryor to discuss this request.

Thank you very much for your assistance. Please call me if you would like to discuss this.

Good idea — Let's try

Russell — Geo — General — Bruce 197

Attachment

DAVID PRYOR
ARKANSAS

RUSSELL SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-2353

ARKANSAS OFFICE:
3030 FEDERAL BUILDING
LITTLE ROCK, AR 72201
(501) 324-6336

United States Senate
WASHINGTON, DC 20510-0402

Howard P. - Rep.
COMMITTEES:
AGRICULTURE, NUTRITION, AND
FORESTRY
FINANCE
GOVERNMENTAL AFFAIRS
SPECIAL COMMITTEE ON AGING

October 6, 1993

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

Dear Mr. President:

Last December in Little Rock, you convened a remarkable three day national summit on our economy. I do not know of any participant, nor any observer, who had anything but good things to say about this unique conference. The setting was conducive to full participation and in-depth exploration of constructive proposals. Personally, I think you gained tremendous stature due to your ability to grasp these complex issues and manage such a conference.

Mr. President, I am respectfully proposing that this December you convene another national summit. There is no more pressing issue in our country today than America's social fabric and our personal security which has been put at risk. The facets of this national crisis, as you know and articulated so well in your speech at the Democratic dinner, are not limited to just crime or education. It encompasses all aspects of poverty, including its causes, the growing insecurity of all Americans, and is resulting in the decline of the American family. This conference could be entitled "America's Social Fabric: What is Happening and What Do We Do About It?"

This morning, I met with several CEOs of national corporations. After I suggested this as the number one agenda item in America today, these executives agreed and pledged their moral and financial support in moving such a summit forward. Without question, the financing (even creating a foundation, if necessary) would be a simple matter to address.

There are no issues in America any more important than would be addressed by this summit. To find constructive solutions to these monumental problems would be a legacy your presidency could leave to a grateful nation.

I hope you will consider this suggestion. Time is of the essence.

Respectfully,

David

David Pryor

STROBE TALBOTT
2812 Calvert St., NW
Washington, DC 20008

October 18, 1993

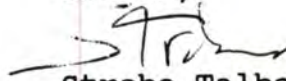
The President
The White House
Washington, DC

Dear Bill:

Since your first meeting as President with Yeltsin in Vancouver, you and the rest of the Administration have been pressing the Russians to return the Lubavitcher Archive to their rightful owners. As you know, this is an issue that the Vice President and Leon Fuerth feel very strongly about. I recently fell into discussion on the subject with Justin Leites, a very impressive young man (a Yalie, naturally!) who works for Brooke at the White House Fellowship Commission and who turns out to be quite knowledgeable about the issue. He explained to me why the fate of the books is important to many "secular" Jews. I found his observations helpful in understanding what is really at stake here, so I asked Justin to write his views down for me to share with you and Chris. The result is attached.

We're off this week to the FSU, among other things to prepare the way for your own victory tour in January.

Cheers,


Strobe Talbott

To Leon Fuerth
Fyl-
V. Vignier

Why Mainstream American Jews Would Be Grateful if the Lubavitcher Collection Was Returned to the Lubavitchers

Most Jews, even most secular Jews, acknowledge two sets of cultural obligations: obligations towards the Jewish past and obligations towards the Jewish future. The obligations they feel for the future - to support for the state of Israel, and to rear children who acknowledge a Jewish identity - are familiar to acquaintances of American Jewish culture. The other obligations, towards the past, may be less obvious to the casual observer, but, in my opinion, they are just as deeply and widely felt.

The Holocaust Museum in Washington, D.C. is the most visible recent American monument to this sense of obligation. But the period 1933-1945 is not the only portion of the past that modern Jews are concerned with. For Jews, the Lubavitch books currently kept in the Lenin Library are the embodiment of the collective memory from a major period of Jewish history. In addition, regaining physical possession of the books is important because they are keepsakes, items which mean a great deal to the current generation of Jews because they meant so much to previous generations.

President Ronald Reagan's visit to Bitburg, and Secretary of State James Baker's stated disdain for American Jewish concerns ("Fuck the Jews, they won't vote for us anyway") were the two defining moments of the Reagan and Bush administrations' relationship with the American Jewish community. Reagan's visit, because of its disregard for the ~~past~~ past, was even more painful for American Jews than Baker's off-color remark. The Clinton Administration produced a glorious moment of support for the Jewish future on the South Lawn last month. The retrieval of the Lubavitcher Library would win the Administration wide-spread acclaim from those who are concerned with the Jewish past.

The History of the Lubavitcher Hasidim and their Library

The first Lubavitcher Rebbe, Shneur Zalman of Liady (1745-1812), and the five Rabbis who followed after him as leaders of that Hasidic sect, were among the most influential leaders of the Eastern European Hasidic community - the largest Jewish community in world history, a community that had more Jews than are currently living in the state of Israel. For six generations, the Lubavitch library was one of the main repositories of the learning and literature of that community. When Lenin seized the library from the sixth Lubavitcher Rebbe, Yosef Yitzchak Schneerson, in 1920, it contained over 12,000 volumes.

Large numbers of non-Hasidic Jews had left Europe for America or Palestine in the period 1880-1920. For the most part, it was the Hasidim who remained and were slaughtered. After World War II, most of the surviving Hasidic communities were completely demoralized. It was ~~was~~ Yosef Yitzchak Schneerson (1880-1950), the Lubavitcher Rebbe whose library had been seized by Lenin, who provided the spiritual guidance and practical leadership that enabled the surviving Hasidim to gather together, settle and thrive in the neighborhood of Crown Heights in New York City. (Most of Schneerson's own family perished at Treblinka.) Today, the Hasidic community whose "world-wide headquarters" is in Crown Heights, is, in a sense, a living museum of Eastern European Jewry. It is the only community in the world that speaks Yiddish as a mother-tongue, and the only group of Jews that still dress and follow the customs of their eighteenth-century ancestors.

Why Jews care about their past, their books in general,
and the books of the Hasidim in particular

Inculcated in every Jew who has ever attended prayer services or Hebrew school is a fear of forgetting the collective Jewish past. In the Bible, and in daily and holiday prayer services, the injunction to remember is stated as an moral imperative, incumbent on the entire people.¹ Jews are warned over and over again to remember their history, so that God in turn will not forget the covenant with Israel.² The Passover seder, the religious service that even most assimilated Jews observe, revolves around this duty. ("Remember that you were slaves in Egypt . . .") The message conveyed is: do not forget the history of your people, or you, too will be forgotten.³

The successive political misfortunes of the Jews taught the survivors and their descendants to appreciate their books, which were usually the only possessions, and the only hold on the past, that Jews could retain as they moved from land to land. (More "valuable" property was usually confiscated.) The most important book was the Torah, but the commentaries that Jews wrote about the Torah took on a life of their own, and themselves became the vehicle for preserving the succeeding centuries of Jewish communal life and thought. These books became the portable homeland of the Jewish people, their means of remembering and keeping alive their culture.

These commentaries have always been, by design, about everything and anything that could possibly be of interest. They were used not only as the source of spiritual guidance, but as the primary receptacle of practical advice as well. When the plans for building a home were being drawn up, or medical guidance was needed, the commentaries were consulted for advice. Parents used these works as a means to teach their children everything from the alphabet to ethics. And, in the margins, alongside the ancient words of Genesis and Exodus, Lamentations and Job, are

the records of each generation's innermost thoughts about suffering and redemption. Their struggle to answer questions like: What sort of world do we live in that terrible things can happen, and how can it be repaired, so that it is a fit place for human beings? Because these were needed as practical texts, these works were continually updated. Commentaries were written upon commentaries, upon commentaries. Each generation in each community was to make their own contribution.

It is important to realize that these books have always had an significance which is greater than the information recorded in them. The books themselves are regarded in the way that an orphan might regard her mother's bible, or her father's prayer shawl. It is also important to remember that the Hasids themselves function as keepsakes as well. The Jewish world of Eastern Europe is gone; but the Hasidim remain, a living piece of history. As long as they remain, that period of the Jewish past still belongs to the Jewish people. Because they remain, many American Jews (myself included) feel a moral obligation to help them get their books back. Many more American Jews, who are not now aware of this issue, will be grateful once the announcement is made that the books have been returned.

1 But take utmost care and watch yourself scrupulously, so that you do not forget the things that you saw with your own eyes and so that they do not fade from your mind as long as you live. And make them known to your children, and to your children's children. (Deuteronomy 4:9)

Remember these things, O Jacob, for you, O Israel, are my servant; I fashioned you, you are my servant - O Israel, never forget me. (Isaiah 44:21)

2 Go and assemble the elders of Israel and say to them: the Lord, the God of your fathers, the God of Abraham, Isaac, and Jacob, has appeared to me and said "I have surely remembered you . . ." (Exodus 3:16)

3Yerushalmi, the Israeli historian, writes: "Given that we cannot draw the lines between too much and too little historical research, I will take my stand on the side of 'too much' rather than 'too little' for my terror of forgetting is greater than my terror at having too much to remember."

THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE
WASHINGTON

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MACK McLART

October 20, 1993

Mr. President:

*Being a member of
a union, I'm saying that
on the other hand, I'm saying
that the union is not
the only way to
get things done.*

This is the kind of "crud" that continues to distort the real essence of our economic plan, particularly with medium-size and small business people.

In my view, it is essential that we continue to make our case for our economic plan in a cogent and concerted way. Roger Altman is heading up an effort to do precisely that, and we will continue to maintain our focus on this important effort despite the demands of ongoing business, such as health care and NAFTA.

Mac

cc: Roger Altman
David Gergen
Bob Rubin
George Stephanopoulos



10/18/93

(Continued From Page 5)

teensie bit misleading. It will be interesting to see whether the state Attorney General's office will interpret Sabb's resurgence as a violation of the state's going-out-of-business law.

As we've told you before (Whispers, Aug. 19), the attorney general has been investigating several rug companies and other businesses for possible violations of the law.

Banking With the Enemy

It's no secret that the intense banking competition in Jonesboro is spurred by Wallace Fowler's First Bank of Arkansas.

First Bank is offering such good interest rates to attract depositors that even its competitors are opening accounts.

Sources tell us that if a better yielding investment can't be found, a competing bank will park its money with First Bank, part of the Fowler's Southwest Bancshares.

The holding company also owns First State Bank of Arkansas in Trumann and First Bank of Arkansas in Russellville.

Cherry Picking

Speaking of Southwest Bancshares, you may have heard its purchase of Cherry Valley Bancshares in Wynne was a done deal.

What you didn't hear is that Southwest bought the holding company of First Arkansas Bank in Wynne for a reported \$988,000.

The three largest blocks of stock ownership were: W.M. Smith Jr. of Birdeye (Cross County), 28 percent; Security Bank in Paragould, 18.34 percent; and Citizens Bank of Jonesboro, 17.77 percent.

First Arkansas Bank reported year-end 1992 deposits of \$9.2 million and an annual profit of \$43,000. That represents a flip-flop from 1990, when deposits totaled \$17.5 million and the bank reported a \$148,000 loss for the year.

Campaign Promise

After the bad publicity President Clinton has received about breaking campaign promises, it was refreshing to hear one nationally known speaker focus on

one promise Clinton has kept.

Zig Ziglar, who travels the country giving motivational speeches to sales organizations, recently noted one Clinton promise that is coming true.

"Mr. Clinton told us if we voted for George Bush, our taxes would go up," Ziglar says. "Well, I voted for Bush and my taxes *are* going up."

Leave-Takings

The AIDC's director of communications, Janet van der Werff, recently left that post to join AccuPay Inc. as vice president of marketing. AccuPay is a fast-growing company riding the crest of the health care reform movement.

AccuPay audits medical bills for individuals and self-insurers in a quest to find erroneous charges. The company's success in finding downright comical mistakes recently garnered it national attention, with its officers being featured on "Good Morning, America," Paul Harvey's radio program and elsewhere.

No word yet on who will replace van der Werff.

Another high-profile business person who recently vacated his position is Bill Brown, a longtime vice president at Heritage Publishing Co. After nearly 20 years at Heritage, Brown recently left to pursue other opportunities out of state.

A New Brew

Clear Mountain Direct Distributors of Little Rock has been appointed the Arkansas distributor for a new beverage product called West End All Natural Soda Brew.

The product, being classified as a "new age" healthy beverage in the same vein as Clearly Canadian, is being distributed through delicatessens, convenience stores and specialty shops. In Little Rock, the beverage is reportedly available at the University of Arkansas at Little Rock, Wal-Mart Stores Inc. locations, St. Vincent Infirmary Medical Center and Harvest Foods Inc. grocery stores.

By the way, don't be fooled by the "brew" in the title of that beverage. This is a non-alcoholic product made from heating up large amounts of fruit and extracting the natural juices. ■

THE WHITE HOUSE
WASHINGTON

722 P7:40

October 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Mike Lux

SUBJECT: BlueCross BlueShield of Rochester

Jeff Eller mentioned that you were concerned because Cleve Killingsworth of Rochester BlueCross BlueShield said they had no input. In fact, both Judy Feder and I had separate meetings with Killingsworth and others from Rochester. (FYI, have attached a couple of letters he sent to Alexis and me thanking us for those meetings.)

[Handwritten signature]

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4500

June 3, 1993

Dear Ms. Herman:

As you may know, last week, I along with a group of health care leaders from Rochester, met with Dr. Judith Feder to discuss the impact of the President's reform proposal on the Rochester health care system.

It was a good discussion. We had a chance to explain a bit about how our system works and exchange views about how and what we have accomplished would fit into the new structure. Dr. Feder was engaging and clearly interested in understanding our perspective. She invited us back to explore in more depth how we could preserve what Rochester has accomplished. We will be following up with her.

I also believe that we have taken a big step in building the kind of support we discussed at the beginning of this process.

Your help in this process is deeply appreciated. Mike Lux has been invaluable in planning the strategy and arranging our meeting with Dr. Feder. While this effort has benefits for both the administration and Rochester, I know that Mike and others worked very hard to create this opportunity for us in spite of the tremendous workload you and your staff are managing.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Alexis Herman'.

Alexis Herman
Old Executive Office Building
Room 122
Washington, D.C. 20500

CLK:clc
c: Mike Lux

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4800

May 21, 1993

Dear Mike:

As I promised, below are the list of individuals that have agreed to attend the meeting with Dr. Feder next Thursday. There is one person, Joe Laymon from Xerox, who has not yet confirmed. I will let you know about his participation as soon as we do.

Howard Berman, President and CEO, BCBS
Patricia Bomba, M.D., Secretary, BCBS Board of Directors
Richard Dent, M.D., Chairman, RCIPA
Paul Griner, M.D., Executive Director, Strong Memorial Hospital
Thomas Mooney, President, Greater Rochester Chamber of Commerce
Judith Peters, Director, State and Government Relations, Kodak

Also attached is a confirmation memo that we will send on Tuesday. As you can see, it deals with logistics and describes the format for the meeting as we discussed it. Please review it and let me know if you are uncomfortable with what I have presented. If I don't hear from you, I will send it out Tuesday morning.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Mike Lux'.

Mike Lux
Old Executive Office Building
Room 122
Washington, D.C. 20500

Enclosure
CLK:clc

DRAFT**May 21, 1993****Dear Judy:**

Thank you for agreeing to join in the meeting with Dr. Judith Feder next Thursday, May 27th at 9:00 a.m. The meeting will be held at the Hubert Humphrey building in room 415 F.

We are working on travel arrangements and will contact you shortly with the details, if we are able to schedule a group charter.

Our plan is that the meeting will consist of a briefing by Dr. Feder sharing what she can of the content and status of the President's health reform proposal. After this, a discussion of the impact on the Rochester system is planned. Any next steps that are needed will be a planned on the basis of this discussion.

Once again, thank you for your agreement to participate on such short notice. If you have any questions, please call me at 482-0242.

Sincerely,

Judy Peters
Director, State and Govt. Relations
Eastman Kodak Co.
343 State Street
Rochester, NY 14650-0516

CLK:clc

**Blue Cross
Blue Shield**
of the Rochester area

Cleve Killingsworth
Senior Vice President



Gateway Centre
150 East Main Street
Rochester, New York 14647
716-238-4500

May 18, 1993

Dear Mike:

After talking with Debra Fine, and confirming May 27th at 9:00 a.m. with Dr. Feder's office, I began contacting the individuals that we will ask to attend from our side. Although I am still trying to reach many of the following, the tentative list looks like this:

Howard Berman, President and CEO, BCBS
Patricia Bomba, M.D., Secretary, Board of Directors BCBS
Richard Dent, M.D., Chairman, Rochester Community Individual
Practice Association
Paul Griner, M.D., President, Strong Memorial Hospital
Cleve Killingsworth, Senior Vice President, BCBS
Joseph Laymon, Director, Corporate Industrial Relations, Xerox Corp.
John McCarthy, Senior Vice President, Kodak
Thomas Mooney, President, Greater Rochester Chamber of Commerce
Judith Peters, Director, State and Local Government Relations, Kodak

I expect to have a final list by the end of the week. Please feel free to forward this information to Dr. Feder's office or let me know if I should communicate it directly.

As you know, I think this meeting will be helpful for both Rochester and the administration. I appreciate your help.

Sincerely,

Mike Lux
Old Executive Office Building
Room 122
Washington, D.C. 20500

CLK:clc

THE WHITE HOUSE

WASHINGTON

October 29, 1993

729 P4.42

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT E. RUBIN

SUBJECT:

Follow-up on Articles

Handwritten notes:
 Try to get the numbers, talk about it, with about 10-15 people, 11/1/93

As we have done a few times previously, from now on we will follow up on articles from you which call for response with very brief compilation memos, coordinated by Sylvia Mathews.

1. **Black Job Loss** - WSJ "In Latest Recession, Only Blacks Suffered Net Employment Loss." Sheryll Cashin of the NEC staff researched this very carefully. The Journal piece's statistics are questionable, partly because of sampling issues, but its overall point that black employment is suffering in the U.S. is correct. Over the past four years blacks have been hit harder by the weak economy than other groups. Even more disturbing is the downward trend in the black/white earning ratio in the 1980s, a complete reversal of the trend toward parity during the period from 1965 to the mid-1970s. Black unemployment continues to be twice the unemployment rate of whites. And the black male labor force participation has declined across the board, especially for less skilled black males. Reasons for the employment and earnings problems:

- shift in relative labor demand against blue collar work and less educated workers
- shift in employment opportunities out of the central cities into the suburbs
- decline in affirmative action pressure and anti-discrimination activities

2. **Black Entrepreneurs** - Washington Post, "Where Are the Black Entrepreneurs." The number of black businesses grew by 83% between 1977 and 1987, while the number of all businesses grew by only 39% during the same period. (Most recent data available.) Emerging black businesses play an important role in generating more jobs for blacks and stimulating inner-city economies: 1) almost 80% of all black employers have a minority workforce of 75% or more; 2) emerging black firms have attracted substantial capital and a racially diverse clientele that does not depend on weak inner-city markets; and 3) they are more likely to locate in minority areas.

Hopefully, our inter-agency community empowerment undertaking will develop some useful measures with regard to these critically important issues of black employment and black ownership, and the CRA reform, the CDFI bill and SBA One-Stop Capital Shops/Empowerment Zones address some of the problems that retard minority business development. Welfare reform and other more dramatic measures would carry this effort to a higher plane.

3. EITC Marriage Penalty – The EITC marriage penalty is not as bad as some have implied; fixing a marriage penalty is not easy, and the marriage penalties associated with the EITC are limited and less important than the overall benefits of the EITC. The following was developed by David Ellwood, Treasury, CEA and Bob Greenstein:

Number of People Affected:

The numbers of couples affected is exaggerated. The estimates of numbers of couples "affected" (3.4 million pre-OBRA '93, 10.8 post-OBRA '93) include a large number of people who are not receiving EITC, but would if they got divorced, and childless workers who were not even eligible for the EITC before the Clinton plan passed. Treasury has asked that we **not use these numbers publicly**, but as many as 80% of the couples "affected" could be in these categories.

- **Our increased funding actually reduces the marriage penalty for many.** Sixty percent of the 3.4 million couples that were subject to an EITC marriage penalty, pre-OBRA '93, will see their marriage penalty reduced.
 - The number of couples subject to penalties in excess of \$2000 will decrease from over 100,000 to fewer than 15,000 even after including those newly subject to the penalty.
- **The penalty for many is relatively small.** Of the approximately 7.4 million additional married couples who will be subject to an EITC marriage penalty for the first time, 2.5 million will be subject to a relatively modest marriage penalty (under \$100) and 4.8 million will be subject to a marriage penalty of between \$100 and \$500.

Limited Opportunity to resolve the penalty. EITC marriage penalties could be eliminated by treating a married couple as two distinct individuals, for purposes of the EITC, rather than as a single economic unit. However, this would create a number of problems:

- It would be inconsistent with our income tax system's general approach of treating a family as a single economic unit.
- The cost would be extensive (Treasury estimates tens of billions of dollars).
- It would be complicated to administer.
- It would eliminate the EITC marriage reward that can go to welfare mothers.

4. **Clyde Prestowitz' criticisms of the Uruguay Round**, and the alternative, are being evaluated by White House and USTR staff, and you will receive a response in a few days.

On balance, all involved in developing this response to your comments feel that we are in the best position possible, given budgetary realities.

THE WHITE HOUSE

WASHINGTON

OCT 29 P7:01

October 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
Week of October 30 to November 6, 1993

CABINET-WIDE ACTIVITY

CALIFORNIA FIRES

There is a pre-existing coordinating structure in place to handle fire emergencies and it has responded well since the fires broke out earlier this week. The Departments of Interior (Park Service), Agriculture (Forest Service) and Defense are coordinating the Federal response with the Federal Emergency Management Agency (FEMA). Mack McLarty convened a meeting at the White House yesterday to oversee the ongoing coordination. Four Disaster Assistance Centers (DACs) will be open by Saturday to assist disaster victims. FEMA Director James Lee Witt travelled to California yesterday with Senators Boxer and Feinstein, Secretary Espy will be in Los Angeles this evening and Secretary Babbitt will arrive Saturday morning.

HEALTH CARE REFORM

Secretaries Bentsen, Shalala and Reich and SBA Administrator Bowles testified this week before key Congressional Committees regarding the launching of legislation. Many of the other Cabinet Members either travelled to participate in health care events or gave interviews to regional media to promote the legislation.

* * * * *

DEPARTMENT SUMMARIES

Department of Treasury

- o **RTC Funding:** Staff to anticipated Senate conferees on RTC funding legislation forwarded their most recent counter-offer to the House last Friday. That counter-offer was generally well received, with the exception of language Treasury continues to promote which would allow for the maximization of premium income to the Savings Association Insurance Fund (SAIF), specifically language that authorizes the FDIC to adjust SAIF premiums.

- o **ABC News Special on Violence and Juveniles:** On November 6, Peter Jennings will host a 90-minute, town-meeting style show in Washington focusing on violence and juveniles. Patrick Hynes, ATF Special Agent in Charge of the Washington Field Division, will participate by displaying firearms often used by Washington youth.

L.A. Times Story on Administration Gun Control Policy: The Los Angeles Times interviewed Ron Noble, Assistant Secretary for Enforcement, for a story expected to run this weekend on Administration gun control policy. The Noble interview focused on ATF's central role in regulating firearms.

Department of Commerce

- o **Berkeley Roundtable on the International Economy (BRIE):** November 4-5, Secretary Brown will be in the San Francisco area to co-chair the BRIE 1993 Technology Summit on the Administration's civilian technology agenda. The summit brings together approximately 500 top high-tech executives and Administration officials to discuss the Administration's technology policy and economic growth agenda. Senior Administration officials will attend the two-day conference which will focus on technology and trade; defense conversion; National Information Infrastructure initiatives; and biomedical technologies as they relate to health care costs. You or the Vice President may address the gathering via video.
- o **Census Reports:** On November 2, the Bureau of Economic Analysis will release Composite Indexes of Leading, Coincident, and Lagging Economic Indicators for September, 1993. On November 5, Commerce will present the "We" series of reports from the 1990 decennial census. This series summarizes demographic and economic information for selected race and ethnic groups, for broad demographic groups, and for selected demographic topics.

Department of Labor

- o **United Automobile Workers (UAW) and General Motors (GM) Agreement:** The UAW and GM agreed to a tentative three-year agreement this week. The pact tracks the pattern set by Ford in the wage and benefits area, but offers GM opportunities for cost savings in its restructuring efforts. The agreement was reached without establishment of a strike deadline. The contract must be approved by the Union's leadership council and its membership.
- o **Key Statistics:** On November 4, the Bureau of Labor Statistics (BLS) will issue preliminary data on productivity in the third quarter of 1993. On November 5, BLS will issue the employment and unemployment data for October.
- o **New Jobs:** The Department has reached accord with the Congressional Hispanic Caucus on the Administration's transitional worker adjustment proposal. This newly resolved agreement removes an obstacle to the Caucus' endorsement of NAFTA.
- o **First Jobs/Better Jobs:** The Secretary awarded Job Training Partnership Act Presidential Awards to corporate and civic leaders, outstanding academic enrichment programs and outstanding community service projects which provided job and academic experiences for youth during the summer of 1993. On November 10, the Secretary will chair the first meeting of the Commission on Leave, a Congressional committee established by the Family and Medical Leave Act.

Department of Transportation

- o **Operation Support Democracy:** The Coast Guard remains involved in this effort as well as the repatriation of Haitians.
- o **New Transit Project in Chicago:** Dedication ceremonies for a new Federal Transit Administration-funded transit line in Chicago will take place November 3.
- o **Lexington Bridge:** On November 1, there will be a ceremony to open the Lexington Bridge to the public. This is the last major bridge across the Missouri River, damaged by the summer floods, to open.

- o **U.K. Aviation Talks:** Working group discussions resume with the British on November 1 in London. They will be followed on November 4-5 by settlement discussions regarding the Heathrow User Fees Arbitration.

Department of Justice

- o **Abortion rights:** Today the Attorney General held meetings with pro-choice and anti-choice groups, including Operation Rescue.
- o **Home Mortgage Disclosure Act (FMDA) and Fair Lending:** On Thursday, November 4, the Attorney General will testify before the Senate Banking Committee regarding discrimination in lending. Secretary Cisneros will testify as well, as outlined below.
- o **New York City Elections:** On November 2, 1993, federal observers will monitor mayoral elections in NYC. PLEASE NOTE, we have not yet advised the jurisdictions or announced this decision.
- o **City of NY v. Dept. of Commerce:** On November 8, we file our appellate brief in this case in which several cities, states and individuals seek to readjust the 1990 Census to correct alleged undercounts.
- o **Meinhold v. Dept. of Defense:** On October 26, the Solicitor General applied for a stay of the district court's injunction. The ruling bars the Defense Department from taking any action against military personnel based on sexual orientation in the absence of specific conduct that is proven to interfere with the military mission of the armed forces.
- o **Haitian Refugees Case:** A settlement agreement was reached in this case on October 21. When fully implemented, it will free the Executive Branch of the court-imposed restrictions on handling any future Haitian refugee situation.
- o **Senator Durenberger's case:** On October 22, Chief U.S. Magistrate Judge Earl Cudd (MN) recommended that Senator Durenberger's motion to dismiss, based on the Speech and Debate Clause of the Constitution, be denied. Senator Durenberger has until October 29 to file objections to the recommendation.

Department of Health and Human Services

- o **Welfare Reform Waivers:** HHS will approve the Wisconsin welfare reform waiver on Monday November 1; HHS' approval represents a compromise between a draconian proposal supported by the Governor and passed by the State Senate and a more liberal proposal passed by the (Democratic) Assembly members. On Monday, HHS will also notify Georgia of approval of its waiver proposal.
- o **Empowerment Zone Implementation:** HHS has begun discussions with public interest groups about local planning for the use of Title XX funds.

Department of Housing and Urban Development

- o **Vidor, TX:** HUD has identified 11 families interested in moving to Vidor and another 23 who may be interested. HUD hopes to have a substantial pool by the end of next week from which to select the first 10 families to move to Vidor.
- o **Home Mortgage Disclosure Act (HMDA) and Fair Lending:** On Tuesday, Secretary Cisneros will testify about discrimination in mortgage lending before the Senate Banking Committee. He will respond to new data demonstrating that black applicants are twice as likely as white ones to be rejected. He will discuss HUD's new aggressive enforcement of the HMDA, including the first promulgation of rules for what constitutes discrimination in lending as well as new, tougher sanctions.

Veterans Affairs

- o **VA Home Loan Guaranty Program:** VA sells acquired properties to fund this loan program. As a result of improvements in local economies and in VA marketing procedures, for the first time in recent years, VA received more for the sale of properties than it expended for their acquisition, management and resale.

Office of National Drug Control Policy

- o **DC/National Guard:** On Monday, November 1, Dr. Brown and DC Police Chief Kelly will co-chair a meeting with District-wide law enforcement officials regarding resources available to DC. DOJ and the US Attorney's office are also involved in the meeting.

- o **ONDCP Reauthorization:** ONDCP expects to send its reauthorization bill to Congress this week. ONDCP anticipates some trouble with reauthorization due to congressional criticism of Administration emphasis on drug issues.

Department of Education

- o **Goals 2000:** The Secretary met this week with Senator Dole in preparation for Senate action on the bill. The Department is working with Senators on several amendments but does not expect many changes to the bill.
- o **Pell Grant Hearings:** The Department is working closely with Senator Nunn on cleaning up Pell Grant abuses dating back to the early 1980s. The Senate Governmental Affairs Committee's Permanent Subcommittee on Investigations conducted hearings on October 27 and 28 (in consultation with the Department) on this issue and several stories resulted. The Department welcomes the attention and is working vigorously to clean up these historical problems.

Department of Agriculture

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- o **Safe Food Handling Labels:** After consultation with the White House, the Department will not pursue further legal action and has forwarded the proposed regulation to the Federal register. OMB has approved the notice. On November 9-10, the Food Safety and Inspection service will host a conference on the "Meat and Poultry Regulatory Program of the Future." Representatives of industry, academia and consumer groups are expected to attend.
 - Japanese Rice:** Japan purchased 15,000 tons of California rice, marking its first confirmed U.S. rice purchase in decades.
 - o **Reorganization:** Legislation to reorganize the Department will be introduced in the Senate next week by Senators Leahy and Lugar. Mark-up is expected soon, potentially as early as next week.
 - o **School Lunches:** Secretary Espy and Assistant Secretary Ellen Haas released a report showing school lunches do not meet the nation's nutritional guidelines for healthful eating and contain too much fat and sodium. Senator Leahy was at the press conference and pledged to work with the Administration to make school meals more nutritious.

- o **Harvests:** As of October 25, 31% of the corn in the 17 leading states had been harvested. This is on track with last year's late season number, but is 64% behind average progress. Soybean harvest, at 68% in the 19 leading states, is close to average progress. Reports indicate that much of both crops is of poor quality.
- o **Wood exports:** USDA will soon announce \$43 million in credit guarantees for exports of solid wood and wood pulp.
- o **Rivers:** On November 6, Assistant Secretary for Natural Resources and Environment Jim Lyons will address the America Rivers Conference on "The Future of America's Rivers." The conference is expected to gain considerable media exposure.
- o **Debarment and Suspension:** In the wake of the New York Times series, USDA has developed an interagency group on debarment and suspension procedures to: 1) address congressional inquiries, 2) assess the validity of the Department's longtime opposition to the "common rule" among federal departments, and 3) formulate the necessary changes within the Department.
- o **Farm Weather Outlook:** The National Weather Service 6-10 day outlook calls for unseasonably cool but mostly open weather across the corn belt and above normal rainfall in the mid-Atlantic and New England states. This pattern should promote rapid fall harvest throughout most of the nation's major crop areas.

Department of Energy

- o **Super Collider:** This week the Department rapidly began shifting to the task of providing orderly termination of the SSC. Secretary O'Leary met with Governor Richards who stated that Texas expects full reimbursement for the \$500-600 million the state invested in the project, and also wanted the Department to make a \$270 million investment in four specific research projects. The Secretary agreed to coordinate closely with the White House and the Governor.
- o **Oil and Money Conference:** After the Secretary's remarks in London on Monday, there was quick negative reaction from independent oil producers in the press. The Secretary did interviews with each newspaper that ran a negative story, indicating that her remarks were taken out of context. Subsequent stories have been very favorable and the leading trade association will issue a statement of support today.

- o **Belgian Reactor Spent Fuel:** As reported in the press, the Secretary is implementing emergency procedures and accepting 144 spent nuclear fuel elements from Belgian reactors thus preventing them from going to Europe where security is a concern. The shipment will enter the country at Hampton Roads, VA, and be stored at the Savannah River Site near Aiken, SC.

Environmental Protection Agency

- o **Cabinet Bill:** Administrator Browner and the Vice President will hold a press conference next week to discuss the bill and to release the congressional schedule for its consideration. House full committee markup is scheduled for November 4, and the House leadership has committed to holding a floor vote during the following week. If the schedule holds and the conference process goes smoothly, Administrator Browner believes you could have legislation on your desk by the end of the session.
- o **Superfund:** The Inter-Agency Policy Committee on Superfund will hold its final meeting next Friday (11/5). After the meeting, the Committee will prepare a report for you outlining a recommended reauthorization policy.

Department of State

- o **Russian Visit:** Secretary Christopher met with President Yeltsin, Prime Minister Chernomyrdin, and Foreign Minister Kozyrev. The leaders expressed their gratitude for U.S. support during the recent crisis. Yeltsin and Kozyrev repeated both privately and publicly, their assurances that the December 12 elections would be fair and free, and their understanding that a free press is an integral part of the democratic process. Both had high praise for our NATO "Partnership for Peace" initiative.
- o **Foreign Aid:** The Department will transmit to key Members of Congress a "discussion draft" of rewritten foreign aid authorization legislation by Monday, November 1. The draft should reflect interagency consensus and will serve as the basis for achieving bi-partisan support in Congressional negotiations.

Department of Defense

- o **Somalia:** Additional ground forces, including armor, are arriving in Mogadishu. The carrier USS America will replace the USS Lincoln which

will return to port on its original schedule. Ambassador Oakley will return to the region this week. DoD is working with the UN to convene a humanitarian conference, although there is much disagreement between African leaders and the UN Secretariat on its particulars.

- o **Haiti:** The Department believes the security situation will remain reasonably calm. Should the security of Americans in Haiti take a turn for the worse, DoD is prepared to respond. U.S. forces are on alert in Guantanamo Bay and elsewhere. U.S. participation in the maritime interdiction effort continues without incident. Several ships have been diverted, and repatriation of migrants has been successful. As a follow up to last week's Principals meeting, DoD is preparing peacekeeping options for Haiti.
- o **Japan/Korea Trip:** On November 4, in Seoul, Secretary Aspin will co-chair the 25th Security Consultative Meeting with the Republic of Korea's Minister of Defense. The discussion will include a wide range of security issues, with the most urgent being the North Korea nuclear problem. The Secretary will consult on coordinated next-steps in the joint strategy to bring the North Koreans to a more forthcoming position on the nuclear issue.

While en route to Korea, the Secretary will stop in Japan for a half day to consult with Japanese government leaders on the U.S./Japan bilateral security relationship.

United Nations

- o **Haiti:** The French have prepared a draft resolution which would broaden sanctions and will likely push for action early next week, assuming Aristide does not return to Haiti.

United States Trade Representative

- o **NAFTA:** The U.S. and Mexico announced final agreement on the creation of two organizations, a Border Environment Cooperation Commission (BECC) and a North American Development Bank (NADBank), which will assist in the development and financing of border environmental projects and, in the U.S., of NAFTA-related community adjustment and investment.
- o **Aerospace Exports:** On Monday, November 1, Ambassador Kantor will meet with members of the Defense Policy Advisory Committee on Trade

(DPACT), DPACT Chairman and Raytheon Chief Executive Officer Dennis Picard, ITT Chief Executive Officer Travis Engen and GTE Chief Executive Officer Frank Gicca, to discuss aerospace exports.

- o **Japan:** Ambassador Kantor announced the breakthrough action plan proposed by the Japanese government to take specific steps to reform its public sector construction market. Sanctions, scheduled to take effect on November 1, have been postponed to January 20, 1994, to allow for elaboration of and progress against the proposed plan.

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cc: Vice President Gore
Mack McLarty