

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: Mack

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

Information ☐

Action ☒

Thank you.

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

cc:

THE PRESIDENT HAS SEEN
THE WHITE HOUSE 11.22.93
WASHINGTON

November 18, 1993

MR. PRESIDENT:

The attached is a memo from Ron Brown
on possible initiatives to address
California's economic problems.

You do not need to focus on this right
now, but you should know that Ron may
very well bring it up on the ride out
to Seattle.

TDS
Todd Stern

Mark
We need to discuss
this — (D)man
Q & A B

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

11-22-93

November 18, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*

SUBJECT: Ron Brown Memo on California

Attached is a memo from Ron Brown that seeks your guidance in developing options to alleviate California's economic distress.

After reviewing the dire straits in which California, and particularly the southern part of the state, finds itself, the memo presents three basic issues:

- Should the NEC work up an initiative specific to California or one that is addressed more generally to needs that particularly affect California, but affect other areas as well? The downside of a California-specific strategy is that other states and regions where times are tough (though concededly not as tough as in California) would be unhappy. The shortcoming (as far as California is concerned) of a plan that generally targeted in-need areas is that fewer resources would be directed to California.

- If the initiative is to be need-based, what "need" should the NEC focus on in preparing options: defense-impacted communities or areas suffering from structural unemployment? A defense-oriented approach is appealing since it would address a problem resulting from federal action (spending cuts), but could be criticized for leaving out other distressed areas.

- Should efforts be made to target more existing federal dollars to California or, beyond targeting, should significant new funding -- \$3-6 billion beyond current levels -- be devoted to aiding California?

Ron recommends that you direct the NEC to develop options (1) that are both California-specific and needs-based; (2) that define "need" in terms of both defense-related pain and structural unemployment; and (3) that new federal money should be devoted to California, as well as targeting existing funds.

There is by no means unanimous NEC agreement on these points. In particular, most members of the NEC disagree with the idea of a California-specific initiative and disagree with spending significant new funds on California.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

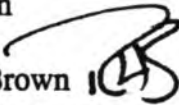
THE PRESIDENT HAS SEEN

November 17, 1993

NOV 17 P7:19

11-22-93

MEMORANDUM FOR THE PRESIDENT

THROUGH: Robert Rubin
FROM: Ronald H. Brown 
SUBJECT: Addressing California's Economic Crisis

I. ACTION-FORCING EVENT

This memorandum is part of the ongoing initiative, established at your request, to address the economic conditions of California. Your guidance is now needed on the scope and focus of options from which we must develop a federal strategy to support economic recovery in California.

II. BACKGROUND: THE STATE OF THE CALIFORNIA ECONOMY

The California economy, and especially the economy of Southern California, is in danger of becoming detached from that of the nation. This fact has enormous economic and political consequences. This memorandum will discuss only the former, since the consequences of the latter are painfully obvious and since the manner and effectiveness with which we deal with the California economy will profoundly affect the politics of the state.

The situation in California is grave. For a long time, the unemployment rate in California closely tracked the national average. But during the recession that situation changed -- the unemployment rate in California has remained stubbornly above the national average for the past two years. Last week's unemployment figures tell the tale. California's rate (9.8%) is a full three percentage points above the nation's (6.8%) and almost two percent above the next highest major industrial state (New York at 7.9%). Since October, 1991 the California unemployment rate has climbed by 2.3% (from 7.5% to 9.8%).

Economic projections strongly suggest that this disparity will continue for the foreseeable future: the California unemployment rate is predicted to be 8.5% or higher in 1996, compared to a national average that is projected by my Department to be under 6%.

Declining employment is heavily concentrated in Southern California. By one estimate, over 25% of national job loss between June 1990 and December 1992 was located in and around Los Angeles. For instance in two industries heavily concentrated in Southern California, aerospace and electronics manufacturing, job loss was significant. In aerospace

112,000 were lost over the last four years. During the same period, California employment in construction and electronics manufacturing dropped by 120,000 and 25,000 respectively.

The prime cause is not hard to find. Defense spending in California has fallen from about \$60 billion in 1988 to about \$51 billion (in constant dollars) in 1992. Economists at the Berkeley Roundtable on the International Economy believe that "cuts in defense procurement and R&D contracts have been responsible for better than one third of California's total job losses in the period 1990-93." For example, over 200,000 manufacturing jobs have been lost in the state since 1991.

Of course, the economic conditions in California are now more complex than any single cause would suggest. The California economy suffers from a vicious cycle: slow income growth (in part due to the contraction of the defense sector) that weakens the real estate market, which in turn tightens bank lending, which then further slows employment and income growth.

In sum, whether the current state of the California economy is characterized as a fundamental structural problem or a cyclical problem evidenced by a painfully slow recovery from the recession, the central economic truth remains the same: The California economy is being battered. The effect on the rest of the nation is indisputable: California accounts for one-eighth of all U.S. output and population.

III. THE CREATION OF ECONOMIC OPTIONS

At your instruction, I have been leading an inter-agency effort to confront the difficulties faced by California. To date, I believe that we have made important progress in addressing the needs throughout the State. Critical aspects of that effort, such as the formulation of a political strategy, are beyond the scope of this memorandum.

It should be noted, however, that there has been much positive activity by the Administration. I have made 10 trips to the state since April and have met personally one-on-one and in small groups with several hundred political, business, community and academic leaders. You, the Vice President, and members of the Cabinet have made numerous visits to the state. We have staff on the ground, in both northern and southern California, who have been coordinating our initiatives and expanding our outreach. (See attached). Notwithstanding these efforts, it is increasingly clear that they are not enough.

Economic policy must, of course, be a critical part of any Administration effort directed towards California. Accordingly, I have consulted with my NEC colleagues about the construction of economic options that would permit you to determine the scope and focus of a response to the economic difficulties that California faces.

I can report general agreement that we must continue our efforts to improve the coordination of federal action in California. It is very difficult to come up with precise estimates for total Federal support that goes to California. In FY 1994, California is expected to receive its proportionate share (about one-eighth) of federal grants to state and local governments. But this level of fiscal assistance is not expected to cause any material improvement in California's economy.

The NEC also agrees that we should develop for your consideration measures that have little or no fiscal impact but that would nonetheless be helpful to the California economy. A prime example of non-fiscal, but very important, action is export controls. As you know, about 35% of export control license applications come from California. That's why our recent announcement of significant reform of computer export licensing requirements has had such a dramatic effect -- and has received such a warm welcome from the business community.

These measures are a useful beginning, but no one on the NEC is prepared to say that they should constitute the entire federal solution. It has become increasingly apparent to me that more will be needed.

While I do not share this view, some on the NEC have raised concerns about the appropriateness of special attention being given to California. Whatever the approach -- you will need to determine whether additional fiscal resources, either out of existing funds or through new fiscal measures, should be applied to the economic problems of California.

Thus, this memorandum is intended to seek your guidance on the creation of policy options that go well beyond our current efforts and that can be developed through the NEC process and presented to you for decision.

This memorandum will present options on the following three issues:

- (i) Should the NEC prepare for your consideration a "place-specific" plan for the California economy, or confine its further work to the construction of place-neutral, "needs-based" alternatives?
- (ii) What definition(s) of "need" should be the basis for the preparation of needs-based alternatives for your consideration?
- (iii) What fiscal options should be prepared to implement either a California-specific or a needs-based approach?

Issue 1: The Choice Between California-Specific or Needs-Based Approaches

As explained above, the economic problems facing California are dramatic -- we face the possibility that the economy of our largest state is becoming unhinged from the

national economy, and that, left to its own devices, the California economy will not soon enjoy an unemployment rate comparable to the nation's. The problems in Southern California are especially acute. Commercial vacancy rates in Los Angeles have risen from 17 to 23 percent. Latest HUD data indicates that there is a shortfall of nearly 500,000 affordable housing units in Los Angeles County. In addition, crime rates in the Los Angeles area are very high. The FBI reports that violent crime rates in Los Angeles are 44 percent higher than in New York City.

One view is that the problems of California are so intense as to justify the creation of a California-specific remedy. The notion that a regional economy requires specific federal intervention is not new. When hurricanes hit Florida, we responded. When floods hit the Midwest this year, we responded.

Our difficult fiscal straits offer another rationale for the creation of a California-specific approach. Finding fiscal resources for any new initiative will be difficult, which means that fiscal resources must be carefully targeted. A needs-based approach inevitably means that less than the full amount of assistance actually reaches California. (So, for example, a new national defense conversion initiative might favor California, but, by definition, it would not focus exclusively on California). A California-specific initiative obviously places all of its resources in that state.

Most members of the NEC have to date said that they believe that a specific, state-oriented approach would cause political and policy difficulties. For example, members of Congress from other parts of the United States might argue that their home states face equivalent economic difficulties -- and that California should not be singled out for special assistance. Such congressional reaction, should it occur, would make the actual appropriation of additional funds very difficult.

Thus, it is argued, measures to address the California economy, such as the targeting of existing funds or the expenditure of new funds, should be needs-based. In other words, they must address problems of particular importance to California, but they would not be structured as California solutions per se. For example, it is said that a national initiative might be structured around defense conversion and defense reinvestment, but one should not be created with the sole objective of targeting funds exclusively for California.

The question is whether the NEC should construct a California-specific, or a needs-based approach, or both.

- ☐ Please construct only California-specific initiative for my further consideration.
- ☐ Please construct only needs-based initiatives for my further consideration.
- ☐ Please construct both California-specific and needs-based approaches for my further consideration.

Issue 2: Selecting The "Need" On Which Action Would be Based

If you have instructed the NEC to construct a needs-based initiative (either alone or accompanying a California-specific initiative), it remains necessary to define the "need" that addresses the difficulty faced by the California economy.

✓ NEC members have identified two leading approaches. First, additional federal efforts could be directed towards defense-impacted communities. That includes Southern California, where the decline in defense spending has had a truly dramatic impact on defense contractors, and Northern California, where a number (express number to come) of military bases will be closed.

✓ Second, federal efforts could be directed towards those communities that appear to be suffering from structural unemployment, which might be defined as unemployment that is 125% or more above the national average. According to the NEC, such a measure would include roughly 50 SMSAs, including 11 in California, 6 total in New York, New Jersey and Connecticut; 5 total in Michigan and Illinois; 5 each in West Virginia and Texas; and 3 each in Pennsylvania and Massachusetts.

The advantage of the defense-oriented approach is that it addresses a problem that is clearly of the federal government's making -- and, therefore, clearly the federal government's responsibility. The disadvantage is that it aims funds by focusing on the "cause" of economic dislocation instead of focusing directly on the most obvious effect -- high unemployment. The focus on "cause" permits the argument that non-defense-impacted communities, although suffering equivalent levels of unemployment, are being unfairly denied assistance.

The advantage of the structural-unemployment approach is that it selects communities -- wherever located -- that are being left behind in the recovery -- for whatever reason. The disadvantage is that it defines need only by looking at the present; a community where, for example, a military base would be closing in the future would not meet the eligibility criterion even if significant dislocation could be predicted.

The NEC believes that it should develop for your decision both of these, and possibly other, approaches, each of which should address the problems of the California economy by means of defining a particular need.

- ☐ Yes, the NEC should develop need-based options for my subsequent review.
- ☐ No, the NEC should not develop need-based options for my further review.
- ☐ The NEC should develop the defense-impact option only.

- ☐ The NEC should develop the structural-unemployment option only.
- ☐ The NEC should develop both a defense and an unemployment option.

Issue 3: A Level of Funding

As noted above, simply by taking no action, a "baseline" level of fiscal assistance is delivered to California each year. Continuation of that baseline is unlikely to yield change in California's economic conditions. The question is whether we should do more.

What we can hope to do depends, more than anything else, on how much money we are prepared to spend. A logical goal would be to address the discontinuities that are constricting the California economy, as demonstrated by its unemployment rate, which remains higher than the national average. Such a program would require the infusion of considerable new fiscal spending, perhaps \$3-6 billion/year above present resources. Steps short of that, including the targeting of funds available from existing programs, will be useful, but are unlikely to remedy the underlying difficulty.

In other words, two fiscal choices (in addition to the maintenance of existing levels of assistance) should be considered:

- (i) Shift the spending of dollars that have already been appropriated (or will be appropriated as part of the FY 1995 budget) by "tweaking" or targeting existing fiscal programs, or
- (ii) Seek additional funding with the goal of addressing the discontinuities now present in the California economy.

These options are not in the alternative, because neither precludes the other.

Option One. The Administration has substantial discretion as to the manner in which programmatic funds are disbursed -- without the need for seeking additional fiscal authority.

Thus, for example, the Administration has proposed funding to implement the conclusions of the Forest Summit and has announced its Clean Car Initiative, without seeking new programmatic authority from Congress. Similar discretion could be exercised in order to increase the level of federal funding that flows to California by, for example, instructing departments to target assistance to defense-impacted communities or by simply targeting California directly.

The NEC generally favors the creation of an option that would present you with a plan for directing discretionary spending to particular goals. The NEC understands that such an option would be designed in accordance with the decision you have made above, which directs the manner in which an initiative is to be designed.

- ☐ Yes, the NEC should create such option that directs the spending of discretionary funds without the need for additional congressional action.
- ☐ No, the NEC should not create such an option.

Option Two. I believe that neither more effective management nor the targeting of existing funds will totally alleviate the distortions that threaten to separate California from the national economy.

Thus, this option would instruct the NEC to construct a package of new fiscal spending that could be expected to redress current discontinuities in the California economy, such as the current unemployment rate. Subsequent implementation might require the delivery of an additional \$3-6 billion/year to California and, assuming that such spending is distributed through a needs-based program, would require even more overall (because a needs-based program would, by definition, deliver only some of its funding to California).

The economic argument in favor of the creation of such an option, in which I enthusiastically join, emphasizes two considerations:

- (i) The California economy is undergoing stress, and perhaps structural failure, of enormous magnitude; the nation simply cannot stand by and allow a state that accounts for 1/8th of its economy to endure prolonged job loss and high unemployment; and
- (ii) The nation has a special responsibility to ease the impact of a change in federal policies. As noted above, it is estimated that about one-third of recent job loss in California stems from the multi-billion dollar cutback in defense contracts for California contractors.

During NEC discussions to date, the predominant, though not definitive view, has been against support for the implementation of a broad, new spending plan. This view also notes difficulties that arose from the efforts to secure a FY 1993 stimulus package and the political pressures in favor of less, rather than more, governmental spending. But, to my knowledge, no member of the NEC opposes the mere creation of a new spending option for your consideration.

- ☐ Yes, the NEC should create such an option.
- ☐ No, the NEC should not create such an option.

IV. Conclusion

The future of the California economy is critical to the nation, both economically and politically. I hope that you will authorize the NEC to create a full menu of options that will permit you to consider both the content, and implications, of your California economic recovery strategy.

Attachment

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *Eli, Mack, Gerson, George Bruehl*
MARK GERSON

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

Information ☒

Action ☐

Thank you.

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

cc:

THE PRESIDENT HAS SEEN

11-22-93

THE WHITE HOUSE
WASHINGTON

November 17, 1993

Mark/Gergen/BS/B

MEMORANDUM FOR THE PRESIDENT

FROM: ELI SEGAL *EL*

SUBJECT: NATIONAL SERVICE UPDATE

*Wonderful idea
- Thin cell for BG in
Summer '94 -*

Crime and Violence

Your Corporation for National and Community Service has decided to make public safety the focus of our Summer of Service 1994. This effort will sweep across the various streams of service you have energized: from youth corps, to VISTA Summer Associates, to the participants in grants programs (like those from our SOS class of 1993 with whom you met at the University of Maryland), to the various ACTION senior citizen programs. In all, we expect to have approximately 3500 participants organizing neighborhood patrols; creating and staffing "safe schools" and other safe places for latch-key children; undertaking those functions that now keep uniformed officers off the street; running mediation and other dispute resolution programs; helping victims find assistance; teaching seniors how to protect themselves and their homes from criminals; and fighting crime in a myriad of other innovative ways. We will undertake a particularly aggressive program in one city, ideally here in Washington.

The decision to target public safety will give us an early opportunity to showcase national service as a key delivery system of real change on critical national and community needs. We are working closely with Bruce Reed, David Gergen, Peter Edelman and others in the inter-agency working group on crime and violence -- to make sure our summer program works and to incorporate national service now as part of the administration's arsenal in the fight against crime. We have support for this initiative from police officers, prosecutors and others in the judicial system, corrections officials, and victims' assistance organizations. Mayor Richard Daley and his Police Commissioner, Matt Rodriguez, one of your nominations to the Board of the Corporation for National and Community Service, are particularly supportive of this approach.

Veterans

I was happy that you got a chance on Veterans' Day to meet General Don Scott, who is heading our Civilian Community Corps. Don has been a hit with veterans and the active military (his old friend General Shalikashvili was especially glad to see him), as he develops this residential service program on military bases, using veterans in leadership capacities. Don and the CCC provide just one of the initiatives we have already undertaken to convert the veterans community into supporters of civilian national service. We outlined our activities and intentions in a letter (drafted with Herschel Gober's help) to the five biggest veterans service organizations, sent just before Veterans' Day.

National Service in Los Angeles this weekend

Currents plans for your visit Sunday call for a number of California Conservation Corps members who fought the recent fires to join your church reception in the Pasadena area. In your remarks, you may wish to emphasize the following:

- The vanguard of national service has already arrived. Hundreds of service participants (mostly from the California Conservation Corps) helped fight the various fires around the state.
- Service is also providing vital assistance to post-disaster recovery. Fire fighters must move on to other emergencies and compassionate public support in the wake of the fires, as heart-warming as it is, is by definition short-lived. That's why the LA Conservation Corps and others will be stepping in, planting trees and ground cover on fire-ravaged hillsides, to protect against mudslides -- helping avoid the next disaster.
- And your Corporation will be developing a Rapid Response Relief Reserve -- the concept you and I discussed the day of the August summer forum, where a specially trained corps could be assembled quickly from around the country to provide invaluable services and help coordination when any disaster hits.

Capitol Hill Launch

Next Monday evening, in the Senate Caucus Room, we will have a reception hosted by the Vice President for Congressmembers, the service community, the press and others to launch the Corporation. The reception will climax a day of press briefings to the major dailies, long-lead magazines and specialty press, introducing our management team, describing our schedule and objectives for our first year, and moving the interest in national service into this next phase.

Americorps is coming

We know how much you enjoy seeing the City Year corpsmembers in Boston. Keep your eyes peeled on the road in the weeks ahead -- Americorps is coming!

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: MARK

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

Information

☐

Action

☒

Thank you.

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

cc: Ricki

THE WHITE HOUSE

WASHINGTON

NOVEMBER 12, 1993

11.22.93

NOV 12 P1:32

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN *mg*

SUBJECT: NEWSPAPER EDITORIAL BOARDS

*Chronicle
Ed + Pub
of paper that
subscribes in
Wt House*

I have put together a strategic plan to reach out to newspaper editorial boards, particularly those that have supported your initiatives as President and earlier your candidacy for the Presidency. That strategy has four main components:

US

WASHINGTON, D.C. EVENTS. As part of our efforts to highlight your administration's accomplishments at the end of the year, we are preparing a December plan which will include special out-reach to editorial boards. We ~~suggest scheduling meetings and/or lunches in Washington~~ with the editorial boards and you and/or key members of the Cabinet.

*get 12/1
Memphis
speech
out*

REGULAR MAILINGS. The Communications Department will continue to mail copies of your major speeches and those of Cabinet Members to editorial boards around the country. We will focus on packaging those mailings around a particular theme -- e.g. crime and violence, foreign policy, welfare reform, health care -- to give editorial boards a better sense of the comprehensive approach we have taken on these issues.

OK

REGULAR SIT DOWNS -- CABINET TRAVEL. We will continue to encourage Members of the Cabinet to do regular sit-downs with editorial boards around the country while they are travelling. We will forward to you a summary of that activity. Where your schedule permits, we will attempt to bring editorial boards from the larger regional papers into Washington, D.C. to meet with you at the White House.

OK

INCLUSION OF LOCAL EDITORIAL BOARDS ON TRIPS. To the extent possible, we will step up efforts to schedule editorial board sit-downs or short interviews with editors during your travel. We must continue to find time for local editors while travelling, while not slighting the travelling national press.

1992 Newspaper Endorsements

November 1, 1992, 6:45 PM

(Note: Dates and 1988 endorsements are in parentheses.)

STATE	CLINTON	BUSH	OTHER
Alabama	*Anniston Star (10/9) *Decatur Daily (10/11)	Alabama Journal (10/20) Birmingham News (10/11;GB)	
Alaska	*Anchorage Daily News (10/18;GB)		
Arizona	*Arizona Daily Star (10/11;MD) /Scottsdale Progress (10/26) /Tribune Newspapers (10/25)	Arizona Republic (10/11;GB) Phoenix Gazette (10/11;GB) Prescott Courier (10/9) Tuscon Citizen (10/30)	
Arkansas	Benton Courier (10/19) Fort Smith Southwest Times Record (GB) Hope Star (NO) Jonesboro Sun (1/92) Northwest Arkansas Times (Fayetteville) *Pulaski County Weekly Spectrum (10/28)		Arkansas Democrat-Gazette (10/28 NO;NO)

California	*Alameda Times-Star/Fremont Argus/Hayward Daily Review/Pleasanton Tri-Valley Herald (10/25) *Bakersfield Californian (10/20;GB) *Californian (10/17) *Contra Costa Times (10/25;GB) *Fresno/Modesto/Sacramento Bee (10/4;MD) Los Angeles Sentinel *Madera Tribune Marin Independent Journal *Medina County Gazette (10/19;GB) Merced Sun-Star Modoc County Record, Altuna Monterey Herald *Oakland Tribune (10/11;MD) *La Opinion (10/20) Peninsula Times Tribune Petaluma Argus-Courier Riverside Press-Enterprise *San Bernadino Sun *San Francisco Examiner (10/11;GB) *San Jose Mercury News (11/1;NO) *San Ramon Valley Times (10/25;GB) *Santa Barbara News-Press (10/25) *Santa Cruz Sentinel (10/19;GB) *Santa Rosa Press Democrat (10/18) /Visalia Times-Delta (10/28) Watsonville Register-Pajaronian	Chico Enterprise-Record Escondido Times-Advocate Fairfield Daily Republic Imperial Valley Press, El Centro Long Beach Press-Telegram Los Angeles Daily News Oceanside Blade-Citizen Orange City Daily Pilot Redding Record-Searchlight (GB) Sacramento Union San Diego Union Tribune (10/21;GB) San Francisco Chronicle (10/30;GB) San Luis Obispo Telegram-Tribune San Pedro News Pilot Santa Monica Outlook Thousand Oaks News Chronicle Torrance Daily Breeze Tulare Advance-Register Ventura Star Free-Press	Anderson Valley Advertiser (Daniels [?]) Los Angeles Times (NO;NO) Newport Beach and Contra Mesa Daily Pilot (RP 10/28) Orange County Register (NO;NO)
Colorado	*Denver Post (10/25;GB) *Durango Herald	Rocky Mountain News (10/18;GB)	

Connecticut <i>*New Britain Sunday Register (11/1)</i>	Bristol Press (10/26) Connecticut Evening Sentinel (10/22) *Danbury News-Times (11/1) Greenwich Time (10/25) *Hartford Courant (10/25;GB) Nagatuck Daily News (10/23) *New Britain Herald (10/27) *Stamford Advocate (10/25) *Torrington Register-Citizen (10/12;MD) *Willimantic Chronicle (10/28)	New Haven Register (10/18;GB) Waterbury Republican-American (11/1)	Connecticut Post (10/22;RP)
Delaware	*Delaware County Sunday Times (10/18;GB) *Wilmington News Journal (10/25;MD)		
District of Columbia	*Washington Post (10/11;NO)	Washington Times (8/6;GB)	
Florida <i>New Smyrna Observer (10/1)</i>	*Boca Raton News (10/25;GB) *Bradenton Herald (10/18) *Daytona Beach News-Journal (10/11) *Gainesville Sun (10/24) *Florida Today *Lakeland Ledger (10/25) Leesburg Daily Commercial (10/28) *Palm Beach Post (10/25) Sarasota Herald-Tribune *St. Petersburg Times (10/25;MD) Tallahassee Democrat (10/18;MD)	Jacksonville Florida Times Union (10/18;GB) Fort Lauderdale Sun-Sentinel Naples Daily News Orlando Sentinel (10/25;GB) Pensacola News Journal (11/1) St. Augustine Record Stuart News Tampa Tribune (11/1;GB) <i>Winter Haven News (10/8) (4/1)</i>	Miami Herald (NO;NO)
Georgia <i>*Atlanta Constitution (10/21;MD)</i>	*Atlanta Constitution (10/21;MD) *Macon Telegraph (10/25)	Augusta Chronicle (10/25) Marietta Daily Journal (10/25) Rome News-Tribune (10/25) Savannah Evening Press (9/27) Savannah Morning News (9/27)	
Hawaii	*Honolulu Star-Bulletin (10/29;MD)		Honolulu Advertiser (NO;NO)

Idaho	(S) Idaho Falls Post Register (10/25) (S) Lewis Tribune (10/26)		
Illinois <i>* New City Times (11/1)</i>	*Chicago Sun-Times (10/18;GB) *Decatur Herald and Review (10/25) *Quad Cities Dispatch (10/26)	Chicago Tribune (10/18;GB)	
Indiana	*Fort Wayne Journal-Gazette (10/18;MD) *Fort Wayne News Sentinel (10/23;GB) LaPorte Herald-Argus (10/23;GB) South Bend Tribune (11/1)	Evansville Courier Evansville Press (10/23;GB) Gary Post-Tribune Huntington Herald-Press (10/25) Indianapolis News (10/26) Indianapolis Star (11/1;GB)	
Iowa	*Des Moines Register (10/25;MD) Villisca Review		Cedar Rapids Gazette (RP; 10/25)
Kansas	Atchison Daily Globe *Chanute Tribune (10/27) Emporia Gazette (10/28) *Garden City Telegram (10/26) *Hays Daily News (10/25) *Hutchinson News (9/13) Junction City Union Kansas City Kansan Manhattan Mercury (11/1;GB) Newton Kansan Olathe Daily News *Ottawa Herald (10/30) <i>* New City Times (11/1)</i> *Parsons Sun (10/26) *Salina Journal (10/25) University Daily Kansan *Wichita Eagle (10/25;MD) Winfield Courier	Independence Daily Reporter Norton Daily Telegram Pittsburg Morning Sun Topeka Capital-Journal	Iola Register (10/28 NO)

Kentucky	*Ashland Daily Independent *Lexington Herald-Leader (10/25) *Louisville Courier-Journal (10/11;MD) *Murray Ledger & Times (10/27) *Owensboro Messenger-Inquirer (10/26)	Bowling Green Daily News (10/30) Kentucky Post	
Louisiana	Lafayette Daily Advertiser (11/1;GB) *Shreveport Journal (10/9;MD) *Shreveport Times (10/25;GB)	Hammond Daily Star Lake Charles American Press (10/25) Monroe News-Star (10/25) New Orleans Times-Picayune (10/25;GB)	
Maine	Augusta Kennebec Journal (10/26) Biddeford Journal-Tribune (10/28) Brunswick Times Record (10/27)  Waterville Central Maine Morning Sentinel (10/28) *York County Coast Star (10/21;NO)	Maine Sunday Telegram (10/25) Portland Press-Herald (10/25;GB)	
Maryland	*Aegis *Baltimore Chronicle (10/28) *Baltimore Jewish Times (10/23) - Salisbury Post (10/25)		Baltimore Sun (NO;NO)

Assets	*Advertiser-News (10/23) *Andover Phillipian (10/16) - Berkshire Eagle *Beverly Times (10/27) *Boston Globe (10/25;MD) *Boston Phoenix (10/23) *Cape Cod Times (10/25) - Essex County Newspapers *Framingham Middlesex News (10/25) *Gloucester Times (10/27) *New Bedford Standard-Times (10/18) *Peabody Times (10/27) - Southbridge News *Springfield Sunday Republican (10/25) - Springfield Union News - Taunton Daily Gazette	- Boston Herald (10/29) - Lawrence Eagle-Tribune (10/25) - Lowell Sun (10/26) - Lynn Daily Evening Item (10/30)	
Michigan	*Detroit Free Press (10/4;MD) *Detroit Jewish News (10/23) *Flint Journal (10/19;MD) *Grand Rapids Press (10/21;GB) *Oakland Press (10/20)	- Detroit News (10/11;GB) - Macomb Daily (MD)	
Minnesota	/Fairmont Sentinel /Faribault Daily News /Mesabi Daily News of Virginia *Minneapolis Star Tribune (10/25;MD) *Rochester Post-Bulletin (10/26) *St. Cloud Times *St. Paul Pioneer Press (10/18;NO)		- International Falls Daily Journal (Not GB) - Red Wing Republican Eagle (RP)
Mississippi	- Northeast Mississippi Daily Journal, Tupelo (GB) <i>(E) Jackson (large) (large)</i>	- Brookhaven Daily Leader - Daily Corinthian (10/29) - Grenada Daily Sentinel-Star - Pascagoula Mississippi Press - Vicksburg Sunday Post	

Missouri	*Kansas City Star (10/23;MD) /Kirksville Daily Express (10/29) /Springfield News Leader (GB) *St. Louis Post-Dispatch (9/20;MD)	Hannibal Courier Post Kirksville Daily Express (10/29) Rolla Daily News St. Joseph News-Press	Columbia Daily Tribune (RP)
Nebraska	Fremont Tribune *Lincoln Evening Journal (10/19;NO) *Lincoln Star (10/22) /Scottsbluff Star-Herald (10/25)	Beatrice Daily Sun Columbus Telegram (10/27) Grand Island Independent (10/27) Kearny Hub (10/23) Norfolk Daily News Omaha World-Herald (10/25;GB) Telegraph of North Platte (10/25) York News-Times (10/28)	Fairbury Journal News (RP) McCook Nebraska Daily Gazette (RP)
Nevada	Las Vegas Sun (11/1) Reno Gazette-Journal	Las Vegas Review-Journal (10/30;GB)	
New Hampshire	Claremont Eagle Times *Concord Monitor (10/29) *Nashua Telegraph (10/26) Portsmouth Herald	Conway Daily Sun Foster Democrat Manchester Union Leader (8/28;GB)	
New Jersey	/America Oggi (10/29) - Atlantic City Press (10/29) *Asbury Park Press (10/25) *Bergen Sunday Record (10/25;GB) *Bridgewater Courier-News (10/25) *Cherry Hill Courier Post (10/18;GB) *Express-Times (10/21/92) - Gloucester County-Times - Hackensack Record (10/25) *Jersey (City) Journal (10/23) - New Brunswick Home News (10/25) *Newark Star-Ledger (10/25;GB) *North Jersey Herald & News (10/25) - Trenton Times (10/25)		

New Mexico		Albuquerque Journal (10/25;GB) Albuquerque Tribune (GB)	
New York	El Diario/La Prensa (10/22) Jewish Press (10/30) Middletown Times Herald-Record (10/25) *New York Daily News (10/25;GB) *New York Newsday (10/18;MD) *New York Times (10/18;MD) Rochester Democrat&Chronicle (10/18;MD) Rockville Centre Herald *Syracuse Post-Standard (10/26) 10 Gannett Newspapers (Westchester, Putnam, Rockland Counties) (10/25)	Buffalo News (10/25;MD) New York Post (10/29;GB)	Syracuse Herald-American (RP) Wall Street Journal (NO;NO)
North Carolina	*Charlotte Observer (10/11;MD) Greensboro News & Record (11/1) Greenville Daily Reflector *Greenville News *Lexington Dispatch (10/24) Raleigh News & Observer (11/1;MD)	Highpoint Enterprise (10/20) Winston-Salem Journal (10/22)	
North Dakota	*Bismarck Tribune (10/21) *Grand Forks Herald (10/18) *Minot Daily News	Fargo-Moorhead Forum (GB)	
Ohio	*Akron Beacon Journal (10/25) *Athens Sunday Messenger (10/18;GB) *Canton Repository (10/25) *Chillicothe Gazette (10/23;GB) *Cleveland Plain Dealer (10/25;GB) *Dayton Daily News (10/11;MD) *Toldeo Blade (11/1;GB) *Youngstown Vindicator (10/25)	Cincinnati Enquirer (10/25;GB) Cincinnati Post (10/12;GB) Cleveland Call and Post (10/21) Columbus Dispatch (10/4;GB) Lorain Morning Journal (11/1) New Philadelphia Times-Reporter News Journal of Mansfield	
Oklahoma		Daily Oklahoman (10/16;GB) Tulsa World (10/9;GB)	

Oregon	Astorian *Coos Bay World (10/24) Dalles Chronicle *Eugene Register-Guard Pendleton East Oregonian Portland Observer *Portland Oregonian (10/17;GB) Salem Statesman-Journal Skanner	Baker City Herald Grants Pass Daily Courier La Grande Observer	Albany Democrat-Herald (NO) Bend Bulletin (NO) Corvallis Gazette-Times (NO) Kalmath Falls Herald and News (NO) Roseburg News-Review (NO)
Pennsylvania (F) <i>Philadelphia Inquirer</i> <i>(11/1)</i> (I) <i>Wilkes-Barre Times Leader</i> <i>(11/1)</i>	*Allentown Morning Call (10/25) *Bucks County Courier-Times (10/25) *Erie Times-News (10/25) *Harrisburg Sunday Patriot-News (10/25) *Philadelphia Daily News (10/12) *Philadelphia Inquirer (10/25;MD) *Pittsburgh Post-Gazette (10/21;MD) *Scranton Times (10/25) *State College Centre Daily Times (10/25) *State College Daily Collegian Uniontown Herald-Standard (11/1) *Wilkes-Barre Times Leader (10/18;GB) *York Daily Record/Sunday News (10/25)	Johnstown Tribune-Democrat Pittsburgh Press (GB)	Greensburg Tribune Review (11/1 RP;GB)
Rhode Island	The Newspaper Rhode Island College Campus Herald	Woonsocket Call	
South Carolina	*Anderson Independent (10/25)	Columbia State (GB) Greenville News (10/25;GB)	
South Dakota	*Sioux Falls Argus Leader (10/25;MD)		

Tennessee	Chattanooga Times Jackson Sun Johnson City Press Lebanon Democrat *Memphis Tri-State Defender (10/31) Nashville Banner *Nashville Tennessean (10/25;MD) Oak Ridger Paris Post-Intelligencer	Bristol Herald-Courier Chattanooga News-Free Press Clarksville Leaf-Chronicle Elizabethan Star Franklin Review Appeal Gallatin News Examiner Kingsport Times-News Knoxville News-Sentinel (GB) Memphis Commercial Appeal (10/11;GB)	Greeneville Sun (10/31 NO) Maryville Daily Times (NO) Morristown Courier Tribune (NO)
Texas	Austin American-Statesman (10/25;MD) *Corpus Christi Caller-Times (10/25;GB) Edinburg Daily Review *El Paso Times (10/11;GB) *Fort Worth Star Telegram (10/18;GB) *Longview Journal (10/23;GB) *Orange Leader Palestine Herald-Press *Waco Tribune Herald (10/18;MD)	Amarillo Globe-News Athens Daily Review Beaumont Enterprise (10/25) Big Spring Herald Dallas Morning News (10/11;GB) El Paso Herald-Post (GB) Houston Chronicle (10/25;GB) Houston Post (10/25;GB) Lubbock Avalanche-Journal (10/18;GB) Midland Reporter-Telegram Plainview Daily Herald San Antonio Express-News (10/11) San Antonio Light (10/25;GB) Tyler Courier-Times-Telegraph (10/25)	
Utah			Salt Lake Tribune (NO;NO)
Vermont	*Barre-Montpelier Time Argus (10/26) *Brattleboro Reformer Burlington Free Press (10/25;GB) St. Albans Messenger	St. Johnsbury Caledonian-Record	

Endorsed But Who Knows Anything At All About these Newspapers?

?? Gloucester-Matthews Gazette Journal (10/25) (Clinton)

?? News-Telegraph (Clinton)

?? Portland Paper (Bush)

To Watch

?? Albany Times Union (GB)

?? Billings Gazette (GB)

?? Idaho Statesman (GB)

?? Indianapolis Star (GB)

?? Jackson (MS) Clarion-Ledger (GB)

?? Lansing Star Journal (GB)

?? Montgomery (AL) Advertiser (GB)

?? Peoria Journal Star (MD)

?? Providence Journal-Bulletin (GB)

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *Mack, Rubin, Ricki*

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

Information ☐

Action ☒

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

11 02 93
November 15, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: ROBERT E. RUBIN

FROM: NEC

SUBJECT: Possible Economic Initiatives with Little or No Budgetary Impact

This memorandum briefly summarizes several budget-neutral or low-cost measures which might be taken to increase economic growth and job creation in the short- to medium-term (these are in addition to the components of your investment program, which all have substantial budgetary impact, and the other aspects of your full economic program). None of this reflects any particular view of the economy, but is simply consistent with our effort to do everything sensible to promote economic performance.

Various of the possibilities herein were contributed by Lloyd Bentsen, Ron Brown, Bob Reich, Henry Cisneros, Leon Panetta, Laura Tyson and Bob Rubin, respectively, though none of the above agreed with all of the ideas. This memo notes very briefly the pros and cons of each measure, and seeks your guidance as to which options, if any, you would like us to pursue further. The reason for seeking your guidance early in the process is that each possible measure involves extensive work by the agency and White House staffs, to develop a full proposal, and we wanted to direct that effort to measures you felt were worthwhile.

I. PURSUE REGIONAL ECONOMIC STRATEGIES

- A. **Limited preferences for distressed regions within certain discretionary economic development and investment programs.** The various departments could provide expedited treatment and a limited priority to areas with unemployment rates in excess of 125% of the national average. Of the 50 Standard Metropolitan Statistical Areas meeting the test in 1993, 11 were in California.

- B. **Reinforcement or expansion of existing federal procurement preferences for distressed areas.** Existing procurement regulations provide a preference for bidders operating in high-unemployment areas. Through an Executive Order, this regulation could be enforced more systematically or expanded to include an additional preference for firms in **severely** distressed regions (a definition for **severely** would need to be developed).

Comments: Both options could be executed without legislation and would be budget-neutral. The arguments for compensatory programs are basically that the recovery is regionally unbalanced, that imbalance may not rectify itself shortly because of the causal factors, and these programs will be more palatable nationally than an explicit program for a particular state, e.g., California. (See Bob Reich's memo, Appendix A, and also Ron Brown's California memo, which will be coming to you very shortly.) Arguments counter to doing any distressed area programs are: a) relative regional performance varies over time; b) compensating for regional disparities might detract from maximizing economic performance for the whole country; c) the time lag may make compensatory programs relatively ineffective; and d) concentration of spending in some regions unavoidably entails reduced spending in others.

II. **EXPAND HOUSING AND HOMEOWNERSHIP** (This portion of the memo was prepared by HUD.)

- A. **Elimination of penalties on IRA withdrawals for investments in housing.** The IRS would waive penalties (but not taxes) on IRA withdrawals that are directed into housing investments. This option is likely to increase net savings, but may, in the long run, reduce revenues and the liquidity of retirees. Legislation and small PAYGO offsets would be involved.
- B. **Increase use of single-family FHA.** Expand this program and stimulate housing production through simplification of the application process, entering into risk-sharing arrangements for affordable housing, increasing the maximum insurable mortgage and providing a zero downpayment option for first-time homebuyers in urban revitalization areas. Legislation and small PAYGO offsets would be involved.
- C. **Provide homeownership and rental opportunities through legislative savings.**
 - 1) **Downpayment Assistance.** Use funds from multi-family reforms to provide funds for downpayment assistance. Grants of up to \$4,000 could be provided to low-income households purchasing new homes or homes requiring substantial rehabilitation.

- 2) **Buy It/Fix It Program.** HUD could substantially expand this program by transferring properties from FHA's single-family inventory to non-profits and state or local governments and provide these entities with funds for rehabilitation.
- 3) **Apartment Opportunities Program.** Grants could be used for capital cost write-downs to reduce mortgage levels and development costs of rental apartments.

Only point 3 would require new legislation, but all three have budgetary requirements.

- D. **Special credit reform consideration.** Increase FHA support for single-family and multifamily housing by obtaining some relief from the Federal Credit Reform Act of 1990 (FCRA) which requires up-front credit subsidy appropriations for housing. Legislation would be required.

III. IMPROVE THE EFFICIENCY OF CAPITAL MARKETS

- A. **Encouragement for pension funds to invest in "economically targeted investments" (ETIs).** Pension funds, which control a large portion of US assets, remain conservative in their investment patterns. Non-statutory changes in ERISA practices -- revisions to regulations and PBGC guidance -- could encourage limited investment in more aggressive and job-creating activities. The prime issue is whether the increased risk might be inappropriate.
- B. **Revisions to the "step up in basis at death" in order to free up low-basis, "frozen" assets.** The "step up in basis at death" creates inefficiencies by encouraging taxpayers to retain less productive, but highly appreciated, assets in order to take advantage of the step up in basis. About \$100 billion in capital gains escape taxation each year because of this provision. The existing program could stay in place, but with the addition of preferential capital gains treatment for long-held, low-basis assets that are reinvested for a minimum period into specified job-creating investments. This would free up these assets for more efficient investment. This might be difficult, legislatively.

IV. ENCOURAGE BUSINESS EXPANSION AND NEW BUSINESS FORMATION

- A. **Intergovernmental New Business Incubators (INBIs).** INBIs would encourage "business starts" by establishing agreements among federal, state and

local governments to waive or defer for two years specified regulatory and tax requirements for new businesses in specified geographic areas.

- B. **Partial expensing of depreciation deductions.** One way to encourage short-term private investment and consumption is to allow partial expensing of depreciation deductions -- that is, to allow businesses to choose between, say, 50% of the cost of new equipment as a present expense or 100% of the cost of the equipment at the standard depreciation schedule. This would effectively allow businesses to borrow (at no cost to the government) against their future deductions. Legislation would be required, and would probably be difficult to obtain, even though budget neutral.
- C. **Expanded SBA lending.** Particularly after the latest program reforms, the SBA 7(a) program is one of the most budget-cost-effective methods for accelerating economic growth. The "credit subsidy" rate for 7(a) loans is less than 6%; thus \$1 billion in loans is scored as costing less than \$60 million. In the past few years, demand for SBA loans has far outstripped supply; some estimate that excess demand may be as great as \$4 billion per year. Legislation and moderate budgetary impact would be involved.

V. **REMOVE IMPEDIMENTS TO ECONOMIC ACTIVITY, WHERE APPROPRIATE**

Presidential Directive for reducing impediments and quarterly Presidential review. A Presidential Directive to vigorously re-examine economically significant new impediments, and to minimize them to the extent appropriate in view of the non-economic purposes involved, could be combined with a quarterly report to the President from some appropriate body on the status of this effort. This would broaden the effort already put in place in the Executive Order on regulation developed by the Vice President. There is no budgetary impact.

VI. **OTHER**

Improved labor market information for displaced workers. For example, you might direct the Labor Department to analyze which occupations and skills are in short supply, and to issue a report on the matter within 60 days. This would provide some guidance for workers facing training and retraining decisions.

Overall Conclusion: Please let us know which of these possible initiatives, if any, you would like pursued.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

MEMORANDUM TO THE PRESIDENT

From: Labor Secretary Robert B. Reich *BR*

Date: October 23, 1993

RE: Attached memorandum on budget-neutral economic initiatives

I want to bring your attention in particular to the first option (I-A), giving limited preferences to high-unemployment regions for discretionary economic development and investment programs. This could be an important initiative for the following reasons:

1. The recovery is unusually spotty by historic standards. Certain regions (California and much of New England) lag far behind, in part because of the extra burden of defense build-downs. Other areas (the Pacific Northwest and the flood-stricken Mississippi) are suffering unique problems.
2. Regional variations on this scale are unlikely to even out any time soon because real estate values in depressed areas are so low that workers there are finding it difficult to relocate.
3. Defense build-downs will continue to place special burdens on particular regions, and we have not yet devised a "conversion" plan up to the task of re-employing those who will lose their jobs.
4. Our "California strategy" will appear fairer if premised on the neutral criterion of high unemployment; other states or regions with high unemployment, although not as high as California (Connecticut, for example), would qualify for some targeted assistance as well.
5. We're already giving extra help to high-unemployment areas. Many formula grants already include state or regional unemployment rates among the statutory criteria. Under non-formula programs, departments and agencies often consider unemployment rates. The only differences contemplated under this proposal are:
 - a more explicit and more visible bundling of discretionary resources toward areas of high unemployment; and
 - a special emphasis on regions rather than on states. Employment rates tend to be regional, rather than state, phenomena. Southern California's economy is different from northern California's; the New York metropolitan area, the southern Mississippi basin, the Pacific Northwest, all have unique economic characteristics transcending state borders.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

November 22, 1993

22 P6:52

MEMORANDUM FOR FRANCES WESSEL
OFFICE OF THE STAFF SECRETARY
WHITE HOUSE OFFICE

FROM: JOHN W. CRESSMAN
ASSISTANT DIRECTOR

SUBJECT: Review of Telephone Directory Update

Attached is your organizational listing for the Executive Office of the President Telephone Directory. Please review and verify the names, telephone exchanges, titles, fax numbers, and room numbers for your office. Any changes to the information should be made clearly on the attached sheets. When verifying this information, please make sure these individuals will still be with your organization as of December 3, 1993.

When your review is complete, please sign the bottom of this memorandum, indicating your approval of these changes. A copy of this memorandum and your changes should be sent to Room 480, Old Executive Office Building, by November 24, 1993. No response by this date will indicate your approval of the information.

Please call Ashley Raines or Carol Ehrlich on extension 3043, if you have any questions.

Thank you.

Attachments

Please check one:

☒

Approved with no changes.

☐

Approved with the changes indicated.

Sharon E. Wagner
Signature

11-22-93
Date

Scheduling and Advance

Assistant to the President and Director	Seidman, Ricki	456-7560	Fax 456-2317	GFL/WW	WH
Deputy Assistant to the President and Deputy Director	Tapia, Isabelle	456-7560	" " "	185.5	EOB
Special Assistant to the President and Director of Scheduling for the First Lady	Solis, Patti	456-7560	" " "	185.5	EOB
Deputy Director of Scheduling and Advance and Trip Director	Smith, Wendy	456-7560	" " "	184	EOB
Deputy Director of Scheduling for the President	Streett, Stephanie	456-7560	" " "	184	EOB
Deputy Director of Scheduling for the President	Walley, Anne	456-7560	" " "	184	EOB
Associate Director of Scheduling and Advance for the President	Lufrano, Michael	456-7560	" " "	185.5	EOB
Deputy Director of Scheduling for the President	King, Josh	456-7560	" " "	184	EOB
Deputy Director for Advance for the First Lady and Trip Director	Craighead, Kelly	456-7560	" " "	185.5	EOB
Deputy Director of Scheduling for the First Lady	Hopper, Julie	456-7560	" " "	185.5	EOB
Presidential Advance	McGuire, Kara	456-7560	" " "	185.5	EOB
Presidential Advance	McPartlin, Brian James	456-7560	" " "	185.5	EOB
Presidential Advance	Roth, Kathy	456-7560	" " "	185.5	EOB
Presidential Advance	Meyers, Sam	456-7560	" " "	185.5	EOB
Director of Scheduling Correspondence	Winderbaum, Anna	456-7560	" " "	185.5	EOB
Associate Director of Scheduling Correspondence	Fitz Randoulph, Laura	456-7560	" " "	185.5	EOB
Staff Assistant	McCarthy, Colleen	456-7560	" " "	GFL/WW	WH
Staff Assistant	Ryan, Sarah	456-7560	" " "	185.5	EOB
Staff Assistant	Handford, Charles (Bart)	456-7560	" " "	184	EOB
Staff Assistant	Newell, Katherine	456-7560	" " "	184	EOB
Staff Assistant	Beaubaire, David	456-7560	" " "	185.5	EOB
Staff Assistant	Grote, Sara	456-7560	" " "	185.5	EOB
Presidentail Diarist	McCathran, Ellen W.	456-7560	" " "	182	EOB

Staff Secretary

Assistant to the President and Staff Secretary	Podesta, John D.	456-2702	Fax 456-2215	GFL/WW	WH
Special Assistant to the President and Deputy Staff Secretary	Stern, Todd D.	456-2702	" " "	GFL/WW	WH
Deputy Staff Secretary	Richard, R. Paul	456-2702	" " "	GFL/WW	WH
Administrative Assistant	Wessel, Frances R. (Fran)	456-2702	" " "	GFL/WW	WH
Administrative Assistant	Wagner, Sharon E.	456-2702	" " "	GFL/WW	WH
Staff Assistant	Walker, Shelley	456-2702	" " "	GFL/WW	WH

THE WHITE HOUSE
WASHINGTON

DATE: 11/22/93

NOTE FOR: SECRETARY RON BROWN

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

Information ☒

Action ☐

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

November 12, 1993 P4:32

11121193 JB

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *AL*
ROBERT RUBIN *RR*
HOWARD PASTER *HP*

SUBJECT: Letter to President from Senator Graham
RE: Florida and Defense Conversion Programs

Purpose

To respond to a letter from Senator Graham (Tab B) regarding the importance of defense conversion programs in the state of Florida.

Background

Senator Graham stresses the importance of defense conversion programs and asks to work closely with us in the defense transition process. He cites the good working relationship he has with the Department of Commerce. Mr. Alvin Brown, who Senator Graham cites specifically, works in the Economic Development Administration (EDA) at Commerce. (A call or note from you to Mr. Brown would send a strong message to the bureaucracy that good work gets noticed!)

Your proposed response (Tab A) highlights your commitment to defense reinvestment and base conversion programs. It expresses support for EDA's close working relationships with local communities and thanks Senator Graham for his offer to work closely with you on these important programs.

RECOMMENDATION

That you sign the memorandum at Tab A.

Attachments

Tab A Letter to Senator Graham
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE
WASHINGTON

Dear Bob:

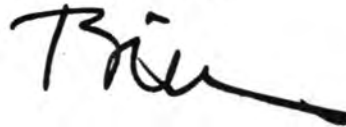
Thank you for your recent letter regarding the importance of our defense reinvestment and conversion programs to the state of Florida.

As you are aware, we continue to work hard to implement the \$20 billion, five-year program I announced in March, along with the five-point plan to revitalize communities adversely affected by base closure and realignments.

I hope that the regional base conversion meeting held in Orlando last month will help speed this process and make it more efficient. I am encouraged by the close working relationship you describe between local Florida communities and the Economic Development Administration (EDA). The comprehensive assistance provided by EDA grants, along with new initiatives such as the EDA/DoD federal information clearinghouse for defense conversion programs, fulfills critical roles in our overall federal response.

Thank you for your offer to work closely with us on these important defense transition initiatives.

Sincerely,



The Honorable Robert Graham
United States Senate
Washington, D.C. 20510

BOB GRAHAM
FLORIDA

040811

United States Senate

WASHINGTON, DC 20510-0903

93 OCT 15 P4:49

October 7, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Along with many other states in the nation, the State of Florida is directing substantial attention to the issue of defense conversion programs. As you are aware, defense programs are an integral part of the Florida economy. In reducing our defense infrastructure, which includes the closing and consolidation of military bases and the reduction and cancellation of military programs, we must give equal attention to filling the voids that such reductions cause in our state and local economies.

In the coming months I want to work closely with your Administration to ensure the defense transition process is as efficient as possible. It is my understanding that Alvin Brown with the U.S. Department of Commerce has already devoted considerable time and energy into achieving this. He has established the needed links with the federal, state, and local officials and demonstrates a strong grasp of the needs of Florida and the means by which to best meet them. Our office has a good working relationship with Alvin and has confidence in his abilities. We look forward to continuing working with him.

As always, please feel free to call on me on this or any other issue where I may be of assistance.

With warm regards,

Sincerely,



Bob Graham
United States Senate

BOB GRAHAM
FLORIDA

040811

United States Senate

WASHINGTON, DC 20510-0903

93 OCT 15 P4:49
October 7, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

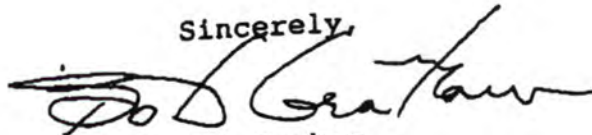
Along with many other states in the nation, the State of Florida is directing substantial attention to the issue of defense conversion programs. As you are aware, defense programs are an integral part of the Florida economy. In reducing our defense infrastructure, which includes the closing and consolidation of military bases and the reduction and cancellation of military programs, we must give equal attention to filling the voids that such reductions cause in our state and local economies.

In the coming months I want to work closely with your Administration to ensure the defense transition process is as efficient as possible. It is my understanding that Alvin Brown with the U.S. Department of Commerce has already devoted considerable time and energy into achieving this. He has established the needed links with the federal, state, and local officials and demonstrates a strong grasp of the needs of Florida and the means by which to best meet them. Our office has a good working relationship with Alvin and has confidence in his abilities. We look forward to continuing working with him.

As always, please feel free to call on me on this or any other issue where I may be of assistance.

With warm regards,

Sincerely,



Bob Graham
United States Senate

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *Debra Wood; Marsha Scott*

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

Information ☐

Action ☒

Good Work!

T. H. W.

(President's note -- Looks Good! Wish we had a
better picture of me/crowd White House on cover)

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
11 22-93

718 P1:06

November 17, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: DEBRA WOOD *DW*
DIRECTOR OF PRESIDENTIAL
STUDENT CORRESPONDENCE

THROUGH: MARSHA SCOTT *MS*
DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF CORRESPONDENCE AND MESSAGE

SUBJECT: *The White House: The House of the People*

I am pleased to present you with the final mock-up of *The White House: The House of the People*.

The White House book has been produced during almost every President's administration. It is distributed to people who tour the White House, to students and classrooms who write to you, and other citizens.

Our goal in creating this publication was to show the American people that they are welcome in your Administration and in the White House. It is the differences and the similarities of the people that unite us as a country. These ideals are reflected throughout the text and photographs of this book. In addition, we have made it an educational tool that students and teachers can use in their classrooms.

As you review this book, please bear in mind that this is only a mock-up. The colors and photographs do not appear as they will in the final version. The actual colors are primary red and blue, and the background is a light beige. Most importantly, the photographs that you see are scanned into a computer. They will be lightened or darkened as needed, and the focus will be sharp. The paper stock will be that of magazine quality.

I have also attached a copy of the book done during President Bush's Administration to give you an idea of the types of changes we have incorporated.

THE WHITE HOUSE
WASHINGTON

DATE: 11/22/93

NOTE FOR: SECRETARY RILEY

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

Information ☒ X

Action ☐

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

November 18, 1993

Alex Coulter
Evening Times
Post Office Box 459
West Memphis, Arkansas 72303

Dear Alex:

Thank you for your letter of November 14 and for reminding me of our efforts in Crittenden County over the years. I was so happy about the millage election, and I know you and others are working hard to put the money to good use.

Your kind and encouraging words in support of what we seek to do here mean a great deal to me. We're making progress every day.

With regard to federal money available for the new school, I have shared your letter with Education Secretary Riley.

Sincerely,

Bill



111 EAST BOND STREET, POST OFFICE BOX 459, WEST MEMPHIS, ARKANSAS 72303, 501/735-1010 FAX 501/735-1020

Alexander D. Coulter
President, Publisher

Nov. 14, 1993

Dear Bill,

Thank you so much for your support over the years directed toward the development of Eastern Arkansas and Crittenden County.

I'm proud to announce that the project of acquiring a Community College for this part of Arkansas is a reality. It became that way as a result of efforts of many people and stands today as a result of the original commitment you made to this county and the Delta.

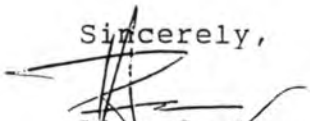
Enclosed is a letter dated Jan. 25, 1993 describing our intentions to pass a 4 mill tax on ourselves to construct new facilities and staff our new school. I am proud to report that all of this was done in grand style. All factions came together to pass the tax with the largest margin of positive vote ever cast in the county. Proving, we are committed to helping ourselves.

Lord knows we really need all the help available if this area is to compete in the industrial and educational areas which you are so committed. Our population needs and wants more educational opportunities through whatever means. Please consider what the Federal Government could do in the regard to aid the school and the Delta.

I enclose the above mentioned letter and your response for background and information purposes only. I look forward to hearing from what ever support you may be able to accord us in developing and teaching the under privileged here in the area.

Let me say also, I am proud of your boldness and drive during your first year as President. You've taken on the establishment and have made significant progress. You are truly a survivor. Most of the changes you've instituted will serve as the basis for the survival of future generations.

Sincerely,



Alex Coulter

Evening Times

111 EAST BOND STREET, POST OFFICE BOX 459, WEST MEMPHIS, ARKANSAS 72301 501/735-1010

Alexander P. Coulter
President, Publisher

January 25, 1993

William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-0001

Dear Bill,

Looking back to your first term as governor reminds me of the support and commitment you made as you signed the bill and sealed it with our handshake creating the Vo-tech for Crittenden County. The recognition was not to be ours, for upon its dedication we stood in the crowd while others took much of the credit.

Years later, it was again to be our opportunity to support this worth while effort as we spoke of including Mid-South as part of the new technical college system you established.

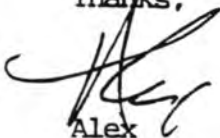
This did come to pass, but with it you offered us a challenge along with your commitment. It was: "Alex, if I include Mid-South how much millage can you pass to support the college?" I said to you, "Probably two mills." You said, "If that's how strongly the community feels about itself, I'll send you the title to the school," and you did.

Now, it's up to us again. On February 16th, we are going to pass not two mills but four mills for the support of our school.

Things look good, for we all realize how important education is to the Delta, as you well know. It is the fuel for the future of our economic engine and our answer to personal advancement and the key that releases the chains of government dependency binding so many.

You can continue to help us support this so basic need if you would be kind enough to write a letter to me, as Board Chairman, so that I may publish it in the Evening Times prior to this important day for Eastern Arkansas, the Delta and the thousands of Clinton supporters who will benefit directly from your letter of encouragement.

Thanks,



Alex

P.S. It will be my pleasure to write informing you of the outcome, or you may wish to have someone call about 8:30p.m., (501) 732-1402.

cc: Ms. Hillary Clinton
Mr. Thomas McLarty, Chief of Staff
Mr. Bruce Lindsey, Council to the President
Mr. Ronald Owens

THE WHITE HOUSE
WASHINGTON

March 9, 1993

Mr. Alexander P. Coulter
EVENING TIMES
Post Office Box 459
West Memphis, Arkansas 72303

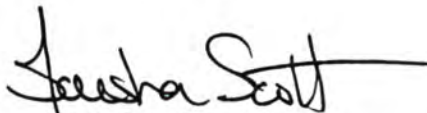
Dear Alexander:

Thank you for writing President Clinton with your request for a Presidential message.

In the interest of fairness, we follow long-standing White House guidelines that limit the events for which we provide messages. Unfortunately, we were unable to comply with your request.

The President appreciates your interest, and he sends his best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read "Marsha Scott", with a long horizontal flourish extending to the right.

Marsha Scott
Deputy Assistant to the President
and Director of Presidential
Correspondence

~~BBB~~ BBB
What meeting
was agreed to?

THE PRESIDENT HAS SEEN

11-22-93

Los Angeles Times

Mexico Prison Deal Is Linked to NAFTA Votes

By DAVID LAUTER
and RONALD J. OSTROW
TIMES STAFF WRITERS

WASHINGTON—As they search for votes for the proposed North American Free Trade Agreement, Administration officials have accelerated efforts to strike a deal with Mexico that would permit the deportation of thousands of illegal Mexican immigrants serving U.S. prison terms.

"We believe we're well on our way toward an agreement," said a senior White House official. The Justice Department has been actively negotiating with the Mexican government over the issue in the last week.

But it remains unclear whether the Administration's efforts will be enough to placate angry officials in California and other states who complain that the cost of incarcerating illegal immigrants has become burdensome for state taxpayers. Nor is it clear whether the Administration's efforts have been enough to sway several members of Congress who have tied the issue to their support for the proposed trade agreement with Mexico and Canada—an initiative on which Clinton badly needs every possible vote.

At least two California congressmen, Democrat Gary A. Condit of Ceres and Republican Jay C. Kim of Diamond Bar, have publicly linked the two issues and several others have raised the question in talks with Administration officials.

Clinton has pressed the matter at several meetings with senior Administration aides and he discussed it last week with Atty. Gen. Janet Reno, according to officials familiar with the meetings. Associate Atty. Gen. Webster Hubbell, a close friend of Clinton, has been overseeing the department's efforts on the issue, officials said.

Administration officials are con-
Please see NAFTA, A6

NAFTA

Continued from A1

sidering a proposal that would allow states to return at least some prisoners to Mexico against their will. The law now allows only voluntary repatriations and almost no illegal immigrants ever volunteer.

So far, the U.S.-Mexican negotiations have focused on a pilot program in which first offenders with good prospects for rehabilitation could be returned to half-way houses or similar programs in Mexico after serving a part of their sentences here. It is unclear, however, whether such programs exist in Mexico that would meet U.S. standards.

Members of Congress have pushed for a broader program under which nearly all illegal Mexican immigrants convicted of crimes would be sent to Mexico to serve sentences there.

Under that proposal, the United States

would continue to pay the costs of incarceration but would save substantial sums because imprisonment is far less expensive in Mexico than in the United States. Officials estimate that a year in an American prison costs \$15,000.

Administration officials, after initially resisting, are considering that option but several potential problems could prevent it from going further. First, adopting a mandatory repatriation plan would require a new treaty with Mexico—something that would not be needed to implement the pilot rehabilitation program. Even if Mexico agreed to the idea, a treaty could not be completed for months, officials said.

A program to send nonviolent, short-term first offenders to rehabilitation programs in Mexico could be done under existing treaties and agreements, according to Justice Department spokesman Carl Stern. He added that even a limited program could involve thousands of prisoners.

In addition to the treaty delay, a mandatory return program might raise constitutional problems, both under the Eighth Amendment, which bans cruel and unusual punishment, and under the 14th Amendment's requirement of equal protection under the law, officials said.

Although federal immigration authorities have the power to deport illegal immigrants—and deported 18,375 criminal immigrants last year—people who have been convicted of crimes must now serve their sentences in the United States before deportation. Moreover, state and local officials, who have custody of most prisoners in the country, do not always notify the federal government of a prisoner's immigration status.

The burden of paying to imprison illegal immigrants convicted of crimes has become an increasingly controversial issue in several states, particularly California. According to federal officials, at least 10% of all California prisoners are illegal immigrants—the major-

ity from Mexico. New York, Texas, Florida and Illinois also have large numbers of illegal immigrants in custody, although far fewer than California.

The National Institute of Corrections reported in 1992 that 10,575 illegal immigrants were housed in California state prisons. Gov. Pete Wilson, counting a wider universe that includes local jails and youth offender programs, puts the number at more than 16,000 and says that the annual cost to the state of incarcerating illegal immigrants is more than \$490 million.

Nationally, more than 450,000 illegal immigrants were either in prison or on probation or parole last year, according to a new congressional report, and the numbers appear to have risen rapidly in recent years—in large part because of the increase in convictions for drug offenses. Although the largest single group of illegal immigrant prisoners are from Mexico, substantial numbers hail from the Caribbean and from Central and South America.

A1 The Outlook

Free-Trade Idea Needs A Dominant Champion

NEW YORK

The strenuous effort required to push the North American Free Trade Agreement through Congress and the tedious seven years of haggling over a still-unresolved global accord clearly indicate that the whole notion of reducing trade barriers is in serious trouble.

Equally clear are some sources of that trouble: the slow growth of most of the world's major economies, increased competition from developing countries, global excess capacity in most industries and, as a result of all these forces, the politically disruptive weakness of job markets around the world.

But another, little-noted problem may also undermine further attempts to negotiate trade pacts and even to keep commerce as open as it is now. No one is in a dominant position to impose free trade.

Only twice in history has free trade had such a powerful advocate, according to Susan B. Stanton, an economist at A. Gary Shilling & Co. She cites the mid-19th century, when Britain reigned supreme, and the decades following World War II, when the U.S. did.

But, she writes in the consulting firm's newsletter, "these two eras clearly demonstrate several common threads which to some extent tarnish their golden image: First, in each, one country was in a peculiarly powerful position to pursue its own particular political and economic goals—goals which free trade happened to suit; second, undercurrents of protection were never far from the surface; and third, those protectionist sentiments easily broke through to return as the order of the day when the pressure of competition and of slow economic growth weakened the power of the world's leader."

Early in the 19th century, Ms. Stanton notes, protectionism was the norm; many countries prohibited imports of manufactured goods. But then Britain took advantage of its "industrial head start" and began liberalizing its trade in a search for markets for its greatly increased production. After a while, other industrializing nations followed what they saw as its path to prosperity and negotiated liberal trade agreements. But production expanded, competition grew, the search for markets intensified, and many of the trade pacts expired in the 1890s. The 19th-century tensions, Ms. Stanton writes, led to World War I.

After the Smoot-Hawley tariff of 1930 and amid the Depression, President Roosevelt began liberalizing U.S. trade policy. And after World War II, Ms. Stanton writes, "the U.S., like 19th-century Britain, was in a unique position to push for liberal trade." It had "vastly expanded its industrial base during the war years," and it bore the cost of free trade to help rebuild other nations' economies and fortify Cold War allies.

Even then, protectionism lingered. Like Nafta, the many customs unions and free-trade blocs formed during the postwar period invariably included "escape" clauses to soften any blows. And the blocs protected their members against nonmembers, much as Nafta includes domestic-content provisions aimed at curbing "back-door" imports from Japan and Southeast Asia.

But in the 1970s, the Bretton Woods monetary agreement collapsed, and with it stable currency rates. The oil shocks and surging inflation further rattled financial markets. As other industrial nations, notably Japan, grew stronger, international competition sharpened. The ending of the Soviet threat weakened the Western alliances. And developing nations stepped up exports of manufactured goods.

Now, the world's economies are facing this startling array of changes without a dominant nation able to uphold free trade. Moreover, the economic problems spawned by these changes and encouraging protectionism are likely to get worse.

David D. Hale, chief economist of Kemper Financial Cos., notes, "The sudden entry of three billion people from low-wage economies such as China, Mexico and India into the global marketplace for goods industries and services is provoking new concerns among workers in the old industrial countries" about their living standards. He also observes that "demographers project that practically all of the growth in the world labor supply during the next half-century will occur in the developing nations."

New technology will play a major role, too. The invasion of developing-world competitors into the marketplace will be facilitated by continuing improvements in world-wide communications. And almost across the board, technological change will keep wiping out some jobs while creating new ones.

Many people will blame the resulting turmoil in various industries and job markets on foreign competition. And in industrial nations, that general malaise may well be aggravated by widespread fears of terrorist attacks—an environment that would create a sense of being under siege. Without a dominant nation with the economic power and self-interest to demand free trade, these pressures, Ms. Stanton writes, will encourage protectionism and "the formation of inward-looking trade blocs" as "the individual domestic needs of countries overwhelm their international outlook."

A growth of protectionism wouldn't necessarily cause a disastrous drop in global trade, however. "The increase in protectionism after 1870 did not prevent a sustained expansion of world trade," Mr. Hale says.

But if protectionism spreads, unchecked by a strong, persistent free-trade champion, the growth of international trade could slow down in coming decades. And the world's economies would pay a heavy price.

—HENRY F. MYERS

Reubin

THE PRESIDENT HAS SEEN

11.22.93

THE PRESIDENT HAS SEEN
11.22.93

Tommy

In Haiti's Army, Business Is the Order of the Day

By HOWARD W. FRENCH
Special to The New York Times

PORT-AU-PRINCE, Haiti, Nov. 11 — The civilian Government of Prime Minister Robert Malval works most days at Mr. Malval's home in the capital, where it meets when the ministers feel safe enough to make the trip.

Underscoring who really runs the country, however, a letter arrived this week for the Defense Minister, Jean Beliotte, from the army Chief of Staff, Gen. Philippe Biamby, calling the minister a "crudely fashioned marionette" and threatening to throw him in jail.

For many Haitians, what the outside world sees as the Haitian Army is not a classical military structure at all. Despite the khaki uniforms, the army functions as a sprawling and violent nationwide enterprise that many label criminal.

After weeks of threats and demands by the international community to force the military to back down and let the ousted President, the Rev. Jean-Bertrand Aristide, return to govern Haiti, the military seems firmly entrenched and prepared to wait out the pressure.

Prosperity for Officers

Diplomats and Haitian military analysts say that one reason the army leadership can afford to defy the international community is that it is raking in money from its control over every

Officers' pervasive control over most aspects of life generates wealth.

aspect of life, from politics to business. While an international embargo on oil and weapons has begun to hit the poor hard, military leaders have begun to profit from the fuel supplies trickling in from the neighboring Dominican Republic. This gasoline is now sold here for upwards of \$20 a gallon.

This money comes on top of the money officers are already earning from their control of state corporations, from the telephone system to flour imports.

Confident that they can wait out an international community that is being confronted by images of deepening misery here, the army commander, Lieut. Gen. Raoul Cédras, and his key aides seem content to preside for now over a diplomatic stalemate.

An Army in Name Only

Although the 7,300-member Army masquerades as a military, it has no almost combat capability and few national defense functions. Its recruits undergo scant training and its officers are chosen almost exclusively on the basis of family ties and political orientation.

Such tightly controlled sponsorship has perpetuated a deeply conservative and politically domineering officer corps that since 1934, when a 19-year United States military occupation ended, has allowed only one civilian President to hand over power to a civilian successor. More recently, the clan-like nature of the army leadership has also perpetuated an ideology that many see as a direct descendant of the harshly repressive nationalism practiced by the former dictator François Duvalier.

"What we call an army is not an army at all," said Kern Delince, an exiled former officer who has published several studies of the military. "The hierarchy and most of the principles upon which armies are organized have vanished. What you have left is a force of mercenaries and predators, a military institution that is in its terminal phase."

Mr. Delince, like other experts, said the Haitian Army, which began as a constabulary during the United States occupation, has mutated to dominate virtually every aspect of public life and politics.

Examples are legion of how the army has come to exceed the reach of normal civilian control since the September, 1991 military coup against President Aristide.

Puppet Governments Named

At the top, General Cédras, who presided over the coup, has installed a series of puppet civilian Governments that, among other things, confirmed him in his functions for a full five-year term.

General Cédras also reintegrated his longtime friend, General Biamby, shortly after the coup, making him Chief of Staff. Diplomats say the move violated Army regulations because General Biamby had been expelled for his role in a failed coup attempt in 1988 against a military dictator, Prosper Avril. After the coup attempt, General Biamby fled to the United States, where he was held on immigration charges for eight months in a Manhattan jail.

General Cédras and General Biamby are both sons of prominent Duvalierist families and their personal attributes seem to complement each other well.

"Cédras was never a troop commander and is not a decisive figure," one diplomat said. "He is more of an intellectual officer. He doesn't say, 'I want this person killed.' He hatches the broad ideas. Biamby is the engineer who executes them. He translates the theory into action."

Links to Political Killings

Diplomats say they strongly suspect General Biamby's involvement in a number of high-profile political killings. He is also believed to be directly behind the establishment of extreme right-wing political groups that have emerged, many of them heavily armed and violent.

One group, the Haitian Front for Advancement and Progress, has shut the capital down at gunpoint on several occasions to enforce its calls for a national strike, and is widely believed to have been behind the waterfront gunplay last month that prevented the docking of a United States troopship.

Many of these groups' members are former members or the children of members of the Duvalier family's fear-some private militia, the Tontons Macoute.

The third leg of the corps, and the man who is often described as the most powerful officer, is Lieut. Col. Joseph Michel François. He, like the top two generals, arranged his own promotion after the coup, in which he played a leading role, naming himself commander for the military zone that includes the capital, Port-au-Prince.

Commanders on Good Terms

Although there has been much speculation about tensions between General Cédras and Colonel François, those who have watched them up close say the two men and General Biamby are on good terms. Just this week, Colonel François and General Biamby met for several hours at army headquarters for what diplomats said was a planning session on how to declare the presidency vacant, giving a legal veneer to their maneuvers to name a new head of

At the time of the coup Colonel François, a former member of the Presidential Guard under General Biamby, was the head of a downtown police station known as the Cafeteria. Since then, the Colonel's influence has grown dramatically as he has built a network of civilian police auxiliaries known as attachés, who operate violently as political enforcers and extortionists.

Colonel François is believed to have as many as 1,500 auxiliaries under his control, along with the 1,500 or so soldiers under his command.

Colonel François's auxiliaries are

closely modeled on the Duvalier family militia. Recruits often pay a small fee to join the force, are given official identity cards and work in close liaison with the police, performing what one expert on the military here said was "the dirty work that soldiers in uniform still shy from."

These tasks include almost nightly raids on some of the capital's poorest neighborhoods, where residents are held in check by wild sprees of gunfire and assassinations carried out against leaders of grass-roots political groups.

No Civil Structure

In the countryside, where Haiti, in nearly 200 years of independence, has never set up any government structures, the army is the only domestic institution present. Each department is governed by a military commander.

For many peasants, the commanders' deputies enjoy the combined powers of policemen, prosecutors, judges and tax assessors, a brutal, semi-permanent regime of exaction that is usually little affected by events in the capital.

Recently, however, the military has been anxious about possible demonstrations backing President Aristide, and Haitian human-rights workers say many of the deputies, known as section chiefs, have received orders to crack down. In Camp Perrin, for example, in the rural south, a curfew was enforced with the threat of beatings for any peasants who failed to put out their kerosene lamps.

In addition to commanding 40 per-

cent of the national budget, the Army has developed strategic links with wealthy families and taken over most of the state-owned businesses in Haiti. The public sector has been especially infiltrated, diplomats say, by proxies of Colonel François, who is now thought to control the telephone company, the port and the electricity company, as well as basic imports from cement to flour.

Diplomats and Haitian analysts say that this spreading financial control, as well as the ruin caused by successive embargoes, has alienated much of the traditional elite.

'Making Lots of Money'

"Those people don't care at all how the elite feels any more," said one rueful businessman with strong army contacts. "They wake up every morning and say to themselves, 'We're still here, alive and making lots of money.'"

Until recently, there was a common assumption that a strong dislike of Father Aristide and a fear of his followers would hold the Army together indefinitely, making it virtually impervious to outside sanctions short of military intervention.

But in recent weeks, both Haitian and foreign analysts say, cracks have begun to multiply. The causes are varied, running from the distrust of many junior officers of the armed civilian groups, whom they fear will usurp their power, to matters as simple as meeting payrolls.

Haitian officials say that because the affairs of state have been frozen by the political stalemate and by the embargo, the army may run out of money to pay its soldiers as early as next month.

Their only hope is that the international community will not have the stomach to maintain sanctions much longer," said one senior diplomat here. "Because come January, they know that if nothing breaks in their favor, their whole world will come crashing down."

1500 in a prison?

chron

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *MARCIA HALL / Ricki Seiden*

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

Information ☐

Action ☒

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

17 23:22

November 17, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA HALE *MHA*

SUBJECT: NOVEMBER 17, 1993 MAYORS AND POLICE CHIEFS' EMERGENCY MEETING ON VIOLENT CRIME

As you are aware, the U.S. Conference of Mayors called an emergency meeting of the mayors and Police Chiefs on November 17, 1993 in Chicago. I have attached a list of attendees.

They were very appreciative of the attached letter that was sent from you and they look forward to coming to the White House in December to continue the discussion.

LAZ
A meeting here, at the White House, with the mayors and police chiefs would further the series of meetings that we have been having here on this issue. I suggest that we do this meeting just after Congress goes out of session and before the winter holidays.

The Chicago meeting was a successful start to the discussion of the issue of violent crime for the mayors, and they will forward to me their recommendation as soon as it is finalized. I will keep you and others apprised of any further actions taken by the mayors, police chiefs, and governors on this subject.

Joy

attachments: list of attendees
Presidential letter

C.C. Ricki
Roy
George
David
Mark

CONFIRMED LIST OF ATTENDEES
EMERGENCY MEETING ON VIOLENT CRIME
Chicago, IL -- November 15, 1993

MAYORS

Jerry Abramson - President
Victor Ashe, Knoxville
Ed Austin, Jacksonville
Sidney Barthelemy, New Orleans
Charles Box, Rockford
Emanuel Cleaver II, Kansas City
Robert Coble, Columbia
Deedee Corradini, Salt Lake City
Juanita Crabb, Binghamton
Richard Daley, Chicago
Richard Clay Dixon, Dayton
Paul Helmke, Fort Wayne
Sharpe James, Newark
Frank Jordan, San Francisco
Sharon Pratt Kelly, Washington
Patrick J. McManus, Lynn
Rita Mullins, Palatine
James P. Perron, Elkhart
Joseph P. Riley, Charleston
Paul Soglin, Madison
Wellington Webb, Denver
Michael White, Cleveland

POLICE CHIEFS

Doug D. Hamilton

Sheriff Jim McMillan
Alan J. Abadie

Stephen Bishop
Charles Austin
Ruben Ortega

Matt Rodriguez
James E. Newby
Neil Moore
William Celester, Police Director
Tony Ribera

Jerome Ivory
Ruben Greenberg
Richard Williams

William Bratton, Commissioner - Boston
Richard Neal, Commissioner - Philadelphia
Melvin McQuay, Acting Commissioner - Baltimore

PUBLIC SAFETY DIRECTORS

Julian Boyd, St. Louis
Payne Brown, Fort Wayne

THE WHITE HOUSE

WASHINGTON

November 12, 1993

It gives me great pleasure to greet the mayors, police chiefs, and other officials gathered in Chicago for this emergency meeting on crime and violence. I commend Jerry Abramson, President of the U.S. Conference of Mayors, for calling this session to address an issue that weighs so heavily upon our communities.

In recent months, Americans have witnessed a series of brutal crimes and acts of violence in our neighborhoods. Our feeling of security has been shaken and severely undermined. A government's primary responsibility is to keep its citizens safe and secure, and it is imperative that we rededicate ourselves to protecting people all over this nation.

I am pleased that both Houses of Congress are considering anti-crime legislation that will provide mayors and police chiefs with important resources to make our streets safe. Recent efforts in the House and the Senate to substantially increase the number of police working in partnership with communities will tremendously benefit our war against violent crime in America's neighborhoods. I firmly believe that putting more officers on the streets is a vital step in making our neighborhoods free of danger, and that it will allow us to pursue an ambitious, common sense agenda of crime control and prevention measures.

The House and Senate are also moving ahead with gun control legislation, such as the Brady Bill, that will impose waiting periods on handgun purchases to give officials time to perform background checks on buyers. This legislation is long overdue, and I hope to sign it into law soon.

I applaud all of the participants in this session for working to address the urgent issues of crime and violence. I remain as committed as ever to stopping violent crime and protecting our citizens, and I look forward to meeting with you at the White House to discuss these issues.

Best wishes for a most successful conference.

Bill Clinton

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *MARCIA HALL / Ricki Seidman*

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Sidney Barthelemy, New Orleans
Charles Box, Rockford
Emanuel Cleaver II, Kansas City
Robert Coble, Columbia
Deedee Corradini, Salt Lake City
Juanita Crabb, Binghamton
Richard Daley, Chicago
Richard Clay Dixon, Dayton
Paul Helmke, Fort Wayne
Sharpe James, Newark
Frank Jordan, San Francisco
Sharon Pratt Kelly, Washington
Patrick J. McManus, Lynn
Rita Mullins, Palatine
James P. Perron, Elkhart
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In recent months, Americans have witnessed a series of brutal crimes and acts of violence in our neighborhoods. Our feeling of security has been shaken and severely undermined. A government's primary responsibility is to keep its citizens safe and secure, and it is imperative that we rededicate ourselves to protecting people all over this nation.

I am pleased that both Houses of Congress are considering anti-crime legislation that will provide mayors and police chiefs with important resources to make our streets safe. Recent efforts in the House and the Senate to substantially increase the number of police working in partnership with communities will tremendously benefit our war against violent crime in America's neighborhoods. I firmly believe that putting more officers on the streets is a vital step in making our neighborhoods free of danger, and that it will allow us to pursue an ambitious, common sense agenda of crime control and prevention measures.

The House and Senate are also moving ahead with gun control legislation, such as the Brady Bill, that will impose waiting periods on handgun purchases to give officials time to perform background checks on buyers. This legislation is long overdue, and I hope to sign it into law soon.

I applaud all of the participants in this session for working to address the urgent issues of crime and violence. I remain as committed as ever to stopping violent crime and protecting our citizens, and I look forward to meeting with you at the White House to discuss these issues.

Best wishes for a most successful conference.

Bill Clinton

THE WHITE HOUSE
WASHINGTON

Chrom

DATE: 11/22

NOTE FOR: *Mater, Bruce*

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

Information

☐

Action

☒

Thank you.

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

cc:



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

THE DIRECTOR

November 17, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Appointees to Bipartisan Commission on Entitlement Reform

Mack, George, Bruce, Bob Rubin, Howard Paster, Gene Sperling and I met to discuss appointees to the Bipartisan Commission on Entitlement Reform. The following are the candidates we would recommend.

1. Bill Gray, United Negro College Fund
2. Bob Greenstein, Center on Budget Priorities
3. Rachelle Horowitz, American Federation of Teachers
4. Barbara Roberts, Governor of Oregon
5. Robert Solow, MIT
6. Earnesto Cortez, Community Leader
7. Pete Peterson, Concord Coalition
8. Tom Downey, former Congressman
9. Sandra Freedman, Mayor of Tampa, Florida
10. Roger Bryson, Southern California Edison

Alternate, Tom Kean, former governor of New Jersey

We also propose to amend the executive order creating the Commission to allow two additional positions. These will be used to appoint Senators Kerrey and Danforth as chairman and vice-chairman.

*Mack / By
un rule to Quinn*

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 11/22

NOTE FOR: *CLIFF SLOW; Bernice; George*

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

Information ☐

Action ☒

see (P) note

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

November 17, 1993

I want to be
consulted before
final decision
on what to do
is made -

MEMORANDUM FOR THE PRESIDENT

FROM: CLIFFORD M. SLOAN *CS*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: New gays-in-the-military decision

Overview

As you know, the U.S. Court of Appeals for the D.C. Circuit yesterday issued a major gays-in-the-military decision. In a decision by Chief Judge Mikva, the court held that adverse actions taken against a standout midshipman, on the basis of his statements of homosexuality, are unconstitutional.

The Steffan Decision

Joseph Steffan was an exceptional midshipman at the United States Naval Academy -- a recipient of numerous honors, a Battalion Commander (one of the Academy's ten highest ranking midshipmen), and a soloist singing the National Anthem at the Army-Navy game in his junior and senior years. In February 1987, during Steffan's senior year, the Naval Intelligence Service (NIS) received a report that Steffan had stated to another student that "he was gay. Steffan was subsequently asked if he was a homosexual and twice answered, "Yes, sir." On the basis of these statements, academy officials instituted discharge proceedings, changed Steffan's ratings, and advised him to resign. Six weeks before his scheduled graduation from the Academy, he resigned.

Steffan filed suit, claiming that his constitutional right to equal protection had been violated. The D.C. Circuit agreed. It found that the military regulations in effect at the time were "not rationally related to any legitimate goal" and rejected each of the military's stated reasons for the former policy. The court concluded:

(1) the military's former policy addresses status, not conduct;

(2) it is unreasonable to use status as a basis for predictions about conduct or a "propensity" to conduct;

(3) the perceived effect on morale, discipline, and recruitment of heterosexuals cannot be accepted because "[t]he Constitution does not allow Government to subordinate a class of persons simply because others do not like them";

and

This is in
President
D. Standard

(4) the "privacy" concerns are invalid -- the concerns represent either an untenable assumption that homosexuals will "stare" or an impermissible deference to "the irrational fears and stereotypes of third parties."

It should be noted that the court's panel in this case -- Mikva, Patricia Wald, and Harry Edwards -- is quite liberal and may not reflect the views of the entire D.C. Circuit.

Effect of the Steffan decision on the new policy

The court's opinion explicitly states that the new policy is "not at issue" in Steffan and that the decision applies only to the old policy. The court's view of the impermissibility of using statements of homosexuality as a ground for discharge under the old policy, however, may well have implications for the new policy. One difference, of course, is that the new policy contains the explicit rebuttable presumption. (DOJ has argued that there was an opportunity to rebut under the old policy). But it is far from clear whether the rebuttable presumption would be sufficient to overcome the decision and reasoning in Steffan.

Next steps

In consultation with DOD and DOJ, Bruce, George, and the Counsel's office will be reviewing various options. Among the possible choices are: (1) an appeal to the Supreme Court in the Steffan case; (2) a request for en banc review by the entire D.C. Circuit in the Steffan case; (3) an announcement that we will not appeal the Steffan decision because we want to focus on the new policy; and (4) possible actions to expedite judicial review of the new policy (so that the issue can be put to rest).

Talking points

Comments on the Steffan decision should be as limited as possible. It would be appropriate simply to say that we are reviewing the Steffan decision and that we have no further comment on it at this time. You may also wish to say that, in our system of government, courts are always the ultimate judges of constitutional challenges to government policies.

copy to
Bruce Lindsey
11/22/93 db

chron

Mr. President

What do you
want me to do?

THE PRESIDENT HAS SEEN
11/22/93 db

to decide
how to handle
the situation

MEMORANDUM

TO: BRUCE R. LINDSEY

FROM: KEVIN O'KEEFE

SUBJECT: CHUCK CLARKE or BOB RANDOLPH for REGION X ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY

DATE: NOVEMBER 4, 1993

I. BACKGROUND

EPA has 10 regional offices, each headed by a regional administrator. The regional offices are responsible for adapting federal policies and objectives to state and local programs, and for providing a single point of Federal contact with state and local government, the private sector, and the public, on environmental matters.

The regional administrator's responsibilities include day-to-day management of a 570 person, \$76 million operation; reviewing and approving/denying permits; enforcement; Superfund cleanup; negotiating terms and conditions of grants and financial assistance supporting state and local government; negotiating and monitoring delegation agreements; assessing state plans; providing technical assistance; and maintaining appropriate oversight of environmental activity in the region. The regional administrator must be able to build consensus between federal, state and local government, industry and the public.

II. DISCUSSION

Region X includes Washington, Oregon, Idaho, and Alaska. Major industries in the region include forest products (pulp and paper), agriculture and food processing, transportation equipment, electronic instruments, and petroleum extraction.

Special considerations are: significant population and economic growth; diverse climate; vast land areas; remote areas of Alaska with newly discovered natural resources; a major share of the nation's wilderness and national parks; and over half of the nation's coastlines. Water resources are intensively controlled for irrigation and hydroelectricity.

A number of important issues are facing the region. Region X has devoted significant resources to the interagency effort to develop and establish the framework for implementing the President's Northwest Forest Plan. EPA will continue to play an important role as watershed restoration is a key element of the plan.

Air quality problems exist in several cities, including Spokane, Fairbanks and Anchorage.

Region X also contains Hanford, the largest Superfund site in the country. There is strong public and political interest in Hanford, which is located along the Columbia River in Washington. EPA is working with the Department of Energy and Washington State on an innovative approach for future land use options which could serve as a model for other federal facilities across the country.

It is becoming increasingly clear that Region X presents some significant management challenges. For example, in the past year, a number of negative press accounts have been published about internal management issues in the region, several of which have the attention of Congressman Dingell.

III. RECOMMENDATION

CHUCK CLARKE. Clarke has sixteen years' experience in Washington state government. He presently runs the Vermont Agency of Natural Resources. Clarke served as Director of the Washington State Department of the Ecology, where he oversaw the state's primary environmental agency with 1,600 employees and an annual operating budget of \$246 million.

For five years prior to his appointment as Director of the Ecology Department, Clarke was the Director of the Washington State Department of Community Development. In this position, he oversaw department programs dealing with technical and financial assistance to local governments and community-based agencies. He also served as Financial and Administrative Services Director of the Washington Department of the Ecology.

→ Clarke has strong backing from Senator Patty Murray, Booth Gardner, Governor Howard Dean, and Christine Gregory, Washington State Attorney General. Senator Murray has indicated that if you are not going to appoint Clarke, she would like to discuss this matter with you. Carol Browner believes that Clarke's qualifications and past experience, combined with his strong management background, makes him the most qualified person for the job.

OR

BOB RANDOLPH. Randolph was the Washington State Clinton/Gore Deputy Director. He organized Northwest Business Leaders for Clinton-Gore, an association of 100 business executives from Washington, Oregon, Montana and Idaho. He also directed the Clinton-Gore Speakers Bureau, and recruited and trained a bureau of 50 speakers who spoke before more than 140 groups.

Prior to the campaign, he practiced law for the firm of Hendricks and Lewis in Seattle, where he was a member of the Environmental Screening Committee of the Calvert Social Investment Fund, which screens public companies for environmental leadership and fidelity to environmental equity principles. He also handled a major litigation case against an oil refinery on behalf of a worker exposed to hydrogen sulphide emissions.

Randolph is sponsored by Seattle Mayor Norman Rice, Katrina Pflaumer, and Catherine Roach.

From 1988 - 1991, Randolph was the regional director in Singapore of Chloride Eastern Industries, a group of battery companies in Asia and Australia. He developed a business strategy for redirecting corporate focus away from "mature" auto battery lines towards higher growth solar batteries and electronics.

Prior to 1988, Randolph practiced law for the Seattle firm of MacDonald, Hoague and Bayless, where he specialized in civil rights law, tort litigation and products liability.

IV. DECISION

Appoint CHUCK CLARKE as Region X Regional Administrator.

APPROVE_____ DISAPPROVE_____ DISCUSS FURTHER_____

Appoint BOB RANDOLPH as Region X Regional Administrator.

APPROVE_____ DISAPPROVE_____ DISCUSS FURTHER_____

THE PRESIDENT HAS SEEN

11/21/93 db

THE WHITE HOUSE

WASHINGTON

*What's this
all on? - when
did he come from*

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FR: Katie McGinty *Kan*
RE: EPA Region X Appointment
DATE: 18 November 1993

**The environmental problems
in this region are enormous - fish,
water, forest -- I would urge
you to make sure we have an
experienced hand here.*
Kan

There are three candidates for the EPA Region X position: Chuck Clark, Bob Randolph and Will Stelle. This is an important nomination for the Administration because the environment is an important issue in the region.

Chuck Clark: Chuck Clark is a late-comer in the process and was selected by Patty Murray. He is well regarded and has the experience and credentials for the job. He is currently head of the Vermont Environmental Agency, and before that briefly headed the Washington Department of Ecology after its Director became the Attorney General. The environmental community is neutral on this, and somewhat miffed that Murray did not consult with them at all. Clark has good backing in the Lowry Administration because of his former position as a state official.

Bob Randolph. Bob is a practicing attorney in Seattle. He is well liked but widely viewed as not having sufficient experience or knowledge in environmental affairs. He was active and helpful in the campaign at the second tier of our state effort, but was not the co-chair or lead of our campaign in the state. Mr. President, I don't want to be insulting, but I expect that the general perception is that his sole qualification is that he is a friend of the yours. To my knowledge, he has no explicit support within the delegation or the environmental community. Frankly, I am somewhat cautious about his selection because it might generate a negative reaction because of the lack of qualifications.

Will Stelle. Stelle is a Washington-based attorney who is backed by Unsoeld and the Speaker. He is a Washington DC lawyer who has ten years of experience on the Hill and currently works for me in our office here. He has been very active in putting together your forest plan, and is widely regarded as very knowledgeable about northwest environmental issues. He went to law school in Seattle and is well known and well-liked in the region and in the delegation. Murray is not backing him because he is not from the region and she fears selection of an "outsider". Foley's support

is strong, but is not a personal issue for him or Mrs. Foley. Originally, the delegation (including Murray) signed a letter endorsing both Stelle and Randolph. Murray then endorsed Clark, apparently without consulting Foley or the rest of the delegation.

THE PRESIDENT HAS SEEN

11/21/93 db

THE WHITE HOUSE

WASHINGTON

November 17, 1993

MEMORANDUM FOR BRUCE LINDSEY

FROM: HOWARD PASTER *HP*

SUBJECT: SENATOR PATTY MURRAY

The President has never returned the Senator's call -- placed almost two weeks ago -- to resolve the Region 10 position on which they have their differences. The Senator's level of anger is rising, especially with the President leaving Thursday for Seattle.

Now the Senator is insisting on an appointment with the President Thursday morning, something for which there is little time in the schedule and which makes little sense. However, it does become imperative that this be settled today.

I recommend strongly that:

- 1) The President agree to go with Senator Murray's recommendation today and give you the authority to call and tell her that; or
- 2) The President take the time today -- and there should be enough down time from NAFTA -- to call the Senator and settle the issue.

I urge that this be settled today, leave it in your good hands.

back to
Bruce Lindsey
11/22/93 db

11/22/93
Mr. President
for
Bruce

Chron

MEMORANDUM

TO: BRUCE R. LINDSEY

FROM: KEVIN O'KEEFE

SUBJECT: CHUCK CLARKE or BOB RANDOLPH for REGION X ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY

DATE: NOVEMBER 4, 1993

I. BACKGROUND

EPA has 10 regional offices, each headed by a regional administrator. The regional offices are responsible for adapting federal policies and objectives to state and local programs, and for providing a single point of Federal contact with state and local government, the private sector, and the public, on environmental matters.

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It is becoming increasingly clear that Region X presents some significant management challenges. For example, in the past year, a number of negative press accounts have been published about internal management issues in the region, several of which have the attention of Congressman Dingell.

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Randolph is sponsored by Seattle Mayor Norman Rice, Katrina Pflaumer, and Catherine Roach.

From 1988 - 1991, Randolph was the regional director in Singapore of Chloride Eastern Industries, a group of battery companies in Asia and Australia. He developed a business strategy for redirecting corporate focus away from "mature" auto battery lines towards higher growth solar batteries and electronics.

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IV. DECISION

Appoint CHUCK CLARKE as Region X Regional Administrator.

APPROVE_____ DISAPPROVE_____ DISCUSS FURTHER_____

Appoint BOB RANDOLPH as Region X Regional Administrator.

APPROVE_____ DISAPPROVE_____ DISCUSS FURTHER_____

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

November 12, 1993 P4:32

11/21/93 ab

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *AL*
ROBERT RUBIN *RR*
HOWARD PASTER *HP*

SUBJECT: Letter to President from Senator Graham
RE: Florida and Defense Conversion Programs

Purpose

To respond to a letter from Senator Graham (Tab B) regarding the importance of defense conversion programs in the state of Florida.

Background

Senator Graham stresses the importance of defense conversion programs and asks to work closely with us in the defense transition process. He cites the good working relationship he has with the Department of Commerce. Mr. Alvin Brown, who Senator Graham cites specifically, works in the Economic Development Administration (EDA) at Commerce. (A call or note from you to Mr. Brown would send a strong message to the bureaucracy that good work gets noticed!)

Your proposed response (Tab A) highlights your commitment to defense reinvestment and base conversion programs. It expresses support for EDA's close working relationships with local communities and thanks Senator Graham for his offer to work closely with you on these important programs.

RECOMMENDATION

That you sign the memorandum at Tab A.

Attachments

Tab A Letter to Senator Graham
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Bob:

Thank you for your recent letter regarding the importance of our defense reinvestment and conversion programs to the state of Florida.

As you are aware, we continue to work hard to implement the \$20 billion, five-year program I announced in March, along with the five-point plan to revitalize communities adversely affected by base closure and realignments.

I hope that the regional base conversion meeting held in Orlando last month will help speed this process and make it more efficient. I am encouraged by the close working relationship you describe between local Florida communities and the Economic Development Administration (EDA). The comprehensive assistance provided by EDA grants, along with new initiatives such as the EDA/DoD federal information clearinghouse for defense conversion programs, fulfills critical roles in our overall federal response.

Thank you for your offer to work closely with us on these important defense transition initiatives.

Sincerely,



The Honorable Robert Graham
United States Senate
Washington, D.C. 20510

BOB GRAHAM
FLORIDA

040811

United States Senate

WASHINGTON, DC 20510-0903

93 OCT 15 P4:49

October 7, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Along with many other states in the nation, the State of Florida is directing substantial attention to the issue of defense conversion programs. As you are aware, defense programs are an integral part of the Florida economy. In reducing our defense infrastructure, which includes the closing and consolidation of military bases and the reduction and cancellation of military programs, we must give equal attention to filling the voids that such reductions cause in our state and local economies.

In the coming months I want to work closely with your Administration to ensure the defense transition process is as efficient as possible. It is my understanding that Alvin Brown with the U.S. Department of Commerce has already devoted considerable time and energy into achieving this. He has established the needed links with the federal, state, and local officials and demonstrates a strong grasp of the needs of Florida and the means by which to best meet them. Our office has a good working relationship with Alvin and has confidence in his abilities. We look forward to continuing working with him.

As always, please feel free to call on me on this or any other issue where I may be of assistance.

With warm regards,

Sincerely,



Bob Graham
United States Senate

BOB GRAHAM
FLORIDA

040811

United States Senate

WASHINGTON, DC 20510-0903

93 OCT 15 P4:49

October 7, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

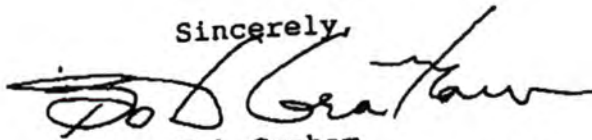
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As always, please feel free to call on me on this or any other issue where I may be of assistance.

With warm regards,

Sincerely,



Bob Graham
United States Senate

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: OCTOBER 20, 1993

NAME OF CORRESPONDENT: THE HONORABLE BOB GRAHAM

SUBJECT: EXPRESSES INTERESTS IN WORKING CLOSELY WITH
THE ADMINISTRATION TO ENSURE THE DEFENSE
TRANSITION PROCESS IN AS EFFICIENT AS
POSSIBLE

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
HOWARD PASTER		ORG	93/10/20		C 93/10/20
WILLIAM ITOH	REFERRAL NOTE: _____	RSR	93/10/20		- - / - / -
	REFERRAL NOTE: _____		- - / - / -		- - / - / -
	REFERRAL NOTE: _____		- - / - / -		- - / - / -
	REFERRAL NOTE: _____		- - / - / -		- - / - / -
	REFERRAL NOTE: _____		- - / - / -		- - / - / -

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: MEDIA: L INDIVIDUAL CODES: _____

MAIL USER CODES: (A) D FL _____ (B) _____ (C) _____

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*****
*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                        *                        *CORRESPONDENCE:   *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL  *      OF SIGNER    *
*D-DRAFT RESPONSE      *C-COMPLETED          *      CODE = A      *
*F-FURNISH FACT SHEET  *S-SUSPENDED          *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                        *      OUTGOING     *
*R-DIRECT REPLY W/COPY *                        *                        *
*S-FOR-SIGNATURE        *                        *                        *
*X-INTERIM REPLY        *                        *                        *
*****

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

SCANNED

chron

11/22

Rec'd 11/8
Eugene Bowles
N. Howard L. L. L.
Too - keep L. L. L.
A copy of this +
one for L. L. L. L. L.
Trey

THE WHITE HOUSE
WASHINGTON

November 16, 1993

Alan J. Patricof
Patricof & Co.
Ventures, Inc.
445 Park Avenue
New York, New York 10022

Dear Alan:

Thank you for your letter of November 2 and for your insight into the progress of the White House Conference on Small Business Commission.

I look forward to participating in any appropriate way to help the Commission do its work, and I hope that we can meet about it soon. I've shared your letter with my scheduling office to set something up.

Sincerely,

Bill

Patricof Co

✓
11/2/93
Patricof Co
November 2, 1993

President Bill Clinton
The White House
Washington DC 20500-2000

Dear Mr. President:

It was a pleasure to have the brief opportunity to speak with you yesterday afternoon at the U.S. Chamber of Commerce following your NAFTA presentation. It was coincidental that the initial meeting of the White House Conference on Small Business Commission was being held in the Chamber building at that time, and the members of the Commission were very appreciative of the opportunity to shake hands and say hello, since they all feel very committed to you and the project and, as a group, are pleased to have been invited to serve.

I have been meaning to write to you, and yesterday's meeting has prompted this letter. During the month and a half since I was appointed Chairman of the Commission, I have been spending a disproportionate amount of my time in Washington getting this mammoth undertaking of sixty State meetings and a National Conference under way. Although we began behind schedule, without a staff, I feel comfortable at this point in saying that we are off and running with a strong momentum. Nevertheless, in my visits on the Hill and with various trade organizations and others who have been associated with this conference in the past, it is increasingly clear to me that your interest and participation in the Conference is critical to the enthusiasm and success of this multi-faceted event. There is truly an opportunity to make a major imprint on the small business community and to set the tone for your identification with small business going forward when the work of the Conference ends with the Final Report at the end of 1995. Nevertheless, I am increasingly asked by outside interested parties, and even the Commission members, what you would like to see come out of the Commission and the Conferences and how far you are willing to go to demonstrate your interest.

The opportunities for your participation vary widely but, with as many as 25,000 - 50,000 people coming together in every State in the Union, it would seem to me that some attitude should be developed and conveyed at an early stage which manifestly associates you along the way with the small

Patricof & Co.
Ventures, Inc.
445 Park Avenue
New York, NY 10022
Tel 212-753-6300
Fax 212-319-6155

Page 2.

President Bill Clinton

November 2, 1993

business/entrepreneurial community in which a high degree of interest in participating has been kindled already. The role you might play, even at this time, is to give greater visibility to the Conferences and what you would like to see come from them, through some form of message or press conference. There will also be opportunities for you to be tied in live by satellite at some of the State conferences or to give the opening address at the first Conference in early April next year. I think you might want to chair some part of one of the State meetings which might fit in with your travel schedule and certainly you would want to participate in the regional meetings in early 1995.

The key factor that has been increasingly brought to my attention is that people want to feel that small business is high on your agenda and that you are listening and interested in the dialogue that will take place. There is a certain degree of skepticism about the Conference because of the attitude President Reagan demonstrated the last time it was held in 1986. As a result, I think there is a major opportunity to show that you sincerely care.

* { With this background in mind, I would like to suggest a meeting between us so that I can outline for you what we are planning and get some feedback, particularly giving consideration to what specific role you want to play at the many events that are contemplated. I will call your office in the next week or so, if I have not heard from your appointments secretary, to see if we can schedule a meeting. At the moment I plan to be in Washington on November 10th and 17th but, of course, I can adjust to your convenience. I think there are some major opportunities for you and the Administration to capitalize on this Conference through your participation. }

Sincerely,



Alan J. Patricof
Chairman

THE WHITE HOUSE
WASHINGTON

DATE: 11/21/93

TO: Alexis Herman

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

Please call me about this.

JDP

cc: Paul Richard

THEODORE C. BARREAUX

2910 QUE STREET, N.W.

WASHINGTON, D.C. 20007

November 16, 1993

12 40:21

The Honorable John D. Podesta
Assistant to the President
The White House
Washington, D.C. 20500

Dear John:

I am writing to ask your assistance in arranging a White House tour in April 1994 for a group of World War II Navy veterans.

The annual reunion of Peter Tare (PT) officers and their wives will be held in Washington from April 27-30, 1994. The group has met each year since 1947 in various cities, but this will be its first time in the nation's capital.

In case you are unfamiliar with the organization, Peter Tare, Inc., it is comprised of former PT officers who operated in all areas during World War II. There were approximately 40 PT Squadrons, consisting of 12 boats to a squadron. Being a good Democrat, you probably know that President John F. Kennedy was a PT officer, as was Admiral Bulkeley, who rescued General MacArthur from Corregidor.

We expect that around 200 people will attend the reunion here; and of that number, probably about 100 will be interested in seeing the White House. Hugh Robinson, a U.S. Naval Academy graduate, is in charge of the reunion; and he and I, as well as the rest of our Washington reunion committee, would appreciate anything you can do to schedule a special White House tour. It can be either a mansion tour or a west wing tour, whichever is easiest for you.

John, anything you can do to help bring this about would be much appreciated.

With kindest regards,

