

THE WHITE HOUSE
WASHINGTON

12-4



Ron Klain:

FOR YOUR SPEECH

File.

Give me a call



John Podesta



RONALD D. COLEMAN
18TH DISTRICT, TEXAS



440 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4316
(202) 225-4831

COMMITTEE ON APPROPRIATIONS

PERMANENT SELECT COMMITTEE ON INTELLIGENCE

CHAIRMAN

SUBCOMMITTEE ON LEGISLATION

CHAIRMAN

CONGRESSIONAL BORDER CAUCUS

DISTRICT OFFICE
FEDERAL BUILDING, SUITE 700
700 EAST SAN ANTONIO STREET
EL PASO, TX 79901
(915) 834-0000

SPECIAL PHONE FOR THE
HEARING IMPAIRED
TTY: 202-225-1304
VOICED: 202-225-1304

Congress of the United States
House of Representatives
Washington, DC 20515

November 1, 1993

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

Dear Mr. President:

I would like to recommend Mr. Thomas A. Spieczny of El Paso, Texas for the vacancy which exists on the Fifth Circuit Court of Appeals.

I have known Mr. Spieczny professionally over the past 18 years, and believe he is well-qualified to sit on the Court. His legal experience has included service with the U.S. Department of Labor as well as private practice. He is certified as a labor law specialist by the State Bar of Texas. The majority of his practice is in federal court, and he has litigated several significant cases on behalf of working class individuals and minority plaintiffs.

Mr. Spieczny is well-respected by the El Paso bar, and his application is supported by the Mexican American Bar Association of El Paso. He is also endorsed by Democratic Party activists, including labor organizations, because of his outstanding service to the community.

I hope that you will give Mr. Spieczny's application your consideration when filling vacancies to the Court. I am available to answer any questions you may have about his background.

With kindest personal regards, I remain

Very truly yours,

Ronald D. Coleman
Member of Congress

MEMORANDUM

TO: Distribution List
FROM: Bruce Lindsey
DATE: December 2, 1993
RE: SES Announcements

The following SES Candidates have been approved by the President, cleared by the White House Counsel and are ready to be announced:

U.S. Department of Justice

Paul Bender
Principal Deputy Solicitor General, Office of Solicitor General

Mr. Bender comes to the Office of the Solicitor General in the Department of Justice from Arizona State University College of Law where he has been a professor of law since 1984. At Arizona State University, he has concentrated on constitutional law, individual rights, the U.S. Supreme Court and Indian law. Prior to 1984, Mr. Bender taught at the University of Pennsylvania Law School where he began as an assistant professor in 1960 and left as a full professor. Mr. Bender was previously with the Department of Justice from 1965 to 1966 and during the summers of 1963 and 1964. At the Department of Justice, he held the title of assistant to the solicitor general. Mr. Bender has had the honor of clerking for U.S. Supreme Court Justice Felix Frankfurter from 1959 to 1960 and Judge Learned Land at the U.S. Court of Appeals for the Second Circuit from 1958 to 1959. Upon graduating from law school in 1957, Mr. Bender joined the law firm of Paul, Weiss, Rifkind, Wharton & Garrison in New York, New York where he was an associate. Mr. Bender graduated *magna cum laude* from Harvard Law School, earning his LL.B. in 1957. He also earned his A.B. from Harvard College in 1954, where he majored in physics. Additionally, Mr. Bender has held major professional and academic advisory positions, most recently as Chair of the Supreme Court of Arizona Commission on Minorities in the Judiciary, Principal Legal Advisor of the Inter-Tribal Council of Arizona, member of the Board of Directors and Chair of the Amicus Brief Committee and the American Judicature Society, and a member of the Committee on the Law School Deanship at the Association of American Law Schools. He has published two books and several book chapters, in addition to authoring numerous articles, giving several lectures and presentations and providing legislative testimony on constitutional law, Indian Law and related issues.

Bruce

DEC 3 P3:47

You mean,
this wasn't
official +
you still
let it
happen

Go to
President

Kevin V. Di Gregory

Deputy Assistant Attorney General, Criminal Division

With more than thirteen years of experience in practicing law, Mr. Di Gregory joins the Department of Justice from the Office of the State Attorney, Eleventh Judicial Circuit in Miami, Florida. Mr. Di Gregory began at the Office of the State Attorney in 1982 as a felony trial assistant and was soon promoted to division chief, a title he held for two years. He then became a trial attorney in the major crimes division where he supervised and coordinated police-initiated, local, interstate and international investigations of capital murders from 1986 through April of 1990. In July of 1987, Mr. Di Gregory was promoted to deputy chief assistant for felony litigation where he supervised a staff of 65 trial attorneys, in addition to his duties as a trial attorney. Lastly, in 1990, he earned the title of chief assistant for major crimes where he remained until joining the Department of Justice. As the chief assistant and as a member of the State Attorney's Executive Staff, he served as a policy maker and a supervisor of the following three trial divisions: major crimes, sexual battery and career criminal/robbery. Prior to his experience at the Office of the State Attorney in Florida, Mr. Di Gregory was an assistant district attorney with the Office of the District Attorney in Pittsburgh, Pennsylvania. Mr. Di Gregory earned his J.D. from the University of Pittsburgh in 1979 and his B.A. in political science from Allegheny College where he graduated *magna cum laude* in 1976.

John M. Hogan

Special Assistant to the Attorney General, Office of the Attorney General

Mr. Hogan comes to Washington, D.C. from Miami, Florida where he has served as Chief Assistant State Attorney for the felony division since 1989. From 1987 through 1989, he served as the state of Florida's first statewide prosecutor and as the regional director for south Florida. Prior to 1987, Mr. Hogan worked for the State Attorney's office in Miami, Florida, where he began as the assistant state attorney and rose to the level of chief assistant state attorney. In addition to supervising all felony prosecutors, he handled various cases, such as State v. Fuster, et al. which was the nation's first successfully prosecuted mass sex abuse case involving preschool aged children and State v. Koenig which involved a police officer in an on-duty shooting. From 1977 through 1979, Mr. Hogan was an associate in the litigation section of the law firm of Shutts and Bowen. Mr. Hogan was awarded the 1993 Trial Lawyer of the Year Award for the Association of Government Attorneys in Capital Litigation. He has lectured nationally on the topic of child sex abuse. He has also lectured on new approaches to fighting organized drug cartels and how to investigate and try a high publicity case. Mr. Hogan earned his J.D. from the University of Miami in Coral Gables, Florida in 1977 and his B.A. from the University of Massachusetts in Amherst, Massachusetts in 1972.

H. Jefferson Powell

Deputy Assistant Attorney General, Office of Legal Counsel

Mr. Powell joins the Office of Legal Counsel in the Department of Justice from the Office of the Attorney General in the state of North Carolina where he served as special counsel to the attorney general. In addition, Mr. Powell has been a professor of law at Duke University since 1989; however, presently, he is on leave. Prior to 1989, he was at the University of Iowa where he began as an associate professor in 1984 and in 1988, became a full professor of law. In addition, Mr. Powell was a visiting professor at the University of North Carolina in 1991 to 1992 and at Duke University in 1988 to 1989, and a visiting associate professor at Duke University from 1987 to 1988 and at Yale University from 1986 to 1987. From September of 1983 through June of 1984, Mr. Powell was a research associate at Yale Law School. He has also served as a law clerk to the Honorable Sam J. Ervin, II at the U.S. Court of Appeals for the Fourth Circuit. Mr. Powell has authored numerous publications on a range of topics concerning constitutional law. He is a member of the American Law Institute, the American Bar Association, the North Carolina Bar Association, and the Selden Society. Mr. Powell earned his Ph.D. from Duke University in 1991, his J.D. from Yale Law School in 1982, and his M.Div. in 1979 from Yale Divinity School. In addition, Mr. Powell has his A.B. from Duke University and his B.A. from St. David's University College at the University of Wales.

Laurie Overby Robinson

Associate Deputy Attorney General

Ms. Robinson comes to the Department of Justice from the American Bar Association where she has been since 1972. She began as the assistant staff director at the ABA Criminal Justice Section where she staffed section committees on issues ranging from the federal criminal code to grand jury reform and crime victims. In 1979, Ms. Robinson was promoted to the director of the ABA Criminal Justice Section where she has had responsibility for substantively directing and fiscally managing Section operations and additional specially-funded projects. Since 1986, she has simultaneously headed the 80-person Professional Services Division as the director, as well as her duties as the director of the Criminal Justice Section. Prior to her experience at the ABA, Ms. Robinson worked as a reporter and editor of the Community News Service in New York, New York from 1968 to 1971. Ms. Robinson has been chair of the National Forum on Criminal Justice since 1991, a member of the advisory board of the Federal Sentencing Reporter since 1990, on the Board of Regents at the National College of District Attorneys since 1979, a member of the National Committee on Community Corrections since 1990, and a ABA Bar Executive Associate since 1973. Ms. Robinson has published numerous articles in bar publications, law reviews, criminal justice periodicals, the ABA Journal, and legal newspapers. She has researched and written major sections of Criminal Justice policy reports in such areas as grand jury reform legislation and the federal criminal code. Additionally, Ms. Robinson has guest lectured at Georgetown University Law Center on such topics as federal criminal code legislation. Ms. Robinson earned her A.B.

(Robinson continued)

from Pembroke College in Brown University in June of 1968 as a political science major, graduating *magna cum laude*.

The Communications Office is authorized to announce these individuals at noon on Tuesday, December 7, 1993. Legislative Affairs, Intergovernmental Affairs, Political Affairs and Public Liaison are advised that they should notify all interested

THE WHITE HOUSE
WASHINGTON

DATE: 12/4

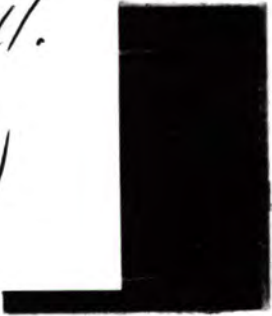


TO: *DAVID Watkins*

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

*David - could I
get a current printout
of my whole payroll.
Thanks!*

John



THE WHITE HOUSE

WASHINGTON

November 18, 1993

MEMORANDUM FOR JOHN PODESTA

FROM: DAVID WATKINS 
SUBJECT: Staffing and Salaries for FY 1994 for the
Office of the Staff Secretary

This is a modification to the salary allocation for the Office of the Staff Secretary for FY 1994.

As you are aware, the salary increases for Records Management employees were approved effective November 7, 1993. The total amount allocated for the salary increases was \$21,793.

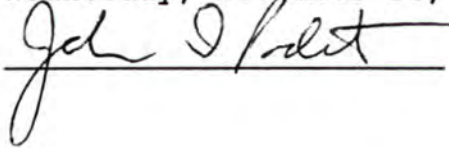
Currently your salary level is \$4,381,892 (this includes salary increases for Records Management). In addition Trey Schroeder was given a \$5,000 salary increase at the request of the President. You have also requested to bring on an additional employee in Records Management at a salary level of \$20,443, this would bring your current salary level to \$4,407,335.

In my memo to you of October 6, we agreed that you make a savings of \$75,000 in salaries as people come on and off the payroll, which would bring your salary level to \$4,332,335. If this savings is made, we agreed to give you an additional \$51,097 to be spent on salary increases in the Correspondence Department. This would make your salary cap for FY 1994 \$4,383,432, if you make the savings of \$75,000.

Your current staff count is 125 FTEs (this includes the Records Management Candidate) and 1 OGE.

Please verify and confirm by signing below and return to my office no later than Wednesday, November 24, 1993.

Verify and Confirm:



Date: 12-3-93

cc: Patsy Thomasson
Brian Foucart
Alice Honea
Kelli McClure

DAVID TILLOTSON
ATTORNEY AT LAW

3421 M STREET, N.W., STE. 1739
WASHINGTON, DC 20007

TELEPHONE: (202) 625-6241

FACSIMILE: (202) 965-2018

*Acknowledge
sent ~~see~~ Neil Eggleston
original to [unclear]*

November 10, 1993

The Honorable John Podesta
Assistant to the President
The White House
Washington, DC 20500

Dear Mr. Podesta:

To follow-up on our conversation earlier today regarding the proposed nomination of John Payton to be the head of the Civil Rights Division at Justice, I am enclosing a summary of comments made by federal court judge's criticizing the litigation section of the Office of the Corporation Counsel for how it has handled litigation involving the DC Department of Corrections. I did not prepare this summary, but it is my understanding that much of this litigation involved civil rights issues. As Corporation Counsel, Mr. Payton is responsible for the dilatory conduct and other improper trial tactics recited in the enclosed materials under the Truman doctrine of "the buck stops here."

I am also enclosing a copy of my letter to the President which sets forth other reasons why I believe that John Payton is unqualified to head the Civil Rights Division.

Sincerely,


David Tillotson

Enclosure

DAVID TILLOTSON

ATTORNEY AT LAW

3421 M STREET, N.W., STE. 1739
WASHINGTON, DC 20007

TELEPHONE: (202) 625-6241
FACSIMILE: (202) 965-2018

November 8, 1993

President Bill Clinton
The White House
Washington, DC

Dear President Clinton:

The purpose of this letter is to strenuously object to the nomination of John Payton to head the Civil Rights Division at the Department of Justice on the grounds that Mr. Payton, as Corporation Counsel of the District of Columbia, has been insensitive and indifferent to serious civil rights abuses by the District of Columbia's police. The principal reasons for my objection to Mr. Payton's appointment are set forth in the enclosed letter that opposing the nomination that I sent to the Washington Post.

The problem of civil rights abuses by the DC police department is long standing and well documented. If Mr. Payton were committed to civil rights, as Corporation Counsel he would have taken effective action within the Office of the Corporation Counsel and as the chief legal advisor to the City to put an end to the police department's civil rights abuses. He has not done so. Therefore, he should not be entrusted with the responsibility of being the chief civil rights officer for the nation.

Sincerely,

David Tillotson

Enclosure

DAVID TILLOTSON
Attorney at Law

3421 M Street, N.W., #1739
Washington, D.C. 20007

Telephone: (202) 625-6241
Facsimile: (202) 965-2018

November 6, 1993

Letters To the Editor
Washington Post
1150 15th Street, NW
Washington, DC

Dear Sirs/Madames:

The Congressional Black Caucus is right to oppose the nomination of Corporation Counsel John Payton to head the Civil Rights Division at the Department of Justice. The insensitivity and indifference of the Office of the Corporation Counsel under Mr. Payton's leadership to serious, everyday, violations of basic civil rights by the Metropolitan Police Department belies the claim of Mr. Payton's supporters that he has "a strong and deep commitment to the enforcement of civil rights laws" and should disqualify Mr. Payton for any position of responsibility in the civil rights area. I say this based on my first hand experience as an attorney in dealing with the Office of the Corporation counsel concerning police misconduct cases.

The Office of the Corporation Counsel under Mr. Payton's direction has supported and defended the practice and policy of the MPD of arresting people for "disorderly conduct" who talk back to, argue with, or otherwise show disrespect for a police officer, notwithstanding a 1988 decision of the Supreme Court (Houston v. Hill, 482 U.S. 451) which held that "[t]he freedom of individuals verbally to oppose or challenge police action without thereby risking arrest is one of the principal characteristics by which we distinguish a free nation from a police state." Moreover, rather than act to address the problem of abuse and misuse of disorderly arrests to harass and intimidate members of DC's Latino community which was cited in the findings of the U.S. Commission on Civil Rights' Report on the 1991 Mount Pleasant "disturbances," the Office of the Corporation Counsel dismisses the Commission's findings regarding misuse and abuse of disorderly conduct arrests as mistaken.

If Mr. Payton possessed a strong commitment to the enforcement of civil rights, he would have used his position as Corporation Counsel to instruct his clients, the Mayor and the Chief of Police, that the MPD's policy and practice of arresting people who verbally offend police officers is unconstitutional. Not only has he not done this, but it remains the official position of the Officer of the Corporation counsel that there is

nothing wrong with the MPD's use of "disorderly arrests" in a manner that the Supreme Court has characterized as one of the hallmarks of a police state.

Sincerely,

David Tillotson

Washington Post
11/11/93

No Retreat on Children's Rights

ADVOCATES of reforming the District's child welfare system now worry that the city is backing away from its legal commitment to overhaul a program already deemed by a federal judge to be an outright travesty. They point to D.C. Corporation Counsel John Payton, the leading candidate for the Justice Department's top civil rights job, who is spearheading an effort to vacate the federal consent decree that protects the rights of youngsters in the *LaShawn* child welfare case. U.S. District Judge Thomas Hogan, who decided the case and continues to monitor implementation of the consent decree, apparently shares their concerns. During a hearing yesterday, Judge Hogan invited Mr. Payton and Vincent Gray, the head of the Department of Human Services, to appear in his courtroom next month to explain "what it means to enter into a consent order and then attempt to withdraw from it on the basis of a court of appeals decision affirming the court's ruling." It's a good question that Mr. Payton must answer.

Mr. Payton is known to believe that many of the consent decrees negotiated during Marion Barry's mayoralty usurp the powers of locally elected leaders and constitute an unchecked drain on a cash-poor city. That is a view for which there is a good argument. But in trying to gut this particular

federal opinion and remedial order—particularly one negotiated by the Kelly administration and which has been largely affirmed by the court of appeals—Mr. Payton has encouraged the impression that his attack is on the one measure that has clearly helped eased the plight of the city's most vulnerable children.

To ease the fears generated by his resistance to the court's decision, Mr. Payton sent a letter last night to Mr. Gray stressing the need to energetically get on with the reform effort. He says his legal objections to the order shouldn't be taken as a sign that the city is not going to meet its obligations to fundamentally reform a badly flawed program. His critics say that behind the legalism is a city that is chafing under the order because it can't meet already agreed upon goals for reform. Whatever the merits of Mr. Payton's legal position, there remains an absolute requirement for the city to make it clear to the court and the public that it isn't retreating from its duty to help neglected and abused children. There is one way to do that. The corporation counsel should join in the redrafting of a *comprehensive* final order that relies solely on District child protection laws—and then get on with the business of meeting its obligations to those unfortunate children.

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United States District Court Judges have made the following other comments concerning the District's conduct in litigation concerning the Department of Corrections.¹³⁹

- the failure of the District of Columbia defendants to answer . . . amounts to either gross neglect at best, or at worst, willful misconduct.¹⁴⁰
- Significantly, the Court finds that the defendants concealed . . . violations of the 1985 Order from this Court. . . The failure to report in the required manner has unnecessarily prolonged the discovery and proceedings in this case, and has hampered plaintiffs' ability to seek to enforce the orders of this Court to the detriment of the plaintiff class.¹⁴¹
- The District of Columbia has sought to crush the spirit and exhaust the resources of its opponents through a pattern of total nonresponsiveness. Such dilatory tactics must be deterred. If defendants' conduct in this case were not severely punished, future litigants might rationally conclude that the advantages accruing from abusing discovery outweigh the risks.¹⁴²

139 The District has been sanctioned in other corrections cases not listed. See e.g., Jane Doe v. District of Columbia, C.A. No. 92-635 (D.D.C.) (LFO), Order, January 13, 1993 (monetary sanction); Drew v. District of Columbia, C.A. No. 88-994 (D.D.C.) (GAG), Order November 14, 1990 (default entered); Edelen v. District of Columbia, C.A. No. 88-664 (D.D.C.) (SSH) Order, February 23, 1990 (default entered).

140 Mention v. Kelly, C.A. No. 89-405 (D.D.C.) (DAR), Report
and Recommendation III, July 22, 1993.

141 Campbell v. McGruder, G.A. No. 1462-71 (D.D.C.) (WBB);
Inmates of D.C. Jail v. Jackson, G.A. No. 75-1668 (D.D.C.) (WBB),
Order Appointing a Special Officer, April 20, 1993.

142 Coleman v. Long, C.A. No. 86-1029 (D.D.C.) (WBB),
Memorandum and Order, April 8, 1993.

VI. The District of Columbia is Routinely Sanctioned for Failing to meet Litigation Obligations

In addition to failing to comply with court decrees, the District of Columbia is routinely sanctioned for failing to comply with discovery and other litigation related obligations. The District's conduct in these cases has been described by one Judge as follows:

[T]he court takes notice of the on going struggle between the federal judiciary and the District of Columbia to bring the District, and in particular the Correctional Litigation Section in the Office of the Corporation Counsel, into compliance with the discovery Rules.

In the past three years, the federal courts have been forced to sanction the District repeatedly for flagrant abuses of discovery. . . Comparing the discovery-related misconduct committed by the District before this court to that committed in [other cases] is a case of *deja vu* all over again. The District is certainly on notice as to where the problem lies: [prior cases in which discovery sanctions were ordered] all involved misconduct by counsel in the Correctional Litigation Section of the Corporation Counsel, as does the present case. The District obviously remains tempted to exploit the full panoply of discovery abuses for which it has received severe sanctions, including default, in the past. . . The District of Columbia cannot be permitted to achieve, whether through obduracy or sheer incompetence, tacit exemption from the Rules that bind all other litigants in the federal courts.¹³⁸

¹³⁸ Coleman v. Long, C.A. No. 86-1029 (D.D.C.) (WBB), Memorandum and Order, April 8, 1993.

The Court in this case has granted repeated extensions of time to Corporation Counsel when the only stated reason was the "press of other business." In the pending motion to reconsider, the Corporation Counsel has failed to demonstrate that any corrective action whatsoever has been taken to preclude recurrence of the same derelictions in this and other cases. Since sanctions are authorized for their deterrent value, they are entirely appropriate here.¹⁴³

[The District] willfully failed to comply with the Court's order requiring complete discovery responses. . . Defendants' dilatory tactics have become part and parcel of their litigating techniques. . . This cannot continue. Although this is not the way the Court prefers to see constitutional litigation proceed, the Court has no choice in the matter. The defendants have been repeatedly warned that a sanction like this would be forthcoming if defendants continue to ignore the Court's orders.¹⁴⁴

This court noted in [a prior case] that the Corporation Counsel may not "fail to obey court-ordered discovery deadlines, repeatedly delay trials, and singlehandedly deny plaintiffs their rights to their day in court, and never be held accountable." Yet this is precisely the sort of behavior which defendant has demonstrated in this case. The protracted, willful, inexcusable abuse of the discovery process by [the Assistant Corporation Counsel], the District of Columbia, and defendant has thus forced the court to enter a default judgement in this case, in order to ensure that abuses such as these will not continue.¹⁴⁵

¹⁴³ Covington v. District of Columbia, C.A. No. 87-2658 (D.D.C.) (RCL), Findings of Fact and Conclusions of Law on Defendants' Motion to Reconsider Sanctions, February 20, 1990.

¹⁴⁴ Green v. District of Columbia, 134 F.R.D. 1, 3-4 (D.D.C. 1991)

¹⁴⁵ Monroe v. Ridley, 135 F.R.D. 1, 7 (D.D.C. 1990).

In addition to making it more difficult to litigate the merits of cases, the conduct of the Office of the Corporation Counsel compounds the problem of obtaining the District's compliance with court orders. Compliance reporting is often inaccurate,¹⁴⁶ and plaintiffs' efforts to obtain discovery concerning the District's compliance are thwarted.¹⁴⁷ Judge Bryant recently summed up the problem.

You ask for certain information and you get
horn-swoggled on it, you get

¹⁴⁶ See, e.g., Twelve John Does v. District of Columbia, C.A. No. 80-2136 (D.D.C.) (JLG), February/March 1992 Report of the Special Officer on Medical Services and Mental Health Staffing at the Central Facility, March 13, 1992 at 34. ("[T]he Special Officer recommends that the defendants' monthly compliance reports be submitted under oath or affirmation... [T]he defendants repeatedly submit compliance reports that are inaccurate."). See also, Campbell v. McGruder, Order appointing Special Officer at 3 (Significantly, the Court finds that the defendants concealed ... violation of the 1985 Order from the Court.").

¹⁴⁷ See Campbell v. McGruder, Order Appointing Special Officer, at 4.

[The Defendants' failure to file a Court Ordered] certification demonstrates, once again, how difficult it is for even this Court to obtain from the defendants reliable information necessary to monitor compliance with its orders. In this regard, the Court also finds that the defendants failed to produce in a timely manner numerous documents requested in discovery which evidenced significant problems in the delivery of medical and mental health care at the Jail. This was so even though many of these documents were clearly responsive to plaintiffs' document requests and were ordered to be produced pursuant to this Court's August 7, 1992 discovery Order.

misrepresentations, concealment. That doesn't take any money. That doesn't take any resources. All it takes is plain integrity.¹⁴⁸

VII. Recommendations

The Department of Corrections has numerous problems for which extensive recommendations could be made. The following points, however, are limited to areas that can assist the District to come into compliance with its court-ordered obligations.

1. The creation of an independent board to oversee the operation of the Department of Corrections. The Board would monitor the Department of Corrections, issue reports and make recommendations to the Mayor and to the District of Columbia Council. This Board should be made up of officials from public safety agencies, citizens and prisoners' rights advocates.
2. The establishment of an office in the Department of Corrections to monitor the District's compliance with corrections related court orders. This office would be responsible for identifying compliance problems and initiating corrective action.

¹⁴⁸ Campbell v. McGruder, C.A. No. 1462-71 (D.D.C.) (WBB); Inmates of D.C. Jail v. Jackson, C.A. No. 75-1668 (D.D.C.) (WBB), Transcript of hearing on Plaintiffs' Motion for an Order to Show Cause why the Defendants should not be held in Contempt, at 24, April 6, 1993.



THE WHITE HOUSE
WASHINGTON

DATE: 12/3

TO: *Tim Keating*

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

*Bill Hughes
needs a
per + letter for
his early leadership
on Brady Town*



THE WHITE HOUSE
WASHINGTON

DATE: 12/03/93

TO: DON STEINBERG

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

Please call me when you receive
this.

Thanks.



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

DATE: DECEMBER 3, 1993

TO: JOHN PODESTA
ASSISTANT TO THE PRESIDENT AND STAFF SECRETARY

FROM: LOUIS J. FREEH
DIRECTOR, FBI

RE: DRAFT STATEMENT FOR PRESIDENT ON
U.S.-ITALIAN EFFORTS AGAINST THE MAFIA

As we discussed Wednesday, our joint anti-Mafia law enforcement efforts with Italy would be greatly strengthened if the President could issue a statement commending the Italian people for their courageous stand against organized crime.

I will meet with Italian law enforcement officials in Rome on December 11 on fashioning more effective cooperative efforts against the Mafia. On December 12, I will make a speech in Palermo recalling the monumental public service of Magistrate Giovanni Falcone, who was murdered by the Mafia, and urging that even greater efforts now be made by the two nations against organized crime.

The comments by the President could take the form of either a press statement or open letter to the Italian people, and could be released in Washington on December 11 and read at the public ceremony December 12 in Palermo by the U.S. Ambassador to Italy.

A draft statement for the President is attached for your consideration. Please let me know if you need any additional material or information. Thank you again for your assistance.

Enclosure

The government of the United States is pledging anew the greatest possible support to Italy and its courageous people in our joint struggle against the Mafia and other organized crime groups.

I am directing the Department of Justice and the Department of the Treasury to use every available resource to enhance law enforcement efforts we carry out in cooperation with the Italian government.

The same Mafia and organized crime figures have taken a terrible toll in both countries--including drug trafficking and murder.

As a tangible sign of our resolve, Louis J. Freeh, Director of the Federal Bureau of Investigation, and Ronald K. Noble, Assistant Secretary for Enforcement, Department of Treasury, will go to Italy on December 11 and 12 for high-level meetings with Italian authorities on new steps we can take against the Mafia.

Director Freeh and Assistant Secretary Noble will speak on December 12 in Palermo on these joint law enforcement efforts and will stress the debt that all civilized countries owe to Judge Giovanni Falcone, who was murdered while leading the fight against the Mafia in Italy, as well as the scores of other Italians who have vigorously fought this scourge.

The United States government is proud of the assistance it gave to Italy in the search for Judge Falcone's murderers: FBI Laboratory experts facilitated the processing of DNA evidence at the crime scene in Sicily that Italian authorities said was a crucial factor leading to recent charges against a large number of persons.

Director Freeh will also carry this message to Italian law enforcement officials: their long and intensive assistance has helped make it possible for us to make significant progress against the Mafia in the United States.

####

3, 5, 7, 9

1 P6:47

MEMORANDUM

December 17, 1993

ey
nor

or police hiring

from the Attorney General to the

John, let me know if you want me
to distribute to WH Staff.

Distribution handled by Staff
Secretary's office. TDS



Office of the Attorney General
Washington, D. C. 20530

11/29/93 P6:43

November 29, 1993

The Honorable Bill Clinton
President of the United States
Washington, D.C. 20500

Dear Mr. President:

With all of the attention now being focused on the Crime Bills and specifically on hiring additional police officers, I am pleased to advise of you of the progress the Department of Justice is making towards distributing the \$150 million appropriated for police hiring.

These discretionary funds have been made available as a result of the supplemental appropriations bill you signed in July. We expect these funds to help pay for up to 2,100 additional officers. One-half of the money is available for jurisdictions with populations at or above 150,000; the other half is for the smaller jurisdictions. In this manner, we hope to ensure that small and rural jurisdictions as well as the largest metropolitan areas will ultimately benefit from having additional police officers.

We will make awards to jurisdictions that document a clear public safety and economic need and that plan to use the money to develop or expand their community policing efforts. Applications are being considered in three rounds; all applications must be received by December 1. We are planning a rolling awards process in which applications that are considered, but not funded in one round, will be reconsidered in later rounds. We expect the first award announcements to be made in late November; most will be made in December and early 1994. Additional program details are available from the attached Fact Sheet.

Summarized below are the Justice Department's most significant accomplishments and the current status of the applications/award process.

PROGRAM IMPLEMENTATION

- * On August 30, I announced that the Department had widely disseminated the grant application kit, which included a telephone number potential applicants could call for technical assistance.

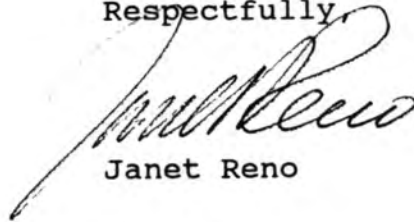
- * Immediately after mailing out the grant application kits, the Bureau of Justice Assistance (BJA) began operating the telephone Response Center. This technical assistance line provides information to potential applicants about the Police Hiring Supplement Program and its requirements, as well as information about community policing. The Center has responded to about 3,000 callers from across the country, many of whom have expressed their appreciation at being able to call Washington and receive assistance.
- * We established a reviewing system to ensure that every application would be scored fairly based on standard criteria. Employees from the Office of Justice Programs, in addition to their other responsibilities, have willingly and enthusiastically accepted this very manpower-intensive challenge of reviewing and processing an extraordinary volume of grant applications.

STATUS OF APPLICATIONS

- * By the end of Round 2 (November 1), the Department received a total of 1,624 applications requesting federal funds to help hire (or rehire) more than 8,800 additional sworn law enforcement officers.
- * Of the 1,624 applications received thus far, 91 percent (1,475) are from jurisdictions serving populations of 150,000 or less. More than half (921 or 57%) are from jurisdictions serving populations of less than 25,000. Eight (8) applications have been received from jurisdictions with populations of more than two million.
- * Most applicants (80%) are municipal police departments, followed by county police and sheriffs (16%). The remaining four percent come from Indian tribes, consortia, special police, and state police.
- * Local law enforcement agencies from every State have submitted applications. Attached is a summary table that lists the number of applications and the number of police requested from local agencies in each State.
- * The number of officers requested ranges from 1 to 61, with an average of 4 in jurisdictions serving populations under 150,000, and an average of 23 in larger jurisdictions.
- * About 12 percent of all applicants are requesting an increase in the Federal share.

Overall, we are struck by the genuine interest in and support for community policing. This support cuts across the spectrum of jurisdictions, regardless of size or the nature of their crime problem.

Respectfully,

A handwritten signature in cursive script, appearing to read "Janet Reno", written in dark ink.

Janet Reno

Attachments



Department of Justice

POLICE HIRING SUPPLEMENT PROGRAM FACT SHEET

PROGRAM GOALS

- To increase the number of sworn law enforcement officers serving areas where they are needed most.
- To improve the long-term ability of law enforcement agencies to engage in community policing by deploying additional sworn law enforcement officers.
- To improve public safety through innovative crime prevention, including community policing.
- To hire additional law enforcement officers to increase sworn officer deployment and expand community policing designed to prevent crime, promote problem solving, and enhance public safety.
- To rehire law enforcement officers who have been laid off (as a result of state and local budget reductions) to increase sworn officer deployment and expand community policing.

FUNDING

- The \$150 million available for this program is part of the supplemental budget appropriation requested by President Clinton. \$75 million is available for jurisdictions at or above 150,000 population; \$75 million for those below 150,000.
- Grant funds are available only for the salaries and fringe benefits of hired or rehired sworn law enforcement officers over a three-year period. Funding for overtime costs is prohibited.
- The program will provide funding to hire up to 2,100 officers.

AWARD AMOUNTS

- \$1 million maximum for jurisdictions below 150,000 population.
- \$2 million maximum for jurisdictions between 150,000 and 749,999.
- \$3 million maximum for jurisdictions between 750,000 and 2 million.
- \$4 million maximum for jurisdictions above 2 million population.

FEDERAL SHARE

- Federal share per officer may not exceed the greater of: (1) 75 percent of the total salary and benefits over the life of the grant, up to a maximum of \$75,000; or (2) 50 percent of the total salary and benefits

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 1 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
Alabama	2	1%	43	3%	45	3%
Alaska	1	1%	6	0%	7	0%
Arizona	6	4%	28	2%	34	2%
Arkansas	1	1%	17	1%	18	1%
California	14	9%	89	6%	103	6%
Colorado	2	1%	24	2%	26	2%
Connecticut	0	0%	16	1%	16	1%
Delaware	2	1%	6	0%	8	0%
District of Columbia	2	1%	0	0%	2	0%
Florida	14	9%	57	4%	71	4%
Georgia	3	2%	45	3%	48	3%
Hawaii	1	1%	1	0%	2	0%
Idaho	0	0%	8	1%	8	0%
Illinois	2	1%	92	6%	94	6%
Indiana	2	1%	31	2%	33	2%
Iowa	1	1%	30	2%	31	2%
Kansas	2	1%	16	1%	18	1%
Kentucky	0	0%	31	2%	31	2%
Louisiana	3	2%	22	1%	25	2%

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 2 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
Maine	0	0%	17	1%	17	1%
Maryland	4	3%	17	1%	21	1%
Massachusetts	2	1%	30	2%	32	2%
Michigan	4	3%	53	4%	57	4%
Minnesota	3	2%	33	2%	36	2%
Mississippi	0	0%	36	2%	36	2%
Missouri	5	3%	39	3%	44	3%
Montana	0	0%	8	1%	8	0%
Nebraska	2	1%	10	1%	12	1%
Nevada	1	1%	4	0%	5	0%
New Hampshire	0	0%	20	1%	20	1%
New Jersey	3	2%	48	3%	51	3%
New Mexico	1	1%	10	1%	11	1%
New York	11	7%	81	5%	92	6%
North Carolina	4	3%	44	3%	48	3%
North Dakota	0	0%	8	1%	8	0%
Ohio	7	5%	60	4%	67	4%
Oklahoma	2	1%	42	3%	44	3%
Oregon	1	1%	22	1%	23	1%

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 3 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
Pennsylvania	3	2%	60	4%	63	4%
Rhode Island	1	1%	10	1%	11	1%
South Carolina	0	0%	30	2%	30	2%
South Dakota	0	0%	5	0%	5	0%
Tennessee	3	2%	26	2%	29	2%
Texas	11	7%	48	3%	59	4%
Utah	4	3%	19	1%	23	1%
Vermont	1	1%	7	0%	8	0%
Virginia	9	6%	30	2%	39	2%
Washington	5	3%	46	3%	51	3%
West Virginia	0	0%	12	1%	12	1%
Wisconsin	2	1%	33	2%	35	2%
Wyoming	0	0%	3	0%	3	0%
Puerto Rico	2	1%	1	0%	3	0%
Guam	0	0%	0	0%	0	0%
TOTAL	149	100%	1476	100%	1624	100%

* Total includes the Virgin Islands, which was excluded from the table.

EXECUTIVE OFFICE OF THE PRESIDENT

02-Dec-1993 05:39pm

TO: John Podesta

FROM: Jonathan P. Gill
Office of Media Affairs

SUBJECT: Think you could help make this happen? Jock

MARK GEARAN

I agree with this.

Don't you do a
weekly call/meeting with Army
Communications Directors?

Can you raise this?

Totten

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

02-Dec-1993 05:24pm

TO: Jonathan P. Gill

FROM: Bruce W. McConnell
 Office of Mgmt and Budget, OIRA

SUBJECT: Public Affairs Offices

Why doesn't the White House organize the agency public affairs offices to do business electronically. They could start out by being an e-mail pilot under the e-mail task force. Or, faster and better, by being directed to put all their press releases up on ACE?



CTIA

Cellular
Telecommunications
Industry Association
1133 21st Street, NW
Third Floor
Washington, DC 20036
202-785-0081 Telephone
202-785-0721 Fax

December 1, 1993

**Building The
Wireless Future**

Thomas E. Wheeler
President/CEO

Mr. John D. Posesta
Assistant to the President
and Staff Secretary
Executive Office of the President
The White House
Washington, D.C. 20500

Dear John:

You've got a very impressive young man currently working as an intern in the White House Office of Communications to whom I wanted to call your attention.

Stephen Monkarsh has recently been part of the NAFTA quick response team. My understanding is that, among other things, he prepared the memo upon which David Gergen relied for his "Nightline" post-NAFTA appearance.

Stephen is a young lawyer with an impressive resume as well as experience in the Clinton-Gore campaign.

He's hoping to move up from the intern position to a "real job". I wanted to call your attention to him.

Best regards.

Very truly yours,

Thomas E. Wheeler

*Gergen
I think you should
hire him.
Posesta*

STEPHEN C. MONKARSH

**1825 Sixteenth Street, N.W.
Washington, D.C. 20009
(202) 265-0265**

EXPERIENCE

THE WHITE HOUSE, OFFICE OF COMMUNICATIONS, Intern, Washington, DC, 1993-Present
Research and prepare briefings for the President that analyze subjects such as NAFTA, Health Care Reform and State Issues. Attend press briefings, hearings and events. Compile rapid response data and evaluate reaction to Administration policy. Update the Presidential calendar.

McGEORGE SCHOOL OF LAW, Moot Court Executive Committee Member, Sacramento, CA 1992-1993
Responsible for the administration and development of the Moot Court Program. In charge of the creation, research and writing of a Moot Court problem. Taught appellate advocacy skills to students.

OFFICE OF THE CALIFORNIA ATTORNEY GENERAL, Intern, Sacramento, CA, Summer 1992
Researched, wrote and filed briefs for the State covering appellate issues such as Ineffective Assistance of Counsel, Search and Seizure, Prosecutorial and Judicial Misconduct, Juvenile Law and Sentencing.

GRAY'S INN, Barrister's Pupil, London, England, Summer 1991
Clerked for Mr. Keith Northrop, Barrister at Law. Researched and wrote memoranda relating to civil and criminal actions. Assisted in preparing film and television contracts. Analyzed copyright issues.

CARTIER, INC., Sales Associate, Beverly Hills, CA, 1986-90
Effectively negotiated sales contracts of high-end merchandise. Consistently exceeded aggressive sales quotas. Successfully established, developed and serviced diverse clientele.

MGM/UA STUDIOS, Administrative Assistant, Culver City, CA, 1986
Directly reported to Meg Liberman, Casting Director. Organized casting calls and performed clerical duties.

EDUCATION

University of the Pacific, McGeorge School of Law, Sacramento, CA
Juris Doctor, 1993
Honors at Entrance
Scholarship For Academic Achievement
Dean's Honor Roll
Class Rank: Top 29%

University of California, Irvine, CA
Bachelor of Arts, Drama, 1986
Dean's Honor List

University of California, Los Angeles, CA
Summer Theatre Repertory, 1986

MOOT COURT HONORS & AWARDS

1991-92 Final 4 Top Oral Advocate Competitor
1991-92 Best Written Brief Finalist
Honors Award For Outstanding Oral Advocacy

1992-93 Moot Court Executive Committee Member
1992-93 Nat'l Moot Court Competition Team Member
ABA Nat'l Appellate Advocacy Team Finalist

EUROPEAN STUDIES

London Institute on Comparative Advocacy, Summer 1991
Comparative Litigation Program at the Inns of Court

Salzburg Institute on International Legal Studies, Summer 1991
Conducted by the Hon. Anthony Kennedy, Associate Justice of the United States Supreme Court

Université de la Sorbonne, Paris, France, 1984-85
Critical Film & Television Studies Program

SKILLS: French spoken and written fluently. Trained on Westlaw, Lexis, Word Perfect and Windows.

ACTIVITIES: Pacific International Law Society, Entertainment Law Society, Phi Delta Phi, Harry S Truman Democratic Club, Sacramento Young Democrats, Clinton-Gore Campaign Volunteer

THE WHITE HOUSE
WASHINGTON

03 DEC 3 P3:39

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: *Kristine Debbé*

Fax Number:

Phone Number:

632-1096

FROM:

John Podesta / faw

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet):

2

MESSAGE:

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

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THE WHITE HOUSE
WASHINGTON

Kristine -

The President had
just sent Randy Trebs
a note, so I let this
pass.

You're doing a great
job. Let me know if
I can ever be of any
help.

John

THE WHITE HOUSE
WASHINGTON

SEP 1 P3:20

John —
if the President has time,
World AIDS Day might be
a good time for a follow
up call to Randy Jacobs
in Port Townsend, whose
wife Mary died of AIDS earlier
this year —

The two phone numbers I
have for Randy are
206-385-3500 or 206-385-5525.

Thanks —

Kristine

TS copy

THE WHITE HOUSE
WASHINGTON

DATE: 12/2

TO: Melanne

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

This came across
my desk today.
Are you ok with
~~the~~ the draft
response?
TDD


The Honorable Jerrold Nadler
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Nadler:

Thank you for your expression of interest and concern about the Government's position in Finley v. NEA.

The government's decision to appeal Judge Tashima's ruling in Finley was made after giving consideration to the concerns that you have raised, coupled with the presumption of constitutionality afforded to Acts of Congress.

As you probably know, the Department of Justice considers itself bound to appeal any decision striking down an Act of Congress unless that Act is clearly unconstitutional. In order that you might appreciate more fully the government's concerns and reasoning, I enclose copies of our appellate briefs in Finley.

I assure you that I am committed to the arts, and my Administration fully supports the NEA and its mission. Thank you again for your interest in the Government's position in the Finley case.

Sincerely,

Bill Clinton

Enclosures

THE WHITE HOUSE
WASHINGTON

December 2, 1993 2 20:05

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

cc: VP on this

SUBJECT: Response to Letter from Congressman Lee Hamilton
Concerning the Renegotiation of the International
Tropical Timber Agreement (ITTA)

Purpose

To respond to letter from Lee Hamilton, Chairman of the House Foreign Affairs Committee, regarding the renegotiation of the ITTA.

Background

In his letter to you, Chairman Hamilton recommends that 1) the U.S. implement its pledge to manage its forests sustainably by the year 2000, 2) the U.S. voluntarily report to the ITTA on its progress, 3) other consumer countries be urged to make similar pledges, and 4) the U.S. work with other nations to develop criteria and indicators for sustainable management.

Your response accepts each of Mr. Hamilton's recommendations and reaffirms your commitment to sustainable management of forests.

RECOMMENDATION

That you sign the letter to Congressman Lee Hamilton.

Attachments

Tab A Letter to Congressman Hamilton
Tab B Incoming Letter

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Thank you for your thoughtful letter on global forest issues and for your recommendations concerning the renegotiation of the International Tropical Timber Agreement (ITTA).

As you know, the preservation of our global environment continues to be one of my Administration's highest priorities. The Vice President and I are committed to sustainable management for all forests, and we believe that the U.S. must demonstrate leadership internationally by observing these practices ourselves.

The United States assumed this leadership role among industrialized countries with its pledge at the Inter-ministerial Conference on the Protection of Forests in Europe to sustainably manage its national forests by the year 2000. I intend to follow through with this pledge and urge other countries to pledge the same.

At home, our national forests are already required by law to be managed sustainably. In those instances when existing management practices are found to be inadequate, forest plans will be revised to satisfy this requirement and to support our commitment pledged at Helsinki.

To promote the adoption of sustainable management worldwide, the United States is actively pursuing "Year 2000" commitments from other consumer countries. A joint "Statement by Consumer Countries" which will communicate common sustainability goals is being prepared and should be published as part of the final official acts of the Conference. Furthermore, voluntary reporting on progress toward this goal is also an important part of our negotiating position.

Your recommendations that clear criteria and indicators be developed for sustainable management of temperate, boreal and tropical forests, and your call for enhanced regional cooperation are under consideration. We realize that such measures will be necessary to achieve credibility and effective management both in the United States and abroad.

Through these and other measures, the United States will continue its efforts to build a more effective ITTA.

With best regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a stylized, cursive script.

The Honorable Lee H. Hamilton
United States House of Representatives
Washington, D.C. 20515

LEE H. HAMILTON, INDIANA
CHAIRMAN

SAM GEJDEHSON, CONNECTICUT
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JAMES L. OBERSTAR, MINNESOTA
CHARLES E. SCHUMER, NEW YORK
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ROBERT E. ANDREWS, NEW JERSEY
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PETER DEUTSCH, FLORIDA
ALBERT RUSSELL WYNN, MARYLAND
DON EDWARDS, CALIFORNIA
FRANK McCLOSKEY, INDIANA
THOMAS C. SAWYER, OHIO
(VACANCY)

MICHAEL H. VAN DUSEN
CHIEF OF STAFF

One Hundred Third Congress

Congress of the United States

Committee on Foreign Affairs

House of Representatives

Washington, DC 20515

November 8, 1993

BENJAMIN A. GILMAN, NEW YORK
RANKING REPUBLICAN MEMBER

WILLIAM F. GOODLING, PENNSYLVANIA
JAMES A. LEACH, IOWA
TOBY ROTH, WISCONSIN
OLYMPIA J. SNOWE, MAINE
HENRY J. HYDE, ILLINOIS
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DANA ROHRBACH, CALIFORNIA
DAVID A. LEVY, NEW YORK
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LINCOLN DIAZ-BALART, FLORIDA
EDWARD R. ROYCE, CALIFORNIA

RICHARD J. GARON
REPUBLICAN CHIEF OF STAFF

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

Dear Mr. President:

I write to commend you for your commitment to global forest issues, and to offer several policy recommendations.

Your leadership on domestic and international forest issues, including U.S. acknowledgement of our own obligations in addressing global forest issues, sets a positive example for other countries to emulate.

Of particular significance internationally is the U.S. pledge at the Helsinki Ministerial Conference on European Forests to achieve sustainable management of U.S. forests by the year 2000.

In order to achieve our objectives in the renegotiation of the International Tropical Timber Agreement (ITTA) regarding tropical forests, it is important that Western industrialized countries take the initiative to prove they are willing to accept similar responsibilities regarding their own temperate and boreal forests.

As a further demonstration of U.S. commitment and leadership, I would recommend that the US government:

- o formulate a national plan or strategy to ensure implementation of the pledge that U.S. forest resources are to be sustainably managed by the year 2000;
- o report voluntarily to the International Tropical Timber Organization (ITTO) on progress in U.S. forest; and

The Honorable William J. Clinton
Page Two

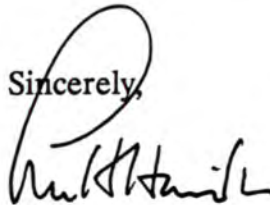
- o urge other consumer countries of tropical forests to join in the US pledge for sustainable management of their national forests by 2000. In the context of ITTA, the U.S. should seek to have the "Year 2000" commitments of consumer nations made part of the Final Act of the ITTA, or appended to that document, as appropriate.
- o work with other nations to develop criteria and indicators for sustainable management of temperate and boreal forests, as well as for tropical forests. Measures should be pursued to build on the regional efforts begun at Helsinki and Montreal to promote workable approaches and regional cooperation, which can serve as building blocks for broader cooperation.

I would suggest that these policy initiatives appropriately could be made at the ITTO Council meeting in November or at the ITTA renegotiation session in January, 1994. These steps would underscore U.S. leadership and credibility and encourage similar efforts and commitments from other nations. Such actions can lay the groundwork for progress toward a Global Forest Convention.

I appreciate your consideration of these issues.

With best regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Lee H. Hamilton". The signature is fluid and cursive, with a large initial "L" and "H".

Lee H. Hamilton
Chairman

LHH:NMC/ds

Wary of Reform

Health-Care Overhaul Elicits Hope but Lots Of Doubt in Quincy, Ill.

People the Clinton Plan Aims
To Help Worry Because
'Politicians' Would Run It

A Yearning to Feel Secure

By DENNIS FARNEY

Staff Reporter of THE WALL STREET JOURNAL

QUINCY, Ill. — In its politics as in its timeworn 19th-century architecture, this city's Calftown neighborhood is a throw-back.

Running eastward from the Mississippi River bluffs, Calftown is a classic working-class district. Residents named it for the cattle that its German immigrants pastured behind their modest, close-set homes. Today it is a neighborhood of people economically and politically on the edge: not poor, but often clinging to the lower reaches of middle-class life.

The residents of Calftown are the kind of people who stand to gain the most from Bill Clinton's health-care overhaul — indeed, the kind of people in whose names the proposal is being advanced.

Yet listen to some of their voices:

Here is Leland Lang, a 38-year-old roofer. He has no health insurance and can't afford doctors except for the worst emergencies. When he severely gashed a finger on a piece of metal recently, he "just wrapped tape around it and let it heal." He likes the sound of the Clinton plan — but has a visceral distrust of Washington.

"There're just as many crooked people in government as in thief gangs," he says.

Joyce Locke, a self-described "plain old housewife," is married to a railroad worker and has health insurance through him. Fifty-one-years old and battling breast and bone cancer, she figures her out-of-pocket expenses in fighting it were \$10,000 in the past year alone. Mr. Clinton, she says, "is really trying to help the people." But when asked if she has any qualms, her reply is emphatic:

"I've got a lot of qualms! There'll be too many hands in the pie. The money they're supposed to be saving will end up in somebody's pocket."

Back in Washington, some Democratic political strategists see health-care reform as a political magic bullet, a way to decisively recapture the loyalties of blue-collar and working-poor "Reagan Democrats." Calftown is a reality check. And the reality is that people in this neighborhood do like the Clinton plan, in principle. But in equal measure they instinctively distrust "the politicians" who must give it its final form and the Washington bureaucracy that would administer it.

Soured on Politics

These people are profoundly alienated from the political process that will determine that outcome. Seen from here, the elites now joining the health-care battle in Washington are like professional gladiators in some distant arena. The gladiators say they represent the people, but the people suspect that what the gladiators mostly represent is themselves.

The link between national politics and their daily lives has become badly frayed. Their lives themselves, filled with day-to-day struggles, leave them little time to sort through complex policy issues, however important. But their alienation is rooted in more than this. They have lived, many of them, through decades of high-minded social experiments like the old War on Poverty. And still the old problems remain, sometimes more virulent than ever. (A new worry in Quincy just now is the realization that crack and drug dealers have invaded neighborhoods, even here.)

At the same time, they have lived through a drumroll of political scandals, from Watergate to the House Post Office affair, all amplified by the media. So perhaps it is not surprising that many sound like a gray-haired, ponytailed man named Bill, interviewed while changing his antifreeze at curbside here. Bill (perhaps distrusting reporters as yet another alien elite) declines to give his last name, but offers this summation: "I believe in government — but I don't trust it."

Some Successes

The best thing Mr. Clinton has going for his plan is the feeling here that some government programs, including Social Security and Medicare, have truly worked, touching ordinary lives in positive ways. There is a hope among many that the comprehensive health coverage Mr. Clinton envisions could be that kind of program, too. But weighed against that hope, at least for some, is a fear that the whole thing could backfire.

Ruth Hagar, a 72-year-old who continues to work in her tailor shop on State Street, fears that very much. Within the past year she has had \$39,000 quadruple-bypass heart surgery, with Medicare picking up most of the cost. "I'm afraid [Mr. Clinton] is going to mess up the Medicare deal, mess up Social Security, and he's going to be in worse shape than he started

Please Turn to Page A5, Column 1

Continued From First Page V

in," she says. "If I were to lose my Medicare, I'd be sunk."

So the overriding question here isn't "Is this good?" Rather, it's "Will this work?" The first question is that of a social reformer. But the second is that of a worker who must put things together — and Quincy, from its earliest days, has been a workers' town.

Perched atop its Mississippi River bluffs, Quincy (population about 39,700) is named for John Quincy Adams, the president at the time of its founding. In 1858, Abraham Lincoln and Stephen A. Douglas made history here, debating slavery in a leafy downtown park. But in Quincy, making history has always taken second place to making things — at first plows, carriages, steam engines and beer; today electronic equipment, compressors, livestock feed and agricultural implement parts. Although still manufacturing-based, the economy is slowly shifting toward service companies. That includes one, a couple of miles from Calftown, with a direct stake in the Clinton health plan: a regional claims-processing center for Blue Cross/Blue Shield of Illinois.

What the center now does directly is what the government would become involved in indirectly — relying on health-care networks and private insurance companies — should the Clinton plan pass. Every morning a delivery service unloads

THE PRESIDENT HAS SEEN

box after box of medical claims, which are farmed out to more than 200 workers wearing telephone headsets and clicking away on computer keys. They work fast — a routine claim can zip through in five minutes — because they have to work fast. Next year this single office expects to process more than 6.9 million claims.

As might be expected, workers at the center strongly oppose the Clinton plan, which they fear could cost them their jobs. "How can I clean this up?" begins supervisor Kathy Lumley, mentally censoring her first reaction. Finally she says: "The government has no idea what it's getting into." The Clintonites, she continues, seem to have this attitude: "I am God. I will make people play together." Well, you can't make people play together.

But on the streets of Quincy — among the people who live here, work here or patronize the small businesses here — the reaction is far less heated. The proposal isn't a hot-button issue like abortion. Rather, supporters and opponents alike seem to see it as something too big and too serious to be decided by mere "politics." "We're all Americans. We need this for the good of everyone," says Joyce Kuse, a co-owner of A Cut Above beauty salon. "It would bother me if this became just a Democrats-against-Republicans thing."

People here do assume Congress will scale the health proposal back, and seem reassured by the prospect of tough-minded scrutiny on Capitol Hill. "This is some-

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This is very
helpful and for
the long term
worthwhile
B.

THE WALL STREET JOURNAL MONDAY, NOVEMBER 29, 1993

Wary of Reform: Clinton Health Plan Elicits Hope But Lots of Skepticism From Workers in Quincy, Ill.

thing the country needs," reasons James Florie, a 50-year-old roofer who is Leland Lang's boss. "But it's like looking at a new car. Looking doesn't necessarily mean you're going to get that car."

At the same time, they will be dismayed if the congressional debate curdles into raw partisanship or special-interest power plays. They may not love politicians, but they aren't wild about the current health-insurance system either.

"I've seen how premiums go up after somebody's been sick," says 45-year-old Susan Hummelsheim, who once handled Blue Cross/Blue Shield claims for a private group here. "I've had to listen to people say, 'My God, they're going up again?'"

Health care is an issue that touches people personally. Most everyone either has had a serious illness, knows a person who has, or lives in fear of the financial devastation that one might wreak. "I'll tell you, I'm for anything like this," declares 72-year-old Neola Brown. She lives on \$485 a month and worries that, despite Medicare, she is one prolonged illness away from financial disaster. If the worst comes, she says, "I've got this house and they can just take it."

But what people keep coming back to, again and again, is the cost of compassion. Where do you draw the line? How do you draw the line? "Some people do need this," says Dawn Earley, an 18-year-old student at the Quincy Beauty Academy. "But others will take advantage of it."

Bill Hanley, 46, would limit coverage to "the poor and disabled." He is a man who keeps an open Bible in his one-man auto-body shop — his business sign outside quotes from John 3:16 — and helping the helpless strikes him as the Christian thing to do. "But you cannot support everybody," he emphasizes. "Why should we take care of prostitutes who abuse their bodies and get AIDS?" His bottom-line instinct: "Anything the government gets into, it seems to get out of control."

Although instinctively cautious, people hereabouts often display an altruism that might surprise the partisan warriors of Congress. Ms. Kuse, the small-business woman, thinks the Clinton plan would probably cost her beauty salon more. (The salon already picks up part of the insurance premium for employees who need insurance.) Just the same, she is ready to pay that price.

"It would make my employees feel more secure," she says, adding: "I keep overhearing customers who just don't feel well, but don't go to the doctor because they don't have insurance. I think that's pretty sad."

At bottom, says former Adams County Democratic chairman Mel Koch, people here aren't ideologues, they are pragmatists, and their instincts are rooted in an earlier era in American politics. Democratic headquarters is called the Truman Social Club, and inside Mr. Clinton's picture hangs on a side wall while Harry Truman's gets center stage. Mr. Koch searches for an adjective to describe area voters and finds one: "hard-headed."

So perhaps it is not surprising that Mrs. Hummelsheim promptly pulls out a pocket calculator when asked about the Clinton plan. Mrs. Hummelsheim, who now helps sell cooking utensils and gourmet coffee at the Quincy Steamboat Co., does some quick figuring.

"Our family probably pays \$800 a year in insurance premiums right now. I can't see that the Clinton plan would be much of a hardship. People worry that the plan would switch them into HMOs. But companies are switching their employees into HMOs anyway."

"This is one of those things you hope will turn out all right."

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Clinton Wants to Allow U.S. Subsidies For Firms That Hire Welfare Recipients

By PAULETTE THOMAS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Clinton administration, as part of its plan to overhaul the nation's welfare system, wants to allow government subsidies for employers who hire welfare recipients and to put others into community service work.

President Clinton listed welfare reform among his campaign promises, and has outlined a broad plan to require parents to work after a two-year stint on the welfare rolls. The president's advisers are considering many options for ways to create those jobs, they say. An administration welfare task force is to present options to the president next month, and plans to have legislation on Capitol Hill early next year.

Job subsidies, which were mentioned in a New York Times article yesterday, may be one relatively easy first step. States are already permitted to subsidize employers who hire welfare recipients, but one strict stipulation applies: Subsidized jobs must be newly created.

New legislation would be required to allow subsidies for employers who put welfare recipients into existing jobs. Last year's urban aid legislation would have expanded the use of government subsidies in just that way, but President Bush vetoed the bill for other reasons.

The notion is to expose welfare parents to the world of work, and give them some experience to build upon. "It's just one piece" of a broader plan, said Bruce Reed, a senior domestic affairs adviser to President Clinton. "What's important to us is to put a strong emphasis on connecting welfare recipients to the private sector."

But it's highly unlikely, in such a tepid

economy, that job subsidies alone would suffice to put welfare recipients to work after two years. There are now about 1.5 million people who have children over the age of six and have been on welfare for more than two years, according to congressional researchers. "There will be some community service jobs that need to be created, there's no question," said Mr. Reed. Those sorts of jobs have been tried with varying success in the past by many states, but it has been difficult to create real work because public employee unions have fought off attempts to allow welfare recipients to do many government jobs.

Republicans on Capitol Hill have also introduced their own plan to change welfare, which is similar in many ways. It

Please Turn to Page A8, Column 1

Clinton Seeks Subsidy For Employers Hiring Welfare Recipients

Continued From Page A2

calls for required work or training for welfare recipients, a requirement to establish paternity for welfare children, and to have substance abusers on welfare undergo rehabilitation programs and submit to random drug tests.

The administration has already demonstrated its intent to reform welfare in some ways, mainly by giving states more leeway to experiment with their welfare loads. Last month, in the most telling example, the administration approved a Wisconsin plan to conduct the most stringent experiment yet — limiting welfare payments to two years, with no guarantee of a job afterward. The experiment is limited to two counties. The Department of Health and Human Services must approve individual state's welfare-reform plans.

THE WALL STREET JOURNAL MONDAY, NOVEMBER 29, 1993

Michael Kinsley

Populist, Shmopulist

"Conservatives now feel the need to mask their true ideological identity in euphemisms."

Mr. Pines said, however, that while many would call the channel's politics conservative, he prefers the term "populist." He said the channel would welcome Republicans and Democrats alike who believe in "less government."

So says Burton Yale Pines, one of the founders of "National Empowerment Television," a new cable channel being bankrolled by the conservative Free Congress Foundation.

It's heartwarming that conservatives now feel the need to mask their true ideological identity in euphemisms. In the 1980s, liberals often resorted to euphemisms like "progressive" to avoid being tarred with the L-word, which is still considered politically disadvantageous.

Today, "populist" is the self-label of choice across the political spectrum. Hewlett-Packard even advertises one of its computer printers as "Populist," on the grounds that it "has brought high-quality color and black & white printing to the people." But what does the term mean?

Mr. Pines is confused if he thinks that there is any connection between "populism" and "less government." The founding document of American populism—the People's Party Platform of 1892—called for government ownership of major industries. "We believe that the powers of government—in other words, of the people—should be expanded . . . to the end that oppression, injustice and poverty shall eventually cease in the land."

The most classically populist item on any major political agenda in recent years was President Clinton's hefty tax increase on the rich. Second might be Hillary Clinton's attacks on the pharmaceutical and insurance industries. Yet many of the conservative voices that preen as "populist" oppose these Clinton agendas in classically anti-populist terms. They accuse the Clintons of stirring up "envy," "divisiveness," "class hatred" and so on.

In today's political discourse, "populist" often means nothing more than "popular." It is a form of democratic bullying—a claim to speak for a major-



BY BARRIE MAGUIRE

ity of the people. As an ideology, this is pretty empty. If all you mean by calling yourself a "populist" is that you believe the will of the majority should carry the day, you are not distinguishing yourself from anyone else in this democracy. If what you mean is that your own particular views are held by the majority, you may or may not be correct. Opposition to NAFTA, for example—regarded in some quarters as the basis for a new populist coalition—never had a majority behind it.

To the extent "populism" means more than "democracy" itself, it has traditionally been associated with notions of direct majority rule, as opposed to the various filters and constraints of constitutional, representative government. But the two procedural items on today's populist agenda are term limits and the balanced budget amendment. Both would place new constraints on democratic decision-making.

Of course, populism has always defined itself in opposition to some sort of "elite," which supposedly is thwarting the popular will. Self-styled conservative populists would say it's only natural, given the way power has shifted in American society over the past century, that populist ire should be directed today at Washington rather than Wall Street.

But today's popular animus against big government is highly qualified. People are widely opposed to taxes, but they are not opposed to the benefits those taxes pay for. And the "populist" issue du jour is crime, with an agenda of more cops, more prisons, more executions. This is a call for more government, not less.

Today's populism, like earlier versions, deserves to be treated with both respect and caution. Respect, as to some extent a genuine expression of pain by those who are hurting economically. Caution, because like earlier versions it can curdle into ugly scapegoating of cultural outsiders. But today's populism also deserves special suspicion of its own, for three reasons.

First, there is a huge phony element. Many of the noisiest purveyors of "populist" anger are themselves chardonnay-sipping elitists. From inside the Beltway, political consultants and commentators fan the flames of rage against "Washington," and get rich at it. Populism has always involved demagoguery, of course, but the level of cynicism among promoters of the current version is especially high.

Second, the audience for today's aggrieved populist rhetoric is different. In "Voices of Protest," his book about Father Coughlin and Huey Long, two populists of the 1930s, Alan Brinkley notes that their audience was not the desperately poor, as in the 1890s, but "those on the fringes of the middle class." Today's populism has been ratcheted up the social scale once again. Aimed squarely at the heart of the middle class (and led by a billionaire!), it is broad enough to embrace every American short of Donald Trump, and aims its shafts of resentment downward as much as up.

Third, it is especially futile and self-defeating for today's American middle class to believe that its problems are the fault of someone else. That message may be nice to hear, but it is not the message we need to hear. Those who spread it are doing the country no favor.

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Mark/GS

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and we won't — Well an
alternative —

B

Youth Service Corps Officials Foresee Recruiter's Dream

By Mary Jordan
Washington Post Staff Writer

Former inner-city gangsters and Stanford University honor students are among those expected to sign up in the new year for one of President Clinton's new programs: youths performing community service to pay for college tuition.

In January, radio and television advertisements are to begin telling thousands of students how they can enroll in AmeriCorps and get paid for work ranging from comforting AIDS patients to tutoring preschoolers.

In interviews last week with AmeriCorps leaders, details of one of Clinton's most visible campaign promises emerged for the first time. All 20,000 of the students to be selected next year will earn an \$8,000 wage (roughly \$4.25 an hour), plus health and child care benefits. If they successfully complete the 12-month program, the youths also will get \$4,725 in college or vocational school tuition or loan forgiveness. The government will write a check to the school of their choice.

Program officials expect a blizzard of applications from students, even though the compensation will be considerably lower than proposals floated during Clinton's campaign.

The first step is next month's media campaign, which will include spots on MTV, an effort program officials hope will help make AmeriCorps as well known as the Peace Corps. In April and May, non-profit service groups such as Teach for America, which brings recent college graduates into needy elementary school classrooms, will be selected to participate.

The winning service groups will then pick the students who will work for them. Some students will go to work in summer, with the big kickoff in September.

"One of our objectives is to create a national ethic of service," said Eli Segal, president of the Corporation for National and Community Service that oversees AmeriCorps.

Congress approved \$300 million for national service in 1994. The White House hopes funding will escalate, and that likely will depend on whether the program's initial reviews are good.

According to Clinton, youths who "look like America" will be selected. Most are expected to be between the ages of 17 and 25. Some will get involved in environmental work, others in public safety, education or health programs.

In addition to AmeriCorps, two smaller service programs are part of the national service corporation. One is the Civilian Community Corps (CCC),

For performing community service, 20,000 students could earn \$8,000 apiece next year and be eligible for up to \$4,725 in government money for school tuition or loan forgiveness.



modeled after the popular 1930s program that gave people jobs on public works projects, such as planting trees and fixing parks.

The CCC will involve 800 students, and all will be housed on military bases. Former military personnel will work as instructors. Youths participating in this program do not have to have a high school degree and will be selected as early as February.

"The focus will be on civilian needs," said CCC director Donald Scott. Students will work at "creating green space in parks, tree-planting projects and erosion control," among other projects, Scott said.

The other part of the service corporation is VISTA (Volunteers in Service to America) formed in 1964 and located a few blocks from the White House at 1100 Vermont Ave. NW. VISTA's 3,400 volunteers will earn the same as AmeriCorps students, and will do much the same kind of community work.

By the end of this month, a toll-free hot line (1-800-94-ACORPS) will begin giving potential applicants basic information about the AmeriCorps program and help link students to specific programs in particular cities.

Each Cabinet-level agency also will be eligible to apply for AmeriCorps funds.

All states have or will set up a community service commission to help select and monitor the AmeriCorps programs. The commissions also will help distribute the federal funds. About \$11 million in federal money has been set aside for the state commissions, and they are expected to get some local funding too.

The national office will cost an additional \$14 million a year to operate. How it fares in its first year is considered crucial for AmeriCorps eventual success.

Some critics of the program say they worry it will not attract middle- and upper-class students because the pay is so low. Others are concerned about just the opposite, that only well-off students will be able to join. And many are waiting to see if worthwhile work will get done.

TODAY IN CONGRESS

SENATE

Not in session.

Committees:

Governmental Affairs—9:30 a.m.
Regulation and government information subc. Use of new technology to improve federal services and cut costs.
342 Dirksen Office Bldg.

HOUSE

Not in session.

Committees: none.

GS
Good Step

Henry Kissinger

Not This Partnership

In the most significant foreign policy initiative of the Clinton administration, Secretary of State Warren Christopher and Defense Secretary Les Aspin have put forward ideas for the reform of NATO that would revolutionize what has been aptly called the most successful alliance in history. They would also, unfortunately, risk dissolving it in a vague new concept called Partnership for Peace.

NATO, as it has operated for four decades, is clearly in transition. An alliance formed when Soviet armies bestrode Central Europe cannot have the same significance under present conditions. Nevertheless, the Alliance remains America's sole institutional link to Europe and the most natural way for the United States to influence the political evolution of Europe. It also possesses a nearly irreplaceable command and logistics system.

Threats to peace have become far less immediate and overwhelming; they have also become more frequent and festering as nationalist, fundamentalist and ethnic conflicts have become more widespread. Despite the discouraging experience of Bosnia, the challenge before the Alliance is to translate common interests into common policies and to create an Atlantic zone of stability in a turbulent world.

Ironically, the American initiative was elicited by countries applying for membership in NATO, and which like it as it stands: Poland, the Czech Republic and Hungary. The timing of the request was premature, before the administration had had an opportunity to develop its Atlantic policy. And consideration of it could have been postponed for some time without much damage.

Instead, the administration used the occasion to merge its Atlantic and East European policies by putting forward the Partnership for Peace. Affirming its rejection of "blocs" and its desire to erase Europe's dividing lines, it invited all the components of the former Soviet Empire—the 15 republics that have declared their independence, together with Russia and the former East European satellite states—to form such a partnership. This is to have four missions: peace-keeping, crisis management, search-and-rescue missions and disaster relief.

When Secretary Aspin was asked whether what was meant was "peace-keeping" (preserving an established agreement) or "peacemaking" (imposing a settlement), he replied that it could be either because "the words were not drawn with care." All partners are to be eligible for NATO membership on a "non-discriminatory" and "inclusive" basis for which, however, Christopher has rejected any specific timetable.

Refused a security guarantee and offered the placebo of nebulous joint missions, which have not been defined and do not respond to their concerns, Poland, the Czech Republic and Hungary must have noted the absence of any distinction between Russia, the cause of their anxiety, and themselves,

the historical victims of Russian aggression. The leaders of those three countries clearly prefer Russian President Boris Yeltsin to any alternative, but obviously are not prepared to base their nation's security on this preference. They seek some reassurance, if not vis-à-vis the incumbent Russian government then against an unforeseeable government in the future.

According to Aspin, Eastern Europe would be given a "sense of stability" and some "comfort" by its right to consult within the Partnership for Peace. The opposite is the case. The Partnership would force the concerned countries to consult with the very country that is causing their discomfort.

I agree with Christopher's statement that "helping democracy prevail in Russia remains the wisest—and least expensive—investment that we can make in American security." I strongly support the administration's program of economic assistance to Moscow.

Where I draw the line is when the administration declares every partner in the new Partnership to be eligible for membership in NATO—though it was not indicated how or by what procedure. A political process like Russia's, which has led to two attempted coups in two years, should not be given a veto over NATO membership or be declared eligible for NATO membership itself.

If the purpose is to avoid "blocs" and "discrimination," there will never be a good time for East European membership without Russia; and if it is made dependent on Russia, Moscow will have been given a veto or the option of watering down the existing institutions to the point of irrelevance. And if, later on, Eastern Europe is taken into NATO because Russia has turned out badly, the crisis will surely be exacerbated. We resisted blackmail when Russia was strong. Does it make sense to permit Moscow to blackmail us now with its domestic weakness?

The European Security Conference seems the ideal instrument for enabling Russia to cooperate with the other nations of the Atlantic area on political, economic and cultural subjects. And it could be expanded for that purpose. But when even the Russian reform leadership continues to maintain armies in nearly all the successor states of the former Soviet Union, and when these armies participate in civil conflicts in Georgia, Moldova and Azerbaijan—all members of the United Nations—it is surely not the moment to hold out the prospect of NATO membership to Russia.

The concerns of both Russia and Eastern Europe could be met by a qualified NATO membership for Poland, the Czech Republic and Hungary that enables them to be in NATO, as Spain and France are, without joining the integrated military structure. In that scheme, no non-national forces would be deployed east of the Cold War demarcation line. That plan would turn NATO into a defensive guarantee without adding to its offensive capabili-

ties. I would even argue that by drawing an unambiguous security line, historical Russian temptations would be discouraged. This would provide the soundest basis for East-West cooperation.

The Partnership for Peace, on the other hand, would create a vacuum in Eastern Europe. If things turned out badly in Russia, it would lead to the emergence of a no-man's-land between Germany and Russia, a condition that has caused many European wars. And Poland would once again be defined as a potential victim.

The Atlantic Alliance has united nations with substantially common objectives, though at times major tactical disagreements have occurred. Nevertheless, the goals outlined for the Partnership for Peace are unlikely to be perceived in the same way in the former Soviet Union. For example, "peace-keeping" has a special meaning there, often indistinguishable from restoring the former Russian empire.

The Partnership for Peace would dilute what is left of the Atlantic Alliance into a vague multilateralism. When Russia is as eligible for NATO membership as Poland, what is left of any common purpose? If Uzbekistan is eligible, why not India? If everybody between Vladivostok and Vancouver is eligible—if everybody is allied with everybody—why even have an Atlantic Alliance? What difference remains between NATO and the new Partnership for Peace? Either NATO has in fact become vestigial or, alternatively, Asia will see the new grouping as ranging the white races against the peoples of the Far East. Though the administration implies that the core NATO group of 16 would be held together, it has been silent as to what their specific functions would be other than to participate in the Partnership for Peace.

For more than 40 years, the domestic debate in each country of the North Atlantic Alliance has been polarized between the advocates of a cohesive alliance and proponents of a vague multilateralism extending east. For 40 years, American policy has supported the advocates of cohesion. With the Partnership for Peace, America is shifting its considerable weight to the multilateral option, and is making Russia its principal partner. This will have the profoundest impact on European politics. The Partnership for Peace would accelerate the trend toward European nationalism and, once Russia regains strength, toward European neutralism. It would align us in Western Europe with many of the forces that have opposed all the measures that brought the Atlantic Alliance its successes.

NATO needs to strengthen its political role, and the West European part of it should be given more autonomy in the military field. Perhaps it is impossible to achieve this reform. But we owe it to a history of common effort and to the needs of a turbulent world to make the attempt. The administration deserves credit for its efforts to relate Russia to the mainstream of international politics. But the new East-West relationship must not begin by submerging the Atlantic Alliance in a morass of ill-defined multilateralism. A new international order always involves something of a high-wire act as the old and the new interact. Let us not begin it by destroying the safety net.

The writer, former secretary of state, is president of Kissinger Associates, an international consulting firm with business interests in many countries abroad.

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to them

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

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December 1, 1993

MEMORANDUM

FOR: John Podesta
FROM: Christine Varney
Jennifer O'Connor
SUBJECT: \$150 million for police hiring

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during the 1990s - did any money
about the*

Attached is a memorandum from the Attorney General to the President outlining her plans for distributing the \$150 million appropriated for police hiring. She attaches a list of the grant applicants. The memo says the Department should be announcing grant recipients soon.

I have responded to her that we received the memo and forwarded it to the President's office.

*John, let me know if you want me
to distribute to WH Staff.*

*Distribution handled by Staff
Secretary's office.
TDS*



Office of the Attorney General
Washington, D. C. 20530

P6:43

November 29, 1993

The Honorable Bill Clinton
President of the United States
Washington, D.C. 20500

Dear Mr. President:

With all of the attention now being focused on the Crime Bills and specifically on hiring additional police officers, I am pleased to advise of you of the progress the Department of Justice is making towards distributing the \$150 million appropriated for police hiring.

These discretionary funds have been made available as a result of the supplemental appropriations bill you signed in July. We expect these funds to help pay for up to 2,100 additional officers. One-half of the money is available for jurisdictions with populations at or above 150,000; the other half is for the smaller jurisdictions. In this manner, we hope to ensure that small and rural jurisdictions as well as the largest metropolitan areas will ultimately benefit from having additional police officers.

We will make awards to jurisdictions that document a clear public safety and economic need and that plan to use the money to develop or expand their community policing efforts. Applications are being considered in three rounds; all applications must be received by December 1. We are planning a rolling awards process in which applications that are considered, but not funded in one round, will be reconsidered in later rounds. We expect the first award announcements to be made in late November; most will be made in December and early 1994. Additional program details are available from the attached Fact Sheet.

Summarized below are the Justice Department's most significant accomplishments and the current status of the applications/award process.

PROGRAM IMPLEMENTATION

- * On August 30, I announced that the Department had widely disseminated the grant application kit, which included a telephone number potential applicants could call for technical assistance.

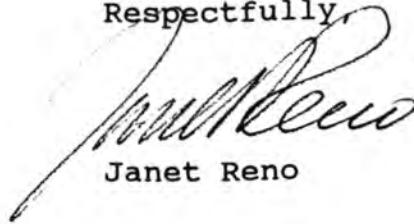
- * Immediately after mailing out the grant application kits, the Bureau of Justice Assistance (BJA) began operating the telephone Response Center. This technical assistance line provides information to potential applicants about the Police Hiring Supplement Program and its requirements, as well as information about community policing. The Center has responded to about 3,000 callers from across the country, many of whom have expressed their appreciation at being able to call Washington and receive assistance.
- * We established a reviewing system to ensure that every application would be scored fairly based on standard criteria. Employees from the Office of Justice Programs, in addition to their other responsibilities, have willingly and enthusiastically accepted this very manpower-intensive challenge of reviewing and processing an extraordinary volume of grant applications.

STATUS OF APPLICATIONS

- * By the end of Round 2 (November 1), the Department received a total of 1,624 applications requesting federal funds to help hire (or rehire) more than 8,800 additional sworn law enforcement officers.
- * Of the 1,624 applications received thus far, 91 percent (1,475) are from jurisdictions serving populations of 150,000 or less. More than half (921 or 57%) are from jurisdictions serving populations of less than 25,000. Eight (8) applications have been received from jurisdictions with populations of more than two million.
- * Most applicants (80%) are municipal police departments, followed by county police and sheriffs (16%). The remaining four percent come from Indian tribes, consortia, special police, and state police.
- * Local law enforcement agencies from every State have submitted applications. Attached is a summary table that lists the number of applications and the number of police requested from local agencies in each State.
- * The number of officers requested ranges from 1 to 61, with an average of 4 in jurisdictions serving populations under 150,000, and an average of 23 in larger jurisdictions.
- * About 12 percent of all applicants are requesting an increase in the Federal share.

Overall, we are struck by the genuine interest in and support for community policing. This support cuts across the spectrum of jurisdictions, regardless of size or the nature of their crime problem.

Respectfully,

A handwritten signature in cursive script, appearing to read "Janet Reno", written in dark ink.

Janet Reno

Attachments



Department of Justice

POLICE HIRING SUPPLEMENT PROGRAM

FACT SHEET

PROGRAM GOALS

- To increase the number of sworn law enforcement officers serving areas where they are needed most.
- To improve the long-term ability of law enforcement agencies to engage in community policing by deploying additional sworn law enforcement officers.
- To improve public safety through innovative crime prevention, including community policing.
- To hire additional law enforcement officers to increase sworn officer deployment and expand community policing designed to prevent crime, promote problem solving, and enhance public safety.
- To rehire law enforcement officers who have been laid off (as a result of state and local budget reductions) to increase sworn officer deployment and expand community policing.

FUNDING

- The \$150 million available for this program is part of the supplemental budget appropriation requested by President Clinton. \$75 million is available for jurisdictions at or above 150,000 population; \$75 million for those below 150,000.
- Grant funds are available only for the salaries and fringe benefits of hired or rehired sworn law enforcement officers over a three-year period. Funding for overtime costs is prohibited.
- The program will provide funding to hire up to 2,100 officers.

AWARD AMOUNTS

- \$1 million maximum for jurisdictions below 150,000 population.
- \$2 million maximum for jurisdictions between 150,000 and 749,999.
- \$3 million maximum for jurisdictions between 750,000 and 2 million.
- \$4 million maximum for jurisdictions above 2 million population.

FEDERAL SHARE

- Federal share per officer may not exceed the greater of: (1) 75 percent of the total salary and benefits over the life of the grant, up to a maximum of \$75,000; or (2) 50 percent of the total salary and benefits

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 1 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
Alabama	2	1%	43	3%	45	3%
Alaska	1	1%	6	0%	7	0%
Arizona	6	4%	28	2%	34	2%
Arkansas	1	1%	17	1%	18	1%
California	14	9%	89	6%	103	6%
Colorado	2	1%	24	2%	26	2%
Connecticut	0	0%	16	1%	16	1%
Delaware	2	1%	6	0%	8	0%
District of Columbia	2	1%	0	0%	2	0%
Florida	14	9%	57	4%	71	4%
Georgia	3	2%	45	3%	48	3%
Hawaii	1	1%	1	0%	2	0%
Idaho	0	0%	8	1%	8	0%
Illinois	2	1%	92	6%	94	6%
Indiana	2	1%	31	2%	33	2%
Iowa	1	1%	30	2%	31	2%
Kansas	2	1%	16	1%	18	1%
Kentucky	0	0%	31	2%	31	2%
Louisiana	3	2%	22	1%	25	2%

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 2 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
	0	0%	17	1%	17	1%
Maine	4	3%	17	1%	21	1%
Maryland	2	1%	30	2%	32	2%
Massachusetts	4	3%	53	4%	57	4%
Michigan	3	2%	33	2%	36	2%
Minnesota	0	0%	36	2%	36	2%
Mississippi	5	3%	39	3%	44	3%
Missouri	0	0%	8	1%	8	0%
Montana	2	1%	10	1%	12	1%
Nebraska	1	1%	4	0%	5	0%
Nevada	0	0%	20	1%	20	1%
New Hampshire	3	2%	48	3%	51	3%
New Jersey	1	1%	10	1%	11	1%
New Mexico	11	7%	81	5%	92	6%
New York	4	3%	44	3%	48	3%
North Carolina	0	0%	8	1%	8	0%
North Dakota	7	5%	60	4%	67	4%
Ohio	2	1%	42	3%	44	3%
Oklahoma	1	1%	22	1%	23	1%
Oregon						

POLICE HIRING SUPPLEMENT - CUMULATIVE STATUS REPORT
APPLICANTS BY STATE

PAGE 3 OF 3

DATE OF REPORT: 11/08/93

APPLICANTS BY STATE	ABOVE 150,000 POP.		BELOW 150,000 POP.		TOTAL	
	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL	NUMBER	PERCENTAGE OF TOTAL
Pennsylvania	3	2%	60	4%	63	4%
Rhode Island	1	1%	10	1%	11	1%
South Carolina	0	0%	30	2%	30	2%
South Dakota	0	0%	5	0%	5	0%
Tennessee	3	2%	26	2%	29	2%
Texas	11	7%	48	3%	59	4%
Utah	4	3%	19	1%	23	1%
Vermont	1	1%	7	0%	8	0%
Virginia	9	6%	30	2%	39	2%
Washington	5	3%	46	3%	51	3%
West Virginia	0	0%	12	1%	12	1%
Wisconsin	2	1%	33	2%	35	2%
Wyoming	0	0%	3	0%	3	0%
Puerto Rico	2	1%	1	0%	3	0%
Guam	0	0%	0	0%	0	0%
TOTAL	149	100%	1476	100%	1624	100%

* Total includes the Virgin Islands, which was excluded from the table.

Help Bratton
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1/2

MAYOR-ELECT'S MAN

A)

In a Triumphant Return, Bratton Vows Return of Order to Streets

By ALISON MITCHELL

Mayor-elect Rudolph W. Giuliani named William J. Bratton, the flamboyant Police Commissioner of Boston, yesterday to lead New York City's Police Department and make good on Mr. Giuliani's campaign promises to wage a war on crime that would sweep up street-level drug dealers, make schools safer, and shield New Yorkers from violence.

For Mr. Bratton, the appointment marked a triumphant return to New York, where he won wide praise during 21 months at the helm of the transit police, often riding the subways to check the morale of his officers.

At a news conference in Mr. Giuliani's transition headquarters, Mr. Bratton said in his Boston accent that he accepted the Mayor-elect's challenge to "restore order, to bring back to the streets of the city of New York a sense of well-being, to begin to improve the quality of life in this great city."

"I did not come here to lose," he said, adding, with a Churchillian flourish, "We will fight for every house in the city. We will fight for every street. We will fight for every borough. And we will win."

Gracious Words for Kelly

Mr. Giuliani had gracious words for the outgoing Commissioner, Raymond W. Kelly, who had been supported by the police union, the Patrolmen's Benevolent Association. But Mr. Giuliani and his advisers made clear that with the fight on crime a centerpiece of his campaign for mayor, Mr. Giuliani felt he had to bring in his own commissioner. Mr. Bratton has developed a reputation for innovative strategies in combating crime. [Man in the News, page B4.]

"This is a difficult choice because I have great respect for Commissioner Kelly, great respect for what he's done with the Police Department throughout his career," Mr. Giuliani said. "But I felt that it was important for this new administration to have a new police commissioner and for this new administration to have a police commissioner that gives us a chance to take a new look at the New York City police department and to redefine it."

Mr. Bratton, 46, who began his career as a patrolman in Boston, will assume command of the nation's largest police force, with more than 30,000

Continued on Page B4, Column 1.

Bratton promises to wage a war on street crime, and win.

officers. The department has been rocked recently by corruption headlines and had its image tarnished by a rally by off-duty police officers last year that saw some officers storm the steps of City Hall and take over the Brooklyn Bridge. Relations between Mayor David N. Dinkins and the force were tense, with the Patrolmen's Benevolent Association running a series of virulent ads attacking the Mayor during the campaign.

Although Mr. Giuliani had widespread police support, he virtually ran his campaign against the force's performance, saying that New Yorkers were infused with "a sense of dread." He said their "civil right to safety was being denied," and that they were beaten down by car thefts, drug dealers and even menacing panhandlers and squeegee men. He derided Mr. Dinkins's defense that F.B.I. crime reports showed that crime had fallen since 1990 in all seven major categories.

Reinstituting Sweeps

He has all but staked his mayoralty on making New Yorkers feel safer. He has vowed to create crime-free and drug-free zones around schools, to put officers in the schools where necessary, to reinstitute sweeps of street-level drug dealers, and to arrest aggressive panhandlers and homeless people. He has called for the consolidation of the city police with the transit police and housing police. And he has said he wants commanders to have more responsibility.

Every mayor but one during the last century has brought in his own police commissioner, and Mr. Giuliani's advisers said that given his campaign it was almost inconceivable that he could keep Mr. Dinkins's commissioner.

Mr. Bratton, who had already been interviewed by Mr. Giuliani and then by the police search committee, slipped into New York City again Wednesday night. From 9:30 P.M. until midnight, he met with Mr. Giuliani and a handful of advisers: Peter J. Powers, the transition chairman; Howard Wilson, the search committee chairman, and two other transition executives, Richard Schwartz and Randy M. Mastro.

At about midnight, according to Mr. Powers, Mr. Giuliani met with Mr. Bratton alone and offered him the job.

Had Pulled Out of Running

Although Mr. Bratton had been one of the original candidates, he pulled himself out of the running after his name became public, causing some embarrassment in Boston, where he was named commissioner only last June. But Mr. Giuliani reached out to him again last week, after he was forwarded the names of Mr. Kelly; Henry I. DeGeneste, a former superintendent of the Port Authority police,

and John C. Lawn, a former chief of the Drug Enforcement Administration.

Members of Mr. Giuliani's search team said that Mr. Kelly had stayed in the running until the emergence of Mr. Bratton, because committee members thought it was important to have a commissioner with police experience and one familiar with New York. Mr. DeGeneste's problem was that the Port Authority force was considered small, Mr. Giuliani's aides said. Mr. Lawn was judged unfamiliar with New York.

Mr. Bratton, however, had the attraction of being a fresh face yet someone who knew the city from his nearly two years as head of the Transit Authority police.

"Even though he was familiar with New York City, he was not part of the old boys' network," said Herman Badillo, a member of the search panel. "It makes it tough if you bring in a commissioner from within the department for that individual to bring about change."

Another adviser to Mr. Giuliani said that Mr. Kelly had come across to some as defensive in his interview and too protective of his top command. Mr. Bratton by contrast had spoken in favor of movement and said precinct commanders need to know they can move up and be rewarded for a job well done, said the adviser, who spoke on the condition of

anonymity.

No Specifics

Mr. Bratton was not specific yesterday about how he would change crime-fighting in New York. "I say, look to transit," he said, pointing to his work at the Transit Authority as a model, where he gave his officers the 9-millimeter pistol and new uniforms to improve morale. He noted that he had to push officers to go after small offenders.

He spoke of the importance of minority recruiting and the need to tackle crime by young people, and vowed to battle police corruption. "My ability to stand up here and give the A B C's, I don't have that yet," he said. "I will in January." But he said he wanted to motivate officers to deal with corruption themselves.

Like Mr. Giuliani, Mr. Bratton said he was not interested in imposing a residency requirement. "I'd much rather focus my attention on the quality of the officers, their training and moving them to relate much better to the citizens of the city of New York than they have to work with."

Earlier in the morning, after being called by Mr. Giuliani, Mr. Kelly had his own conversation with Mr. Bratton, and said he would work with the new commissioner. But later at a press conference, he offered some public advice to his successor.

"He has to build some bridges between himself, the department and the community," he said. He suggested that that would prove "a heavy lift for someone from outside," unfamiliar with the intricacies of a city as diverse as New York.

Despite the affection for Mr. Kelly among police unions and law-enforcement experts, there was wide praise for Mr. Bratton's appointment. He had been supported for the job by the

Grand Council of the Guardians, a black police officers' organization. Yesterday the Patrolmen's Benevolent Association and the transit police union also added their congratulations.

Street-level officers expressed mixed feeling. Sgt. Philip Anastasia, 44, said transit officers had spoken well of Mr. Bratton during his term as their chief.

"I've heard so many good things," he said. "The 9-millimeter issue is one," he said referring to Mr. Bratton's decision to let transit police use 9-millimeter weapons. "He talks to all of his cops like human beings, like equals. He doesn't talk down to them."

'A Noose Around Our Neck'

Another officer, Matt Dagostino, 25, said, "It feels as though Ray Kelly was held back. I don't want to get too political, but hopefully Commissioner Bratton will give us the means to go out and do our job. There was a noose around our neck, and I feel that noose is being taken off."

In his career in police work, Mr. Bratton has risen to the top of four police forces: the Massachusetts Bay Transportation Authority police, the 640-member Metropolitan Police Department in Boston, the New York City transit police, and the Boston Police Department, with a force of just under 2,000 officers.

But yesterday, he was clearly relishing the professional challenge of New York and he was full of flip humor. When a reporter noted that New Yorkers don't traditionally like outsiders, Mr. Bratton let out a long, "Nooooooooooooo."

His Boston accent, he quickly told reporters, "is not going to change." Injected Mr. Giuliani, "Actually, he's going to spend a lot of time in Brooklyn."

2/2

Facsimile Cover Sheet

23 DEC 2 P1: 04

To: John Podesta
Company: White House
Phone: 456-2702
Fax: 456-2215

From: Jon Haber
Company: Overseas Private Investment
Corporation
Phone: (202) 336-8409
Fax: (202) 408-5133

Date:
Pages including this
cover page:

Comments:

To: The Vice President
FYI

JOHN

12-2-93

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of an Amoco oil refin- with the Clean Air Act, nzene from evaporating . Yet the source of that her upstream, was left 'A had not yet decided reconfigured. Amoco, money to make changes

xpensive environmental he marine terminal for of the \$31 million outlay ause federal rules and

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or, EPA is furthest along ulation. Agency officials l pollution at the source, : use of inks based on ide with petroleum. The te treatment costs. other 16 industries will : estimate. The project is IPA, with 14,000 employ- st, is a big ship to turn rs and consumers would viromental compliance

a beginning. The funda- ental regulation is that health risks and focusing For example, Jonathan ise Institute notes that a

have had to finance the trade deficit by investing in the United States. They have purchased U.S. stocks and bonds, thus putting downward pressure on interest rates, and opened new plants in the United States, all of which has had beneficial effects.

To an extent, Japanese investors

JOURNAL OF COMMERCE DEC. 2, 1993

Aiding Environmental Exports

By RUTH R. HARKIN

With the North American Free Trade Agreement now past the Congress, a new debate begins: How can the United States boost its exports south of the border without moving its factories and jobs there too?

Actually, the work began long before the final votes on Nafta.

I just returned from leading 30 American companies on a U.S. government-sponsored environmental investment mission to South America. Organized by the Overseas Private Investment Corp., the mission visited the Southern Cone countries of Brazil, Argentina and Chile.

We found the environmental goods and services market there ripe for foreign investment and trade — and expanding at a rapid rate. Estimated at \$2 billion today, this market should grow by 25% to 30% a year over the next decade as the nations privatize their energy sectors and tighten environmental laws and enforcement.

OPIC is part of the new wave of American foreign policy. The agency is offering \$1.7 billion in financing and political risk insurance to support U.S. investment in Latin America. Moreover, OPIC is doubling the insurance and quadrupling the financing it will commit to an individual project. It's part of a plan to create jobs and economic growth at home and abroad.

OPIC already has helped several U.S. investors in Southern Cone projects that involve sound environmen-

tal management. In Argentina, OPIC is assisting U.S. joint ventures to privatize and modernize the country's energy sector. U.S. energy companies involved include Dominion Energy, AES Corp., Enron Corp., CMS Energy Corp. and Community Energy Alternatives Inc.

In Brazil, Larson Wood Products, a Eugene, Ore., small business, will tap OPIC financing to use sustainable techniques to harvest hardwood from the country's Amazon delta. This is one of the few projects certified by the environmental group Rainforest Alliance for practicing well-managed tropical forestry.

In the Chilean desert, Phelps Dodge of Phoenix is using innovative technology to protect the environment, as well as workers health, in its OPIC-sponsored mining project.

The 20 U.S. companies on the OPIC mission included specialists in waste water management, water purification and river dredging, solid and hazardous waste, renewable and wind energy, oil spill cleanup and environmentally sound mining.

Since last year's Earth Summit in Rio, South American governments have been imposing new environmental laws and strengthening enforcement. Government and industry will need "green" technologies, and that means opportunities for competitive U.S. firms.

In Brazil, the government is tightening its environmental standards and enforcement. The state of Sao Paulo, where more than half of

all Brazilian industry is located, has the most comprehensive set of environmental laws and enforcement agencies in the nation.

The Tiets River cleanup is a top priority. Already under way, this \$3 billion to \$4 billion, 15-year project has public and private components. Multinational development banks and the Sao Paulo government have committed significant funding for public works projects on which U.S. companies can bid.

Brazilian industry, too, is actively seeking U.S. environmental firms. The steel, petrochemicals, mining and paper industries will invest several billion dollars during the next 10 years to meet new environmental standards. OPIC and the Federation of Industries of Sao Paulo agreed to jointly promote U.S.-Brazilian partnerships to address environmental problems.

Argentina, meanwhile, is experiencing near record growth, with \$8 billion in privatization expected this year and \$30 billion more by the end of the decade.

Argentina's minister of economy, Domingo Cavallo, is in charge of the government's privatization effort. He is enthusiastic about the investment potential for U.S. companies with pollution control, prevention and abatement capabilities. Argentina expects a 20% or greater annual rate of growth in the environmental goods and services market over the next five years.

Since democracy returned in 1989, Chile has begun addressing the

the market, or the exchange rate, do its work

Philippe Jorion is a professor of finance at the University of California, Irvine. Sarkis J. Khoury is a professor of management at the University of California, Riverside.



"Now... aren't they quick to sense a market opening!"

Social Security's Time Bomb

By Linda Starnes

Social Security is the backbone of the 1990s. From a

headed for disaster," says Karen Meredith, a Texas-based CPA and financial planner. She's formed a no-

youth-oriented group, says, "The system is not fiscally sound. You can't just tinker around the edges."



THE WHITE HOUSE
WASHINGTON

December 2, 1993

MR. PRESIDENT

Attached is another speech/DLC
which you should include in
the material that was for-
warded to you earlier today.

John Podesta



THE PRESIDENT HAS SEEN



12/3



**REMARKS OF HON. BILL CLINTON
GOVERNOR, STATE OF ARKANSAS
ON HIS APPOINTMENT AS
CHAIRMAN OF THE DEMOCRATIC LEADERSHIP COUNCIL
NEW ORLEANS, LOUISIANA
MARCH 24, 1990**

"THE ROAD AHEAD"

In 1978, a group of Republican elected officials gathered at the Tidewater Inn on the Eastern Shore of Maryland because they were concerned about their party's drift, their party's loss of ideas, and the need to root their party in a new direction. They met at Tidewater to define what they stood for and where they wanted their party to go. And most people now think, with the benefit of hindsight, that they did an awful lot for themselves in doing that.

That's what we've tried to begin doing here in New Orleans. Every one of us here hopes the 1990s will see a political renaissance for the national Democratic Party. Every one of us knows that we can't realize all our goals until we elect a Democratic president.

But at least I believe that we will never restore our party's strength with self-seeking obsession about the next presidential election. In the end, any political resurgence for the Democrats depends on the intellectual resurgence of our party. There's far too much talk about personality in politics and far too little about what we're going to say and do to make sense to the American people.

When I entered politics, I was even more thin skinned than I am now, and every time I read something bad about myself in the newspaper, I went into a deep funk. And one day, my wife, who is a lot smarter than I am, said, "I don't know why these bad press reviews upset you so much. Your biggest problem is that most people get up every day and go about their business, and you don't ever cross their minds." (Laughter)

And the truth is, that's our biggest problem. Yes, it's too bad that most of the bad things people think about us really don't apply to 90 percent of us, and it's too bad that much of the negative impression people have of us was put on us by the Republicans who have the presidency and lots of money and skilled media shapers.

But the real tragedy is most people in this country go about their business every day and we don't ever cross their minds. Because they don't know what we stand for, they don't know who we are, and they don't know what we are trying to do.

So help me, I believe that is what we ought to spend the rest of 1990 working on, and we should forget about who is going to run for President and whether that person can win in 1992. If we stand for something that makes sense and if people can identify with it and participate in it, this party is going to do just fine. If we don't, then all this talk about the presidential election amounts to nothing more or less than sitting around waiting for something bad to happen to George Bush. That's wrong and un-American. We need to worry about what we're going to do and what we're going to stand for and why that makes a difference to the American people. (Applause)

If you were to ask me to put in one sentence what everybody has said at this conference, it would be this: the people who have talked here believe that our country is not prepared to lead the world we have made. Since World War II, we've stood for national independence and market economics and political democracy and they're breaking out all over, all those things are.

As a result, we've got a whole new raft of economic opportunities. But if you look at where we are, notwithstanding low unemployment, notwithstanding low inflation, notwithstanding fairly high levels of satisfaction with our circumstances and the President, there is a deep sense of unease. Because the American people know that education and economic growth are the national security issues of the 1990s.

Against the wonderful backdrop of Nelson Mandela walking free and the Berlin Wall coming down, and bright new presidents in Mexico and Brazil struggling to put some discipline and order in their economies and all the rest that is going on in the world, here we are, the country that did so much to bring all this about, still, against all the evidence, favoring consumption over investment, favoring short-term gain to long-term productivity, favoring debt and dependence and paralysis of the federal budget in patterns that focus on spending for today and yesterday instead of investing in tomorrow.

It is clear that the most important issue for any nation in this global economy is what do your people know, and what are they capable of learning. We say we believe that, but we continue to tolerate, as if it is insignificant, the fact that we waste more people in our country than any of our major competitors. More of them die in birth; more of them die in their first year; more of them are born with low birth weight with avoidable mental and physical problems; more of them drop out of school; more of them have drug and alcohol abuse problems; more of them wind up in prison; more of them will go into the adult work force not being able to read than any of our major competitors. And if you talk about it, some people will say, well, there are those negative people again.

For example, Arkansas doesn't have the lowest dropout rate in the country. But we do have, according to the U.S. Department of Education, the lowest dropout rate, or the highest high school graduation rate, in the South. That's not bad, ranking 13th and 18th the last two years when we're 47th in per capita

income.

That's the good news. That's the way we like to put the spin on things. The bad news is that our dropout rate exceeds 20 percent and the international standard is 10.

I would plead with you all to do two things that may be inconsistent, but I think are preconditions for our making any progress. The first thing I ask you to do is suspend cynicism and believe we can make a difference.

I had a science teacher when I was in the 9th grade named Vernon Dokey. I believe old Vernon was the ugliest man I ever laid my eyes on. I don't remember anything he taught me in science, but I remember one day, standing up in front of the class, he said, "Let me tell you something. Look at me, you know what I look like. Every morning I get up, walk in my bathroom, put the shaving cream on and shave my face. I wash it off and I dry it and I look in that mirror and I smile and I say, Vernon, you're beautiful." And he said, "Deep down inside, everybody wants to believe that, and don't you ever forget it." And do you know by the end of the year, I thought he was beautiful, too.

Unless you believe you can make a difference, don't ever come back here.

On the other hand, let us never be guilty of engaging in the politics of denial and disability which has characterized so much of the rhetoric of the Republican administration for the last decade.

Denial. You know I've had lots of fights with them about whether there's going to be a teacher shortage. Lots of fights with them about what the real competitive realities are. When a representative group of Korean and American high school students took math tests last year and the Koreans scored twice as high as the Americans, that bothered a lot of people. It didn't really bother me because given their longer school years, the Korean students had been in school two years longer than our kids. So unless you think they're genetically inferior, they had to score higher.

What bothered me was when they were asked before the exam, "Are you good in math?" 70 percent of the Americans said yes they were and 26 percent of the Koreans said they were good.

We must face the facts. But we must not do what the Republicans did so often in the 1980s, saying, oh, the government can't do anything about that. We are disabled from doing anything about that. How can you expect a country as culturally diverse, as racially diverse, as economically diverse as ours to really deal with all these issues? Even some liberals say that. But if you strip all those arguments away, there's a pretty healthy dose of arrogance in them. And as much as we may hate to admit it, there is a dose of racism in them.

George Bush made it a big point to elevate Jaime Escalante, the advanced math teacher at Garfield High School in Los Angeles, to a very high status. In the last election the President visited his school and Mr. Escalante endorsed him. A lot of you have seen the movie about Escalante, "Stand and Deliver." My daughter and I have watched it together three or four times, and we always cry at the end.

But the wrong lesson has been learned from that. The lesson is not just that he's a hero, a genius, one of the 1,000 points of light, so let's go find 1,001. The lesson is this: if the number one high school in America in teaching advanced mathematics, measured by the number of students who pass the advanced placement exam, is a high school in which 96 percent of the students are Hispanic and the vast majority of them are below the poverty line, then everybody can learn advanced mathematics. That is the lesson. We do not need a world full of Einsteins -- we need a nation full of Churchills. It is not a question of IQ. It is a question of vision, will, organization, investment and effort.

If you don't believe that, you're wasting your time here. Because the purpose of this organization is to take ideas and turn them into policy and then turn them into action. I hope you do believe it.

The future of this party does not depend upon continuing a fight between the DNC and the DLC. That's why I am glad Ron Brown came here. He knows that you can't win elections unless you're in the mainstream and you have something to say. We're going to try to work together.

I agreed to this job because that battle's over, and what we're going to do is turn this into a grassroots organization where you and everybody like you across this country can have a role. We want to be the ideas wing of the Democratic party -- but we also ought to be the action wing of the Democratic party.

This New Orleans Declaration has not been given enough attention in the public, but with the help of Dave McCurdy, John Breaux and others, we will get it some more attention.

If you want to be a Democrat and be relevant to the emerging century, it seems to me you've got to believe in a few basic things. One, you have to believe there's a role for government in solving common problems. Two, you have to believe that whenever government does something with or for individuals who are disenfranchised, it must empower them and that whenever government does something with or for individuals who are irresponsible, it must require responsibility of them.

The earned income tax credit for the working poor is an empowerment issue. School choice is an empowerment issue. Welfare reform is a responsibility issue. We will give you a check, but not unless you promise and follow through

on the promise to pursue a path to independence through education, training and taking a job if it's offered.

We must approach more issues like that because there are too many problems, given the dramatic change in the relationship of parents and children and what's happened to the family, that cannot be solved by unilateral attempts by the government to help people without either empowerment or responsibility.

We have to be prepared to reform the systems we have made. As the governors' statement on the National Education Goal says, we can't get there with the system we've got. That's why restructuring schools nationwide is so important and why this apprenticeship idea the DLC is pushing is so important. We have a lousy school to work transition in America for the half of our young people who do not go on to college. And as a consequence, they are absolutely getting murdered in this work force. High school graduates today, under 25, with no more than a high school education, have incomes 27 percent lower than they had 15 years ago, and it's going to get worse, not better.

If the Democratic Party can do something to solve that problem, there will be a long line of folks who never thought they would vote for a Democrat ready to vote for any Democrat who's part of the solution.

We have to look for new applications for old ideas. That's what this Police Corps is all about. It is a domestic ROTC. And believe me, there are many more personal security issues in my home town and yours than there are in most other countries in the world today.

A generation ago there were three policemen for every reported violent crime. Today there are more than three violent crimes for every policeman. By and large, all that the politicians, including me, have done in the 1980s is to make sentences longer so you can look tough and you can't be attacked on a television ad at election time, and to build more prison beds.

We weren't wrong to do either one of those things, but it is not enough. Adequate, properly trained, properly deployed law enforcement officials can prevent and deter crime and that's a lot cheaper than having longer sentences and prison beds as your only solution to the problem. We have the third highest incarceration rate in the world as it is.

And finally, we've got to invest in the future. If you look at the government budget, it's not defense over social services that you should be concerned about. It is how much money we are spending on the present and the past as opposed to the future. Education is 30 percent less of the federal budget than it was a decade ago. Environment is less. Highways and other infrastructure investments are less.

Now we have a national transportation policy, announced by this administration last week, that says, this is going to be like education. We'd like for you to raise the taxes. And we hope that you will raise them more or less evenly so there will be some semblance of a national transportation system when it's all said and done. But if it's not, what do you expect us to do? We just have the White House and the Cabinet.

It's not funny. We need a national investment strategy.

In closing, let me ask you to remember what it's all about. It's about the people who really count in this business. About four or five weeks ago, one of my favorite relatives, an 81-year-old aunt, died. We took her down to the family cemetery eight miles south of the little town in southwest Arkansas where I was born, then three miles out on a dirt road to a beautiful old wooden church built in the early 1900s. While I was there, I stood at the graves of my great-grandfather and great-grandmother, born in 1872 and 1873, who helped raise me when I was a little boy because my mother was widowed. I've got a picture in my office of my great-grandfather holding my hand when I had my leg broken when I was five. He looks like a figure out of American Gothic with his overalls. I look at that picture every day because it roots me. It gives meaning and organization and richness to my life.

When I was there in that churchyard, I was thinking about the experience I'd had the first of last October, when I went to Los Angeles. I asked the people there to provide a day for my wife and I to go down to the areas that were dominated by gangs to meet with church leaders and community leaders and to drive up and down the streets. And I asked if I could go to a school and talk to the children.

Hilary and I spent an hour and a half talking to twelve 11-year old kids, one year older than my daughter, in a public school in Los Angeles. I asked them what they were most worried about. Their number one fear was being shot going to and from school -- not by people who wanted to kill them, but by crack-crazed kids who didn't know right from left and would just shoot for the heck of it.

Their number two fear was that by the time they were 13, boys and girls, they'd have to join a gang and start using crack or they were going to get beat up.

I asked these children to tell me about their families. And there was one child there not living with either parent, a foster child, and she basically acknowledged that her parents were both drug abusers.

And then I asked these children if they thought they should turn in their parents if they were addicted to drugs and if they knew their parents would not be put in jail for the first time, but would be given the opportunity for treatment. All but two of those kids raised their hands. Now, it's a long way from a kid

who can remember holding his great-grandfather's hand to a child who will never have a picture of a grandparent in the house and thinks that he or she ought to turn their parents in because they can't fulfill the most basic responsibilities.

That's what we're fighting for. That's what this whole thing is about. Never let our work be rooted in who gets elected President or governor or anything else. People don't know what we stand for and what we care about. If we go tell them and we do things, the Democratic Party's future is secure.

Thank you very much, and God bless you all.

THE WHITE HOUSE

WASHINGTON

December 1, 1993

Lewis Manilow
19820 South Wolf Road
Mokena, Illinois 60448

Dear Lew:

Thank you for your letters and for your recommendations.

I appreciate your suggestion of Bill Singer to serve as my legislative affairs assistant, and I've shared that recommendation with Mack McLarty.

I also appreciate your endorsement of Harold Gershowitz for reappointment to the United States Holocaust Memorial Council. I have forwarded your letter to Bruce Lindsey, Director of Presidential Personnel.

I hope you are well, and I look forward to seeing you before too long.

Sincerely,

Bruce

Singer
cc Mack McL
Bruce L
Gershowitz

LEWIS MANILOW

19820 South Wolf Road Mokena, Illinois 60448 Telephone 312-654-1900 FAX 708-479-8587

November 23, 1993

President William Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500-2000

Dear Mr. President:

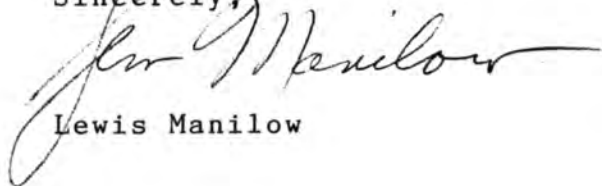
I am writing to offer my strongest endorsement for the re-appointment of Harold Gershowitz to the United States Holocaust Memorial Council.

Hal is a good friend of mine here in Chicago with whom I serve on various civic boards. He was appointed to the United States Holocaust Memorial Council by President Bush after he donated all of the royalties from his award winning novel, "Remember This Dream," to the United States Holocaust Memorial Museum. He then went on to serve as co-chair of the Chicago Campaign to Remember and is generally credited with raising several million dollars for the museum.

Hal also serves on the Executive Committee of the United States Holocaust Memorial Council and has been appointed by Council Vice-Chair Ruth Mandell to serve on the ad hoc Task Force on the Committee of Conscience.

I am told that Hal is one of the most respected members of the Council and his re-appointment will be welcomed by the entire Council as well as it's senior staff. I know Hal will continue to be a credit to this extraordinary institution.

Sincerely,



Lewis Manilow

LM:jg

cc: Bernard Nussbaum, Council to the President
Rahm Emanuel, Assistant to the President

LEWIS MANILOW

19820 South Wolf Road Mokena, Illinois 60448 Telephone 312-654-1900 FAX 708-479-8587

November 24, 1993

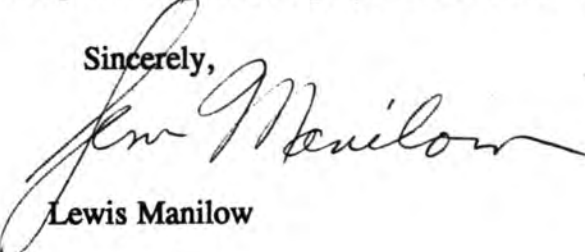
President William Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500-2000

Dear Mr. President:

With the imminent departure of Howard Paster, I want to recommend Bill Singer for the job. He is not a Washingtonian, although he does spend half his time there, but he is a Chicagoan and you know how good Chicagoans are in politics. He is a wonderful politician - energetic, experienced, indefatigable and very buoyant. He was the original independent North Side Alderman who ran against Mayor Daley, but was always able to keep the friendship of all parties. Rosty, Rahm, Bill and Rich Daley and Jay Rockefeller all know him well and have worked with him in many area, particularly health care.

He would love to serve as Paster's replacement and I hope you will consider him seriously.

Sincerely,



Lewis Manilow

LM:jg



THE PRESIDENT HAS SEEN ^{12/3}

To the President:

1. Dick
Cory will send
to plan
B

Here is a copy of the
memo you asked about.
The deadline is Dec. 15.

- R



VP

THE WHITE HOUSE
WASHINGTON

November 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY AND CAROL RASCO

RE: Ethanol and Reformulated Gasoline

INFORMATION

In a recent note responding to an update on this issue in OEP's weekly report, you expressed concern about the political ramifications of our impending decisions on ethanol. The purpose of this memo is to apprise you in more detail of the actions we are taking at this time, and to give you a sense of the direction White House policy offices and the agencies appear to be heading on this issue.

IN BRIEF: No White House policy office or federal agency appears to support a waiver for ethanol use under the Clean Air Act as proposed by the ethanol industry. We are attempting to identify one or more incentives for increased use of corn as a fuel feedstock that could be coupled with a sound clean air regulation. There are no silver bullets, however. Mandating use of ethanol in reformulated gas would lead to higher emissions unless mixed with extra-clean gasoline; this option is sharply opposed by environmentalists and the oil industry. Another option is to mandate use of a non-polluting ethanol derivative (ETBE); this avoids increasing pollution, draws less opposition from the oil industry, but also draws less support from ethanol backers. Whether mandates require new legislation is being reviewed. Another alternative is to increase tax subsidies for ETBE, but this would have budget costs.

Our staff recently briefed Bruce Lindsey and others on these issues, and we are continuing to work on options. We are coordinating with Sally Katzen since OMB will be reviewing the rule under your new Executive Order on regulatory review.

Background

EPA is under court order to issue regulations by December 15 for "reformulated gasoline," one of the most important smog clean-up requirements of the Clean Air Act. The role of ethanol in reformulated gas must be decided by that date. The ethanol industry is seeking a waiver of Clean Air Act requirements; this is opposed by the oil industry, elements of the gas industry, environmentalists, and state and local air quality officials. We have received letters from 11 mid-western governors and 125 members of Congress in support of the ethanol industry. Environmental and oil interests are activating political leaders from regions where air pollution is a serious problem (e.g., California, the northeast, and the mid-Atlantic states) and from oil and gas states.

Campaign statements. During the campaign, you promised to expand markets for ethanol while at the same time protecting the environment. You sharply criticized a last-minute campaign proposal by President Bush that broke a negotiated clean air agreement reached in 1991 between the government and 30 other parties, including the ethanol producers and the corn growers. At the same time, you reiterated your support for a proposal by the Governors' Ethanol Coalition, which you had endorsed as Governor of Arkansas, to mandate that gasoline refiners use a specific amount of ethanol while still meeting the pollution limits contained in the negotiated agreement.

Legal requirements. The 1990 Clean Air Act amendments require the reformulation of gasoline to help curb ozone smog in the nation's polluted cities. Reformulated gas must reduce volatile organic compound (VOC) emissions during summertime by 15% in 1995, and by 25% in 2000, compared to conventional 1990 gasoline. Reformulated gas is mandatory in the nine most polluted cities; other smog-ridden cities may "opt-in" to reformulated gas.

Reformulated gas must also must contain an oxygen-bearing additive all year round; this helps cut certain cancer-causing emissions. Three additives are in competition to meet this requirement: MTBE (an ether derived from natural gas), ethanol (an alcohol made from corn), and ETBE (an ether derived from ethanol).

A separate Clean Air Act program requires oxygen-bearing additives in wintertime in about 40 cities afflicted with high carbon monoxide levels. Ethanol has captured a large share of this growing winter market. Further, ethanol use is growing all year round in gasoline sold in areas without smog problems.

Scientific issues. Political leaders supporting ethanol typically cite a study by the Council of Great Lakes Governors as proving that an ethanol waiver would not increase ozone smog. EPA, DOE, USDA, and OSTP all agree, however, that the study actually shows just the opposite: that the waiver would increase VOC emissions and smog formation.

Direct use of ethanol in gasoline increases the "volatility" (evaporation) of the gasoline it is mixed with. Added to otherwise complying gasoline, ethanol causes total VOC emissions to rise above the legal limit for summertime reformulated gas. Ethanol can be used during summer without extra pollution, however, if converted to ETBE (which does not increase volatility), or if mixed with a low-volatility blend of gasoline. Both steps increase costs; ETBE is not currently competitive with MTBE.

The volatility problem is compounded by the mixing ("commingling") of gasoline with and without ethanol in automobile gas tanks. Even a little ethanol left in the tank sharply boosts the volatility of the next tankful of ethanol-free gasoline. Because few people consistently refuel at the same station, commingling effectively results in increased emissions from most of the ethanol-free gas supply once it reaches consumers' tanks. Neither MTBE nor ETBE has a commingling problem.

Ethanol subsidies and growth trends. Ethanol already receives a large tax subsidy (\$.54 per gallon) when used in gasoline. Volume in 1992 was about one billion gallons and cost about \$550 million in federal subsidies.

Ethanol use is projected to grow substantially even without any special treatment in the reformulated gas rules. Growth is occurring because of the wintertime program to control carbon monoxide, and in gasoline sold in smog-free areas. OMB and Treasury have projected growth to 1.25 billion gallons by 1995 and 1.35 billion by 1998. That would raise the tax subsidy to nearly \$750 million in 1998.

Proposals that mandated use of ethanol or ETBE would cause ethanol demand and tax subsidies to grow even more sharply. For example, if ethanol or ETBE were required to supply 30% of the oxygen-bearing additives in reformulated gas, ethanol use could grow by an additional 600 million to 1.2 billion gallons per year, with subsidies rising by another \$325-650 million per year.

USDA contends that ethanol use reduces farm payments by enough to offset the revenue loss from the ethanol subsidies, but OMB does not agree with USDA's calculations and believes farm payment savings are too uncertain to count under the current budget scoring rules.

Corn farmers and ethanol producers will also benefit from the recent agreement with Mexico regarding sugar imports. The major ethanol producers also make corn syrup, which competes with sugar in the soft drink market ("reformulated Coca-Cola"). The sugar agreement will increase demand for corn syrup.

The "reg neg" agreement. An agreement negotiated during the prior Administration required reformulated gasoline containing ethanol to meet the same volatility limit as gasoline containing other additives. The agreement was signed by the government and 30 parties representing the oil, ethanol, MTBE, and auto industries, environmental organizations, and state and local air quality officials. Both the Renewable Fuels Association (RFA) (which is largely controlled by Archer Daniels Midland) and the National Corn Growers Association (NCGA) signed the agreement on behalf of ethanol. RFA and NCGA walked away from the agreement during the campaign, however, and began demanding the clean air waiver.

As Governor of Arkansas, you supported the Governors' Ethanol Coalition proposal to mandate that gasoline refiners use a minimum amount of ethanol. That proposal respected the pollution limits of the "reg neg" agreement. It would have required the oil industry to supply cleaner gasoline to mix with ethanol, or use ETBE.

The Bush proposal. In October 1992, the Bush Administration announced a plan that was part waiver, part mandate. The outgoing EPA formally proposed the Bush plan on their last day in office. After initially placing a hold on it, OMB Director Pannetta and EPA Administrator Browner allowed the Bush proposal to be published for comment, but

accompanied it with a Browner statement reserving the right to return to the original "reg neg" agreement.

The Bush plan is supported by no agency or interest group. All factions of the ethanol industry have rejected it, with the majority seeking the waiver and a minority looking for a clearer mandate or more tax subsidies. Environmentalists and state air officials opposed it because it failed to account for commingling and thus would have increased pollution above the "reg neg" levels. Oil refiners opposed the plan's mandated use of ethanol or ETBE because it would increase their compliance costs above those they had bargained for in the "reg neg." MTBE suppliers (an offshoot of the natural gas industry) also opposed giving a regulatory advantage to ethanol or ETBE.

Current Options

Clean Air Act waiver. Neither EPA, DOE, USDA, nor any White House policy office at this point supports granting ethanol a clean air waiver. EPA believes it would be illegal; the Justice Department reviewed this question last year and agreed with EPA. All three agencies and OSTP agree that a waiver would increase pollution.

Return to the "reg neg" agreement. EPA and DOE appear to support returning to the "reg neg" agreement. They believe the agreement fairly distinguishes between additives only on the basis of concrete pollution differences, and that it was voluntarily entered by all parties, including the ethanol industry and the corn growers. They note that return to the agreement would lend credibility to the Administration's support in "Reinventing Government" for more use of the "reg neg" process to solve difficult regulatory issues. These agencies, along with CEA, OMB, and other White House offices, also have been concerned to date about the cost of ethanol mandates or further subsidies.

A return to the agreement would be strongly supported by environmentalists and the oil and natural gas industries. It would also be supported by governors, local officials, and members of Congress from areas afflicted by smog (notably the northeast and mid-Atlantic states) and from the oil patch (notably Texas). California has less at stake because it has its own state reformulated gas program, but this pro-environmental measure would likely play well there.

Despite the fact that their representatives signed it, a return to the agreement would be opposed by the ethanol industry, the mid-west farm community, as well as many mid-west political leaders. Some of them might accept a return to the agreement, however, if it were coupled with one of the additional measures to promote ethanol use that are discussed below.

Include an ETBE mandate in the EPA rules or in new legislation. USDA currently appears to favor retaining the pollution limits of the "reg neg" agreement but also including a mandate for ETBE use in the final EPA rules. Under this proposal, ETBE would be

guaranteed approximately a 30% share of the market for the oxygen-bearing additives required to be in reformulated gas.

This is a change from earlier USDA positions which would have mandated direct use of ethanol, and it reflects USDA's acknowledgment that the extra pollution from ethanol commingling must be accounted for. Compensating for that increment of pollution would require the oil companies to make gasoline that is even cleaner than envisioned by the Bush plan, increasing their opposition correspondingly. Practically speaking, this has pointed USDA away from direct use of ethanol and towards ETBE.

EPA, however, believes it lacks authority under the Clean Air Act to favor one additive over another on non-environmental grounds and that new legislation would be needed to implement USDA's proposal. This legal question will be reviewed further.

Under current tax law, an ETBE use mandate would increase the government's revenue loss, as ethanol/ETBE volume increases. This increased budget cost could be avoided by eliminating (or phasing-out) the tax subsidy for ETBE used as a result of the mandate. If its use were required, there would no longer be a reason to subsidize it.

Since ETBE does not increase pollution, this approach could gain support from environmentalists or political leaders from smog-ridden regions, especially if the tax subsidy were eliminated for mandated sales. The ADM-led Renewable Fuels Association opposes an ETBE mandate in lieu of a waiver for direct ethanol use; they see greater profit in the waiver. The corn growers fear the unknown, but it may be possible to separate them from ADM. Many Democratic members of the Governors' Ethanol Coalition probably would support an ETBE mandate, but Republican members are currently in the ADM orbit.

A number of refiners are ready to produce ETBE if market conditions are right. As a result, although the oil industry as a whole probably would oppose an ETBE mandate on cost grounds, they will fight it less strenuously than the waiver or a mandate for direct ethanol use. MTBE suppliers (an offshoot of the natural gas industry) will oppose any ethanol or ETBE mandate.

Increase tax subsidies for ETBE. The fourth option we have identified is to support legislation increasing the current tax subsidy for ETBE. The goal would be to make ETBE competitive with MTBE. ETBE is already eligible for the current \$.54 per gallon tax credit, but the credit is taxable and thus really worth only about \$.37 per gallon. Sen. Daschle has a bill to render the credit non-taxable. EPA, DOE, and USDA appear to believe that the Daschle bill goes beyond parity and would give ETBE too great a cost advantage over MTBE. We need to do more analysis of this issue, and we are seeking an estimate of the revenue losses that would be caused by additional subsidies.

Additional subsidies would be supported by some ethanol interests, probably including most Democratic members of the Governors' Ethanol Coalition. The ADM faction, however,

would still condemn failure to grant the waiver. Environmentalists and their political allies would applaud a focus on ETBE rather than direct use of ethanol itself, although they would be concerned about the cost of added federal subsidies. Oil interests would oppose an additional ETBE subsidy less than one for ethanol, which would saddle them with a commingling problem. They would also be happier having taxpayers pay subsidies than paying for mandates themselves. MTBE producers will oppose added subsidies.

Either of the latter two measures could be taken together with a return to the "reg neg" agreement.

We will continue to explore these options. Please let us know if you would like to discuss this or if we should be heading in a different direction.

THE WHITE HOUSE
WASHINGTON

TO: Nancy Hernreich
FROM: Carol H. Rasco *CHR*
SUBJ: Request from Jack Stephens
DATE: December 1, 1993

*I think we should
be aware of the situation
and make sure you know
everything. Don't*

✓ Please see the attached from Jack Stephens. As I suspected, he will now be calling about every two hours to ask the status of this request and will probably start calling individuals like yourself. If you will remember, he is trying to get a drug to the testing stage that prohibits transmission of AIDS between sexual partners. I have visited with him numerous times this year, many others in AIDS office and HHS are visiting with him also. Before I submit his name to Shalala I need to know if President has any feeling about how hard I should push them.....I have absolutely no problem asking them to consider him very seriously; I also know Jack will stop at nothing to get this appointment.

Please advise since I won't be scheduled for another briefing until Monday and the two briefings this week have been virtually non-honored except for a quick photo with my sisters. I would like some kind of response before the President leaves in order to free the rest of us from phone calls that will widen to include calls from Congressional offices next per the memo.

Thanks.

ExOxEmis, Inc.
Corporate Offices
111 Center Street, Suite 1616
Little Rock, Arkansas 72201
Tel : (501) 375-0940; Fax : (501) 375-4171

FAX-MEMO

To: CAROL RASCO
From : JACKSON T. STEPHENS, JR. 
Re : National Task Force on AIDS Drug Development
Date : December 1, 1993

I was excited to learn yesterday of the President's new initiative to speed up the discovery of drugs to stop the AIDS epidemic. The establishment of the National Task Force on AIDS Drug Development is a major step in the right direction and long overdue.

Carol, I am eager to serve on this new task force and am formally requesting President Clinton's support for my appointment. As you know, I am familiar with all facets of the AIDS crisis and could bring a rather broad perspective to the group. Additionally, I have found most of the major drug industry representatives to be very self-serving and vocal in their criticism of the Clinton Administration to date. I have the means and will make the time to be a dedicated and active member of the task force.

Since I have worked closely with you throughout the past year, I am asking for your guidance as to how I can gain the President's support. I believe I would have the support of a variety of people who have been active in the AIDS fight including Bob Hattoy and Surgeon General Elders. If necessary, I could also enlist the help of most of our Congressional Delegation.

Because of the short time frame, it seems to me that I should meet with Secretary Shalala as soon as possible. I will be in Washington all of next week (Dec. 6-10) and could meet with her any day except Thursday, December 9. If you think it is appropriate and/or necessary, I would also meet with you or the President at anytime next week to discuss my appointment.

Carol, if you see any problem with my obtaining the President's help, I would appreciate your letting me know as soon as possible. I will look to you for guidance as to the proper steps I should take in the immediate future.

Please give me or Gary Faulkner a call at (501) 375-0940. Thank you.

THE PRESIDENT HAS SEEN ^{12/2}

THE WHITE HOUSE
WASHINGTON

30 All: 25

November 29, 1993

(1) Posen
(2) Linc
(3) Rose

INFORMATION

MEMORANDUM FOR MACK McLARTY
BOB RUBIN
SANDY BERGER

FROM: DAVID GERGEN *dg*

SUBJECT: NAFTA Follow-Up

*This is very good
Pls follow up on our discussion*

In addition to the trip to Mexico City this week by the Vice President and the Chief of Staff, we need a check list of other stops as a follow-up to the NAFTA's victory. Here are a few I see:

- (1) Presidential meeting with Salinas. Can date and place be announced Wednesday by the Vice President?
- (2) Signing ceremony on December 7 for NAFTA agreement. Planning for this event is already underway. I am uncertain whether there will also be a three-way event with Canada and Mexico.
- (3) Private meeting with Lane Kirkland and possibly others. Lane told the President he would be available after returning to the U.S. on Dec. 2.
- (4) Thank you event for USA-NAFTA group. This could be part of the signing ceremony or part of (5) below.
- (5) A call to management and labor for a new "social contract". This idea came from the Vice President, of course, and it is very worthy of further explanation. In particular, we need to challenge management to join us in seeking a new jobs effort. A special emphasis upon job training should, of course, be a key part of our NAFTA follow-up as well as a keystone of the second year. In this regard, we must also resolve questions posed by Secretary Reich in his recent memo on jobs.
- (6) Monitoring of job creation under NAFTA. We can be sure that NAFTA opponents will jump on every incident of a U.S. company moving a plant to Mexico; we need a system in place that can identify the less visible but more significant additions to the job force as U.S.

exports to Mexico increase. It's very clear from the intensity of the opposition that this fight over free trade will continue for the next few years, and we must not leave the field to the protectionists.

(7) Expanding NAFTA to other Latin nations. Over the next couple of weeks, our attention on trade will obviously be centered on GATT, but it would be good if we could take some time to map out plans for how we will deal with Chile, Argentina, etc. A trip by Ambassador Kantor and Secretary Bentsen to Latin America for starters? A meeting of US and Latin leaders, hosted by the President and Vice President, sometime next spring?

I may well have overlooked some possible steps we should be taking, but perhaps this note will serve as a jumping-off point.

cc: Leon Fuerth

THE PRESIDENT HAS SEEN^{12/2}

LAW OFFICES

SIEGFRIED, KIPNIS, RIVERA, LERNER & DE LA TORRE, P.A.

SUITE 1102

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MARIA VICTORIA ARIAS
HELIO DE LA TORRE
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ELISABETH D. KOZLOW
LISA A. LEMNEH
H. HUGH MCCONNELL
SAMUEL A. PERSAUD
OSCAR R. RIVERA
STEVEN M. SIEGFRIED

FILE NO.

REPLY TO:

 FAX TRANSMITTAL SHEET

TO: PRESIDENT BILL CLINTON -- NANCY HERNREICH
FAX #: 1-202-456-6703
PHONE #:

FROM: MARIA VICTORIA ARIAS RODHAM
FAX #: (305) 443-3292
PHONE #: (305) 442-3334
FILE #:

RE: MIAMI HERALD ARTICLE

DATE: November 30, 1993
TIME: 1:28 pm
NUMBER OF PAGES TO FOLLOW: 2

MESSAGE: Pursuant to our conversation, attached are the
articles which appeared in the Miami Herald
re: Lula Rodriguez.

The information contained in this transmission is attorney privileged and confidential. It is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited.

Top Justice official to review conduct of key aide to Reno

Washington Post Service

WASHINGTON — The Justice Department is reviewing the conduct of a personal aide to Attorney General Janet Reno who assisted the Hialeah re-election campaign of a relative who has been convicted on federal corruption charges.

Reno aide Lula Rodriguez acknowledged Monday that she spent four days earlier this month in the campaign headquarters of brother-in-law Raul Martinez, who was re-elected mayor three weeks ago.

While primarily there to help her sister on personal chores, Rodriguez said she also signed as a witness to absentee ballots delivered to the headquarters.

The matter is sensitive because Martinez was convicted in federal court in 1991 on extortion charges and sentenced to 10 years in prison. Martinez is appealing that conviction before a federal appellate court — a challenge that is being resisted by Justice Department lawyers.

After being informed of a Miami Herald article reporting Rodriguez's actions, Reno last week asked Deputy Attorney General Philip B. Heymann to determine if her aide had violated ethical guidelines or department rules.

A department official said Monday that because Rodriguez was not a civil servant subject to the Hatch Act, there may be no law or rule that directly applies to her activity. "It's a question of judgment," said the official.

"I didn't do anything wrong," Rodriguez said. "My main concern is that the attorney general not be embarrassed."

Rodriguez said she told Reno last week that she was "very sorry that I got your name involved in something that's not positive."

Rodriguez, formerly the South Florida office chief for Sen. Bob Graham, was hired by Reno in May as a special assistant for personal correspondence and appointments and to serve as a liaison to Hispanic communities. She has been described as the highest-ranking Cuban American

in the Clinton administration.

Jay Torne, a lawyer for Martinez's opponent, Nilo Juri, said a lawsuit challenging Martinez's victory by 273 votes alleges forged signatures, the purchase and sale of absentee ballots and false statements.

He said Rodriguez signed as a witness to 11 of the 1,274 absentee ballots cast in the race. But he stressed there is no evidence that the Reno aide was personally involved in any of the alleged misconduct.

Raul Martinez to appeal case Friday in Miami

Hialeah's recently re-elected Mayor Raul Martinez will appeal six charges of federal corruption at 9 a.m. Friday before three judges from the U.S. 11th Circuit Court of Appeals.

The judges are being flown from Atlanta to Miami to hear the case.

In 1991, Martinez was convicted on six counts of extortion. He is out on bail and faces a 10-year prison term if he loses the appeal.

Martinez's appeal is based on two factors, according to his attorneys.

The first is that the convictions were a result of political vengeance from former acting U.S. Attorney Dexter Lehtinen, who wanted to hurt Martinez politically to protect a congressional seat for his wife, Ileana Ros-Lehtinen.

The second is that Martinez never actually extorted developers. Instead, they gave him bargain land deals in the simple course of doing business.

Martinez, who had been suspended in 1990 when he was indicted, was re-elected mayor three weeks ago. After the election, Gov. Lawton Chiles did not remove Martinez from office.

11/24/93

A slip but no fall

Blood is thicker than water. In Lula Rodriguez's case, blood also has proven to be thicker than sound judgment. Ms. Rodriguez, a top aide to U.S. Attorney General Janet Reno, is a person known in South Florida political circles for her integrity. For several years she was a trusted aide here for U.S. Sen. Bob Graham. Now she works for Ms. Reno in Washington, where she performs various exacting duties well.

But Ms. Rodriguez's sister, Angela, happens to be the wife of Hialeah Mayor Raul Martinez. Martinez is a convicted felon who is appealing his sentence.

For that reason, Ms. Rodriguez had an unfortunate lapse in her normally sound judgment when she spent part of the weekend before the Hialeah runoff election helping her sister at Martinez's campaign headquarters. There, she says, she answered calls for her sister and witnessed signatures on 10 to 12 absentee ballots.

This, by itself, does not mean that Ms. Rodriguez did anything wrong. But investigators are looking into allegations of absentee-

BY RENO'S AIDE
Lula Rodriguez erred by helping in Raul Martinez's race. But she shouldn't resign.

ballot fraud in the runoff. Martinez won most of the absentees to defeat Nilo Juri by just 273 votes.

Ms. Rodriguez concedes that by helping her sister, hence Raul Martinez, she reflected badly on Ms. Reno. It's

the attorney general's investigators who are looking into the Hialeah voting.

Belatedly, Ms. Rodriguez also recognizes that her role on Ms. Reno's staff freights her every action with consequences that she didn't consider when, however innocently, she helped in Martinez's campaign.

Yesterday afternoon Ms. Rodriguez was on the verge of resigning, anguished over the harm that she fears she has caused the attorney general. Then, early last evening, she said that No, she would stay on.

That's the right decision. Lula Rodriguez did something uncharacteristically dumb. She says so herself. But there's no evidence, or even allegation, that she did anything illegal.

So she should stay with Ms. Reno. And from now on, she should stay far, far away from *anybody's* election campaign.



Rodriguez

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12/2
THE PRESIDENT HAS SEEN

Paul M. Montrone
President and
Chief Executive Officer



**Fisher Scientific
International Inc.**

Liberty Lane
Hampton, NH 03842
Tel: 603-929-2650
Fax: 603-926-1152

December 1, 1993

The President
The White House
Washington, DC 20500-2000

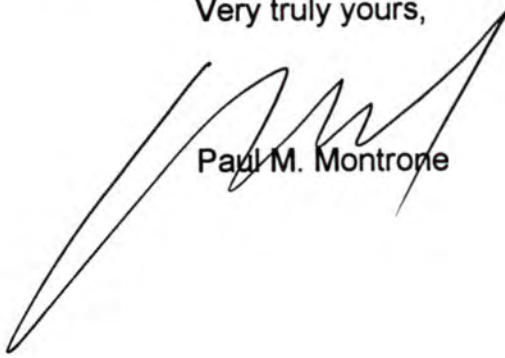
Dear Mr. President:

I am writing to provide a suggestion regarding the relationship of your Administration to the business community.

The NAFTA victory was a fantastic accomplishment for which everyone involved should be congratulated. In my opinion, we now have a unique opportunity to consolidate this advance with the business community and establish a solid, lasting foundation of support for your future programs. Like others, I have lent my personal help whenever possible (see attached news clip), but what is needed now is to unite and coordinate the efforts of your consistent business supporters and multiply their effectiveness by having them bring others into the fold.

To successfully execute this strategy, however, will require the precious time of someone in the White House. Ideally, that person should have the maturity to deal with business leaders and have some access to you. Is there someone you would suggest I work with on this matter? Please let me know at your earliest convenience as I would like to move ahead with this idea while the glow of NAFTA is still with us.

Very truly yours,


Paul M. Montrone

PMM/pls

Mark
He's a Kennedy
Truman of DAB
Webb Stream
B.

President's Big 'Gift' To AMR Fliers Puts Some CEOs in Spin

* * *

Early Intervention in the Strike
At American Spurs Worries
About Excessive Intrusion

A WALL STREET JOURNAL News Roundup

President Clinton's intervention that halted the five-day strike at American Airlines may have pleased many holiday-bound air travelers, but it upset some corporate executives looking further down the road.

Several chief executives complained that the president's cajoling, which got American and its striking flight attendants to accept arbitration of their differences, so early in the strike bodes ill for future labor negotiations in general.

Resumption of Flights

American said 80% of its flights will operate today, but unions at United threatened to continue disrupting travel. Article on page A4. On Wall Street, AMR's stock fell, but some analysts said investors shouldn't be so quick to abandon it. Heard on the Street, page C1.

Please Turn to Page A5, Column 1

Clinton's Gift to Fliers on AMR Leaves Some CEOs Earthbound

Continued From Page A3

'I Applaud Bill Clinton'

Paul M. Montrone, president and chief executive of Fisher Scientific International Inc., a big maker of scientific instruments in Hampton, N.H., said, "I applaud Bill Clinton for helping to end the strike." Mr. Montrone doesn't see it as bullying corporations.

Some executives privately expressed surprise that Robert L. Crandall, chairman of AMR Corp., American Airlines' parent, agreed to accept intervention after earlier rejecting a proposal by its flight attendants' union to seek federal mediation. But Mr. Montrone said, "Bob Crandall is a big boy, and if he didn't see the president's encouragement as working in the best interests of his company, he wouldn't have caved."

THE WHITE HOUSE
WASHINGTON

DATE: 12/01/93

THE VICE PRESIDENT
MACK MCLARTY
DAVID GERGEN
TO: GEORGE STEPHANOPOULOS
MARK GEARAN
ROBERT RUBIN
FROM: **JOHN D. PODESTA**
Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.



MEMBER

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

21 87:27

December 1, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN S. BLINDER *AB*
SUBJECT: State Unemployment Rates in October, Labor
Department Release, Thursday, 10:00 a.m.

Tomorrow the Labor Department will release State unemployment data for October. The attached map shows ranges of unemployment rates by State. Also attached is a listing showing unemployment rates by State--ranked from lowest to highest.

- o The highest unemployment rates were, as in the previous month, in West Virginia and California.
- o The lowest unemployment rates were in Nebraska and South Dakota.
- o The largest decrease in unemployment rates from September to October was in New Jersey (from 7.7% to 6.5%). Other States experiencing large drops in unemployment rates were Illinois, Ohio, and Washington whose rates all fell by 0.7 percentage point. The largest increases in unemployment rates were in Texas and West Virginia (from 6.6% to 7.5% and from 9.3% to 10.2% respectively).
- o State unemployment rates can be volatile from month to month because of small sample sizes. The second chart therefore shows changes in unemployment rates by State over the past 12 months--ranked from largest decline (Georgia and Utah) to largest increase (Illinois). Despite the national recovery, unemployment rates are still higher than they were a year ago in 11 States.

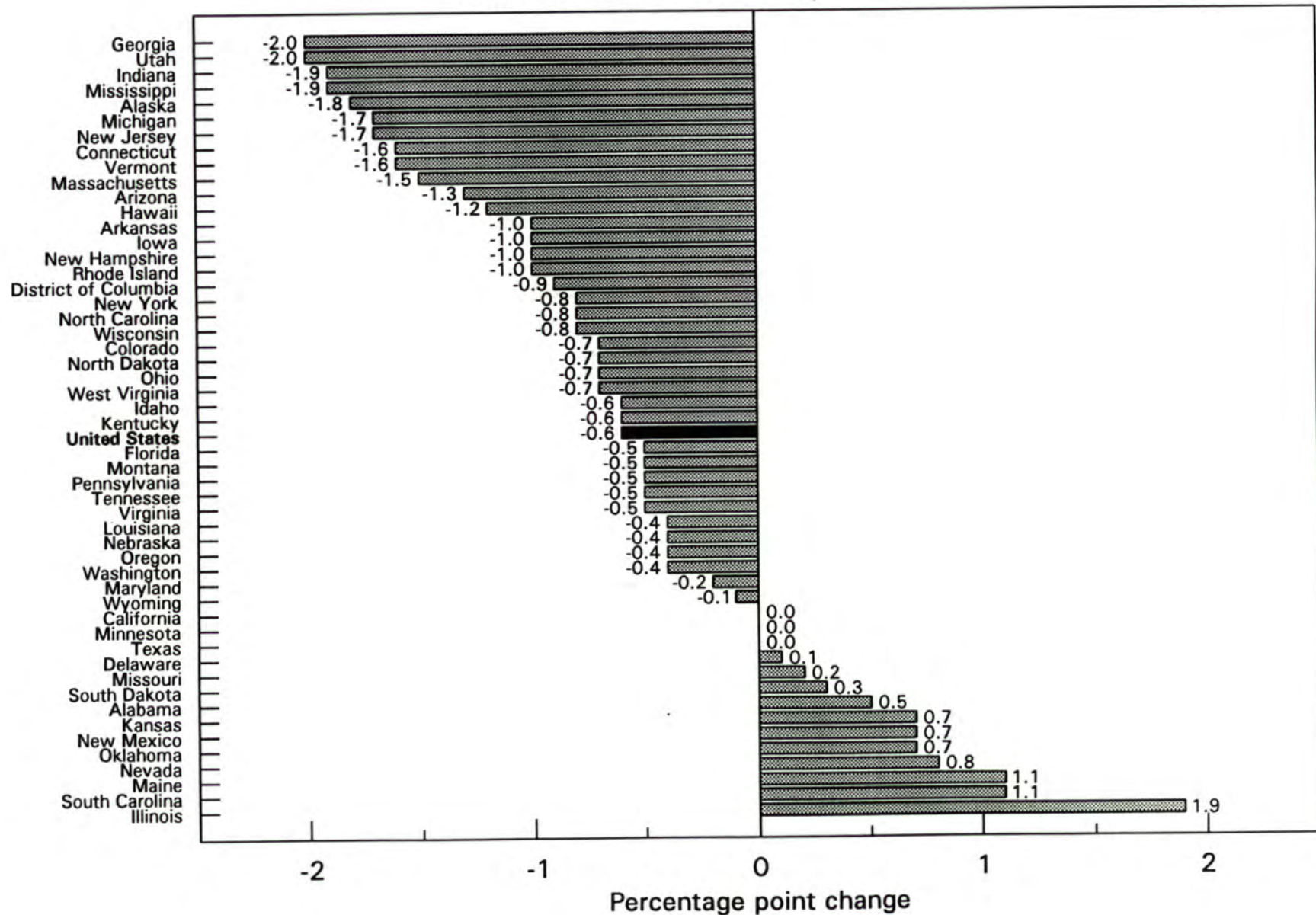
Attachments

Unemployment Rates by State, Seasonally Adjusted

October 1993

Nebraska	2.4	Maryland	6.3
South Dakota	3.2	New Hampshire	6.4
Iowa	3.3	New Jersey	6.5
Utah	3.3	Kentucky	6.6
Hawaii	3.9	Ohio	6.6
North Dakota	4.0	Alabama	6.8
Wisconsin	4.2	Massachusetts	6.9
Indiana	4.3	Michigan	6.9
Vermont	4.7	Oregon	7.0
Kansas	4.8	Pennsylvania	7.0
North Carolina	4.8	Florida	7.1
Wyoming	5.0	South Carolina	7.1
Colorado	5.1	Rhode Island	7.3
Minnesota	5.1	Nevada	7.4
Tennessee	5.2	New Mexico	7.4
Georgia	5.4	Alaska	7.5
Delaware	5.5	Louisiana	7.5
Missouri	5.6	Texas	7.5
Virginia	5.6	Washington	7.5
Idaho	5.7	District of Columbia	7.7
Montana	5.8	Illinois	7.8
Connecticut	5.9	Maine	7.8
Mississippi	5.9	New York	7.9
Oklahoma	5.9	California	9.8
Arizona	6.1	West Virginia	10.2
Arkansas	6.2		
		United States	6.8

Change in Unemployment Rate by State: October 1992 - October 1993



THE PRESIDENT HAS SEEN ^{12/1}

BSB Worldwide

Backer Spielvogel Bates Worldwide, Inc.
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
USA

Carl Spielvogel
Chairman
Chief Executive Officer
212 297 8000

T. Lake
Bob Rubin / Thru
what's your
nation's rim

23:21
November 15, 1993

Mr. Thomas F. McLarty, III
Chief of Staff
The White House
Washington, D.C. 20500

Dear Mack:

As you finish off plans for the Pacific Rim Summit, I want to humbly offer a suggestion:

That the President, as part of his plan for greater economic interaction with the Pacific Rim Nations, announce the creation of a new role in his Administration -- Ambassador for Trade to APEC.

This would follow the model for other such ambassadorial posts, such as Ambassador to NATO, etc.

The sole responsibility of this new ambassador would be to promote trade between the APEC nations and the U.S.

The creation of such a post would add dramatic impact to the President's renewed focus on this fast-growing part of the world.

At the risk of sounding self-serving, I would like to apply for that assignment, be it as an Ambassador or as a Special Representative of the President.

I first became involved in doing business in the Pacific Rim when I set up in 1962, while at McCann-Erickson, the first and only highly-successful partnership between an American advertising agency and a major Japanese company. Today, McCann-Hakuhodo, based in Tokyo, is one of the world's largest.

In 1979, I traveled on Air Force Two with Bob Strauss, when he was Ambassador for Tariff Negotiation, under President Carter, on a Government Mission to China and Japan. Leonard Woodcock, the first American Ambassador to the "new" China, traveled with us.

Mr. Thomas F. McLarty, III
Page Two
November 15, 1993

Earlier this year, I traveled to Japan with Mayor David Dinkins on his one-week trade mission.

Backer Spielvogel Bates Worldwide, with 175 offices, in 55 countries, has companies doing business in all of the Pacific Rim countries. I travel to those markets regularly, and in the middle of December I will be on a business trip to Korea, Japan and Hong Kong.

Exactly one year ago, I convened a meeting of our Asia-Pacific managers in Saigon, and I later traveled to Hanoi. We were the first such company to hold a meeting of this type.

Incidentally, if this new role were to be established, one might, for psychological and strategic reasons, choose to base this person in Hong Kong, where we do not have an Ambassador.

There are very few Americans who have had my in-depth experience in dealing with marketing and business issues of the Pacific Rim over a thirty-year period.

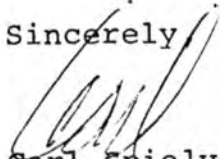
Additionally, I am a very active member of the Council on Foreign Relations, and a member of the Executive Committee, and Board of Trustees of The Asia Society. Three years ago, I was one of the speakers at The Asia Society's first offshore annual conference which was held in Hong Kong. Next year, we will meet in Singapore.

As you know from our previous discussions, I would like to try to serve this Country, and this President.

If this proposal has any merit, I would be pleased to discuss it with you further.

Warm regards.

Sincerely



Carl Spielvogel

cc: Mark Middleton

THE PRESIDENT HAS SEEN 12/1

THE WHITE HOUSE
WASHINGTON

NOV 23 3:21

November 20, 1993

MEMORANDUM FOR MACK MCLARTY

FROM: HOWARD PASTER *HP*

SUBJECT: RELATIONS WITH ORGANIZED LABOR

I believe it would be very helpful for the President and Mrs. Clinton to go out to dinner -- at a restaurant with unionized help -- as soon as possible with Tom Donahue and Rochelle Horowitz. Tom is very thoughtful and can convey well the anxiety that labor feels toward the Administration, not only on NAFTA but as a general proposition. Rochelle's early and constant help makes her a good and trusted friend.

Just as the highly publicized dinner with the Doles served the President well, I believe reports of an evening of the two couples at a local restaurant would send a clear message about the President's sensitivity and concern for his relationship with the AFL-CIO and its member unions.

cc: Joan Baggett
Alexis Herman
Ricki Seidman
George Stephanopoulos
Maggie Williams

*To: Mack
Fr. GS
I agree*

[Signature]

12/1

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Trade Rules Seek Curbs on Research Aid

Proposal Would Limit Federal Contributions to Private Groups

By Peter Behr
 Washington Post Staff Writer

The Clinton administration's ambitious plans to expand government research support for American industry are threatened by proposed new global trading rules that would limit federal contributions to private research, according to senior administration officials.

Officials from the Defense Department, Energy Department, the National Aeronautics and Space Administration and the National Institutes of Health, oppose the proposed

rules, which are part of a broad expansion of the General Agreement on Tariffs and Trade (GATT) now being drafted in Geneva, administration officials and congressional sources said.

The rules "could have far-reaching and chilling impacts on this administration's growing technology cooperation with the U.S. private sector," Assistant Energy Secretary Susan F. Tierney wrote in August to W. Bowman Cutter, a top adviser to President Clinton. The venture announced by Clinton and auto industry leaders to develop a "clean car"

could violate the proposed rules, officials said.

Long-standing research efforts also could be affected. The acting head of the National Institutes of Health warned in a recent memo that many of the biotechnology and pharmaceutical firms now receiving NIH research support to develop breakthrough diagnostic products, vaccines and medications say they would no longer do so if the proposed GATT rules are adopted.

A dozen Senate and House members, led by Sen. Jeff Bingaman (D-

See TRADE, A8, Col. 1

M

New Rules Seek Curbs on Research Aid

TRADE, From A1

N.M.), have asked Clinton in a letter to see that the proposed rules are dropped.

If the rules are not dropped, it could be "very damaging to our technology policy," said Bingaman, who is chairman of a Senate subcommittee on competitiveness.

But White House officials and U.S. trade negotiators believe the new ceilings on research support are adequate to meet national goals. More importantly, efforts to eliminate the rules could seriously complicate final negotiation on a new GATT agreement before a Dec. 15 deadline.

Completing the GATT talks is one of Clinton's highest priorities. Coupled with his success in pushing the

North American Free Trade Agreement through Congress, it would give Clinton the best trade record any American president has had in modern times, a senior administration official said last week.

The GATT deadline gives the Clinton administration little time to resolve this interagency dispute. U.S. Trade Representative Mickey Kantor and Leon Brittan, the European Community's chief trade negotiator, are to begin a two-day meeting today to try to narrow remaining differences in the GATT talks.

The debate among Clinton's advisers is described by officials as particularly sharp, pitting high-priority trade goals against the administration's plans to make U.S. high-tech manufacturing industries more competitive

through federal research and development support, officials said.

The issue centers on a package of amendments to GATT rules drafted in 1991 by Arthur Dunkel, then the secretary general of GATT. Dunkel designed the draft as a compromise that could permit the United States, the EC, Japan, Canada and 100 other nations to complete the negotiations launched in 1986. His efforts failed, but the "Dunkel draft" remains on the table and the EC opposes major changes to the draft.

U.S. trade negotiators in the Reagan and Bush administrations did not oppose the rules Dunkel proposed to limit research and development subsidies. GATT negotiators are anxious to restrain the billions of dollars spent an-

See TRADE, A9, Col. 1

NASA, NIH Oppose Plan to Limit Funds

TRADE, From A8

usually by governments to subsidize industry and agriculture, considering them a waste of taxpayer funds and a prop for inefficient producers.

In particular, U.S. negotiators wanted to get new rules that would restrain the billions of dollars European nations have channeled into the Airbus airliner program and commercial satellite development.

But the Dunkel rules would hit U.S. research and development efforts harder than those in Europe and Japan, where support often is channeled through tax breaks, Bingaman and other senators said.

The draft rules permit governments to subsidize up to 50 percent of a basic research project and 25 percent of ap-

plied research. A government that exceeds those limits could be challenged by another government before an international GATT disputes panel, whose decision would be binding. A country could ignore the panel's findings, but it would be subject to trade sanctions, such as higher duties imposed on its exports. Current GATT rules do not deal with research subsidies.

The 25 percent ceiling on applied research would almost certainly strike the administration's expanding program of research partnerships with private industry, such as Sematech, a high-tech industry consortium aimed at improving the making of semiconductors, officials said. Participating companies and the government now split its costs equally.

Ruth L. Kirschstein, acting head of

NIH, said in a memo last month that companies that wanted their projects to qualify as "basic" research would have to supply GATT officials with sensitive information about project goals and technology strategies, which could be used by competitors.

"There is great concern about these provisions among . . . technology and pharmaceutical companies whom we rely on to translate the billions of dollars the NIH spends annually on biomedical research into useful products for the prevention, diagnosis and treatment of disease," she said, citing current research into AIDS and infectious hepatitis, among others.

Most of the companies now working with NIH would discontinue doing so if forced to comply with the Dunkel rules, she said.

FROM DMN EDITORIAL 11.29.1993 18:22

Christmas readings for Clintonites



WILLIAM MCKENZIE

Just as every administration develops its own policy thrusts, it's also true that every White House also adopts particular ways. As columnist James Pinkerton wrote in this paper Monday, the Clinton administration is especially enamored with the notion of a "war room."

That feverish concept, as Mr. Pinkerton writes, is derived from the 1992 Clinton campaign, where strategists effectively directed shots back at Little Rock headquarters. That the "war room" is now central to Clinton White House operations. One need only ask those on Capitol Hill, in the media, on Wall and Main streets and in labor halls who have been exposed to the administration's focused, albeit manic, efforts to promote changes in tax policy, health care and free trade.

But as the Clinton warriors cool down after a fairly strong first year, and perhaps engage in some private self-congratulation, they would do well to think through the pitfalls that surround the institution they now inhabit. Two recent works on the contemporary presidency and presidential politics illuminate the perils that can trip up the modern White House, whose hushed hallways can belie the problems that wait outside the building's pleasant, serene atmosphere.

One hates to acknowledge the work of in-your-face journalists like John Podhoretz, who relish in Washington's preference for character slamming and sassiness while sizing up political operations. But if you can stomach Mr. Podhoretz's self-serving style, which treats kindly those who agree with him and disparages those who outside of his neoconservative ideological box, then his new book, *Hell of a Ride*, offers insights into what can go wrong with a White House.

Mr. Podhoretz's case study is the Bush administration, which he accurately describes as having choked on its own seclusion from the outside world. It's not that George Bush and his administration did not talk to and deal with people who live outside Washington. Nor did the Bush administration lack policies: It was responsible for such major legislative initiatives as the Clean Air Act and for less prominent but important policies as curtailing mind-numbing bank regulations.

But by living so long in the White House "cocoon" (George Bush himself had 12 years in the White House), and by being caught up with such matters as who's a commissioned White House officer and who's not (too many Bushites did worry about such things), George Bush and his administration allowed themselves to become unaware of larger social developments (such as the pain many Americans were experiencing in the economic recession following the Persian Gulf war). Mr. Podhoretz is thus right when he says: "The West Wing cocoon removes a president so far from any semblance of a normal life that he loses the most important asset a successful politician has — his connection to the people who elected him."

To further remind themselves of the perils of "cocoonism," and the public's disdain for it, Clintonites would do well to read *Dallas Morning News* columnist Carolyn Barta's new book, *Perot and His People* in tandem with Mr. Podhoretz's work. Promoting a colleague's book may be indiscreet, but Clintonites should read the Barta book to remind themselves of the frustration with insiderism that propelled the 1992 Perot movement.

In fact, Clintonites must constantly ask themselves a question raised by Ross Perot and his people: Are Clinton policies helping resolve the political alienation of the people Ms. Barta profiles?

To be sure, some Perotistas are merely "frustrocrats": People who revel in their alienation from everything in modern society. But enough of Mr. Perot's followers are also committed to resolving problems. Why else are they continuing their important United We Stand movement, if not to demand that administrations pay attention to voters and worry less about their White House standing? Government's mission is to determine how we live in community, not whether John Sununu or Sam Skinner or Mack McLarty is the best chief of staff.

Indeed, as Mr. Podhoretz writes, some Bush people mistakenly equated fixing the White House staff with reinvigorating the electorate. Trying to break into the loop that chief of staff Sununu and Budget Director Richard Darman controlled in George Bush's White House sometimes

seemed the only answer key Bushites had about how to take back the electorate.

Perhaps Bill Clinton knows from his Arkansas days that voters are not always won over by internal White House maneuvering. His young administration should be cautioned, however, in the wake of its legislative triumphs. Clintonites may be tempted to revel in the camaraderie of the "war room" while they should actually be working to avoid their own brand of insiderism.

William McKenzie is an editorial writer and columnist for The Dallas Morning News.

Handwritten notes:
 1. J. S. Berger
 2. Excerpting
 3. Goals

Handwritten mark: N

1994 PAY LEVELS UNDER CONSIDERATION

President Clinton today will decide whether to grant locality pay raises to white-collar federal workers in 28 geographic areas. The increases are designed to close the hometown pay gaps between federal and private sector salaries over a nine-year period. The 1994 raise proposed by the Federal Salary Council is 4.23 percent for most of the nearly 400,000 civilian federal workers in the Washington-Baltimore pay area, which extends from the West Virginia border to the Chesapeake Bay.

Federal employees who already are paid higher rates because of their jobs—engineers, scientists and most clerical employees—will not get a locality pay adjustment until the percentage amount of the

locality increase exceeds their occupation-based differential. Postal workers, federal retirees and military personnel will not get the locality raise.

White-collar federal workers originally were due two pay raises in 1994, a 2.2 percent national adjustment and a locality increase. Congress and the White House decided not to grant the 2.2 percent national raise.

The pay chart below shows what the 1994 pay scale would look like for most white-collar federal workers in this area. But it is unofficial until approved by the White House. If authorized, the raises will be effective with the first pay period beginning on or after Jan. 1, 1994.

GS level	Step 1	2	3	4	5	6	7	8	9	10
1	\$12,406	\$12,820	\$13,232	\$13,644	\$14,058	\$14,300	\$14,706	\$15,116	\$15,135	\$15,521
2	13,948	14,281	14,743	15,135	15,304	15,754	16,205	16,655	17,105	17,555
3	15,221	15,728	16,236	16,744	17,251	17,759	18,266	18,774	19,282	19,789
4	17,086	17,656	18,225	18,794	19,363	19,932	20,501	21,070	21,639	22,208
5	19,116	19,753	20,389	21,026	21,663	22,300	22,937	23,574	24,211	24,847
6	21,308	22,018	22,727	23,437	24,147	24,857	25,567	26,276	26,986	27,696
7	23,678	24,467	25,256	26,045	26,834	27,623	28,412	29,201	29,990	30,779
8	26,223	27,098	27,972	28,847	29,721	30,596	31,470	32,345	33,219	34,094
9	28,964	29,930	30,895	31,860	32,825	33,790	34,755	35,721	36,686	37,651
10	31,898	32,961	34,024	35,087	36,150	37,213	38,276	39,340	40,403	41,466
11	35,045	36,214	37,382	38,551	39,719	40,887	42,056	43,224	44,393	45,561
12	42,003	43,402	44,802	46,202	47,602	49,002	50,401	51,801	53,201	54,601
13	49,947	51,612	53,276	54,941	56,605	58,270	59,934	61,599	63,263	64,928
14	59,022	60,990	62,958	64,926	66,894	68,862	70,829	72,797	74,765	76,733
15	69,427	71,740	74,054	76,368	78,682	80,996	83,310	85,624	87,938	90,252

THE WASHINGTON POST.

Danger Seen in Falling Jobless Rate

Administration Official Fears Increases in Inflation, Interest Rates

By Frank Swoboda and John M. Berry
Washington Post Staff Writers

The economic recovery could send the nation's unemployment rate below 6 percent next year for the first time since 1990, threatening an increase in inflation and, with it, rising interest rates, a top Clinton administration official said yesterday.

That assessment comes as President Clinton's National Economic Council began a weeklong series of meetings to set budget priorities under the budget law's limits on spending for nonmilitary programs.

The president must send Congress his proposed budget for fiscal 1995, which begins Oct. 1, in late January amid indications he will be forced to recommend major spending shifts among the various departments charged with such programs as job training, welfare and education.

In its latest forecast, the administration predicted that the unemployment rate, which was 6.8 percent last month, would decline to about 6.5 percent by late next year.

"I can't see the official forecast changing very much," either in terms of economic growth or unemployment, Laura D'Andrea Tyson, chairman of the president's Council of Economic Advisers, said in an interview yesterday. Administration economists are working on an updated forecast to be used in the president's budget submission.

However, some other administration officials think a much faster drop in unemployment is possible, partly because of the relatively rapid increase in jobs over the past year.

Since October 1992, the number of people with jobs has gone up by about 2.5 million and the unemployment rate down by 0.6 percentage points. Some analysts believe the decline could be greater in the coming year as a result of faster economic growth.

"I would say that in the next year we could be down to 5.8 [percent], in the range of 5.8, 5.9, under 6," said the top administration official, who asked not to be named.

If joblessness does come down that fast, the administration

See UNEMPLOYMENT, D2, Col. 1

Concerns About an Increase in Inflation Cited

UNEMPLOYMENT, From D1

tration and the Federal Reserve Board both would likely seek to slow growth so that the economy would not overheat and generate stronger inflation.

When the unemployment rate fell below 5.5 percent in 1988, prices began to go up and the Fed raised short-term interest rates to cool off the rising inflation.

Some administration officials have expressed concern that the nation is not far from the point where broad economic policy measures can no longer be used to deal with the problem of unemployment without triggering more inflation and a response by the Fed.

However, with a national unemployment rate of 5.8 percent, there would be pockets of much higher unemployment in some states—including politically important California—as well as in many inner cities.

To deal with these problems of so-called structural un-

employment, the administration needs to develop costly training and income maintenance programs at a time when concern over the federal budget deficit has all but eliminated fiscal policy as an economic tool for the White House.

The administration will be faced with an additional political problem early next year when the Labor Department changes the way it surveys U.S. households to determine the unemployment rate. These revisions are expected to add more than a half-percentage point to the official unemployment rate.

This week, the National Economic Council will consider a comprehensive training and adjustment assistance program to aid workers who have lost their jobs through cuts in defense spending, trade and environmental policies or any other government policy initiatives. Clinton is expected to outline the program in his January State of the Union address to a joint session of Congress.

Defence cuts

Life after death

CHARLESTON, SOUTH CAROLINA

WHEN Mendel Rivers was Charleston's congressman and chairman of the House Armed Services Committee, an appreciative joke used to do the rounds of the city: "If Mendel puts one more military installation in Charleston, it will sink into the sea." But Mendel retired in 1970, leaving a different problem: too many people working on military bases.

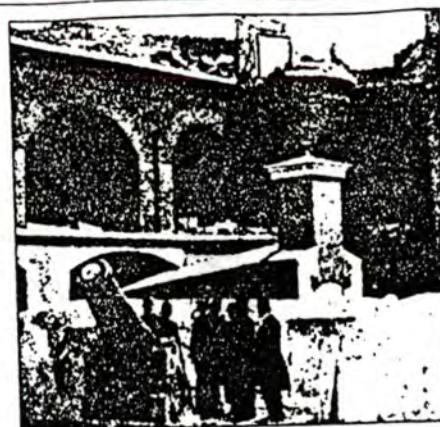
Since 1988 base closures have hurt Charleston more than any other city in the country, and South Carolina has lost a big-

THE ECONOMIST NOVEMBER 27TH 1993

ger share of its workforce even than California. Last June came the worst blow: the Base Closure and Realignment Commission voted to shut down the Charleston Navy Base and Shipyard in 1995, putting some 20,000 workers out of a job and taking \$644m a year in wages out of the region.

After the first shock, however, Charleston is bouncing back. Some economists are predicting that the area will recover by 1998, and may even be even better off because of the greater diversity its economy will then have. Pentagon studies of similar cases are encouraging. Between 1961 and 1986 more than 100 bases were closed in the whole country, and around 93,000 civilian jobs were lost. But 138,000 new jobs replaced them. Twelve bases were converted into four-year college campuses and 33 into vocational-technical schools or community colleges; some 75 former bases became industrial and office parks; 42 were turned into airports.

In Charleston, officials are now trying to work out what to do with the Navy Base and Shipyard—all 1,600 acres of it, with 23 piers, five dry docks, 1.8m square feet of ware-



Earlier damage, 1861

houses, 2.2m square feet of office space, 700,000 square feet of training facilities, 86 houses, 19 barracks, golf courses, swimming pools, a bowling alley, a marina and its own heating and cooling system. A new committee called BEST (Building Economic Solutions Together), with 45 members and a federal grant of \$732,000, has been told to present a plan to the navy by 1994.

Bright ideas include expanding the State Ports Authority, setting up a private shipbuilding venture, turning the base into a campus and, from some joker, converting it into an ostrich farm. This spring, local businesses will be asked why they want to move on to the base, and the BEST committee will be authorised to rent space at lower-than-market prices to speed up job-creation.

Charleston officials have several reasons for feeling optimistic, including the fact that the city's economy is already growing beyond the base's limits. More than 5m tourists visit Charleston each year. Retired folk are coming to live there, attracted by the medical facilities and military hospitals. The federal government has decided to expand the Naval Electronic Systems Engineering Centre in Charleston, which is expected to employ up to 5,000 workers and bring nearly \$1 billion in contracts. The city is also said to be on the short-list for a Pentagon regional accounting centre that would bring in 5,000 jobs. The base may be disappearing, but military bureaucracy can still make up some of the deficit.

AMERICAN SURVEY

THE PRESIDENT HAS SEEN

12/1

Handwritten notes:
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THE PRESIDENT HAS SEEN ^{12/1}

Taming the Gun Monster: The Federal Role

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A bandwagon can roll forward, backward or off the road. Which way for the anti-gun movement in Congress? Congress now has more than 40 gun-control bills before it. Some of them are not worth much more than the paper they're printed on. But a few of them represent a clear advance: They are earnest, thoughtful attempts to stop the killing and restrict the poisonous circulation of guns.

In Part 2 of this series, we weighed the strengths and weaknesses of many generic approaches to gun control such as waiting periods, bans on types of guns and stiffer penalties for gun crime. Here we'll look at some specific proposals now before Congress—which ones will help reduce gun violence and which will do little more than try the patience of fearful Americans.

But let us be clear: With one exception, the many bills now pending before Congress will not meaningfully end the killing because none will reduce an arsenal of more than 200 million firearms or do much to slow the unrelenting production and sale of new guns.

That's why The Times supports a near-total ban on the manufacture, sale and possession of handguns and assault weapons, leaving those guns solely in the hands of law-enforcement officials. Individuals would be permitted to own sporting weapons only if they had submitted to a background check and passed a safety course. Other special, closely monitored exceptions could be made, such as for gun collectors. But short of that monumental achievement—a near-total ban on handguns and automatic weapons—would any of the congressional bills actually help?

WHAT ABOUT TIGHTER GUN LICENSING?

More than a quarter-million Americans hold federal firearms licenses—or FFLs—allowing them to ship and receive large quantities of guns and ammunition. But both the rules under which these licenses are granted and the system to monitor those who hold them are shamefully inadequate. Too many dealers—including some with criminal records—peddle guns out of their homes and private offices often in direct violation of federal, state and local firearms law. The feds estimate

that these so-called "kitchen table" dealers make up fully four-fifths of those holding FFLs.

This situation is clearly both an absurdity and an abomination. Sens. Daniel Patrick Moynihan (D-N.Y.) and Paul Simon (D-Ill.) have introduced legislation to target renegade dealers and toughen licensing procedures. Their proposals are so obviously sensible, it is hard to see why anyone could be against them. They would mandate that prospective dealers comply with all state and local firearms laws before they receive their federal firearms licenses. The proposals would also raise license fees, increase dealer reporting requirements, require more inspections by the federal Bureau of Alcohol, Tobacco and Firearms and extend the time period allowed the ATF to issue a license. What's also needed is for President Clinton to authorize many more ATF inspectors. Nationally, the ATF has only 1,947 agents and even fewer compliance inspectors.



WHAT ABOUT BANNING ASSAULT WEAPONS?

California was the first state to ban the production, sale and possession of specified models of military-style rifles, pistols and shotguns that had no legitimate sporting purpose. But California was also the first state to discover that gun manufacturers could easily evade the model-by-model ban by ever-so-slightly modifying old firearms or introducing new ones.

California's Sen. Dianne Feinstein has learned from that. Her federal bill, approved by the Senate last week as an amendment to the pending crime bill, would forbid the manufacture and transfer of 19 specific models of assault weapons, plus any models that have high-volume detachable ammunition magazines with 10 or more bullets and other generic features.

The Feinstein approach hardly crowds legitimate hunters: About 650 sporting guns are protected. At this point that's sensible, but her bill would do nothing to reduce the existing stock

of 1 million assault weapons in private hands. Even so, The Times supports the Feinstein effort as a step forward.

WHY NOT TAX AMMUNITION?

Gun violence now costs the nation about \$16 billion a year and if Sen. Moynihan has his way, the firearms industry and its customers will appropriately bear a heavier burden for the grievous harm their weapons cause.

Moynihan's proposal, now tacked on to the President's health-care reform bill, calls for a 40% federal tax increase on several types of bullets and a license fee of \$10,000 on manufacturers and importers of handgun ammunition. These new fees would raise

AMERICA'S GUN EPIDEMIC *What Is the Best Medicine?*

■ Fifth in a series

an estimated \$200 million annually.

Granted, this is just walking-around money compared with the annual bill from gun violence. And as long as there are so many guns in circulation, a black market in ammo would meet the demand. Still, Moynihan's proposal pushes America in the right direction.

AND WHY NOT WORK TO KEEP GUNS AWAY FROM KIDS?

The Congress, as part of the crime bill, has approved a provision by Sen. Herbert Kohl (D-Wis.) banning handgun possession by anyone under age 18. The one beauty of this measure is that it gives police the additional legal tool they need to disarm kids. But without funds for vigorous enforcement or a meaningful decline in the gun supply, we fear that angry young people bent on violence will be undeterred by this measure. Still, it too is worth trying.

BUT CAN THE NOW-FAMOUS WAITING PERIOD HELP?

Criminals and individuals who are emotionally unstable simply should not be able to leave a gun store armed. That self-evident premise alone makes the Brady bill—imposing a five-day waiting period to permit background checks on handgun buyers—eminently sensible. Last week, after six long years, the House finally passed the Brady bill, but it now looks to be stuck in the Senate.

The Brady bill is worthy, even though its impact would be limited solely to new handgun sales.

BETTER YET, THEN, WHY NOT JUST BAN HANDGUNS, PERIOD?

Perhaps the boldest and most far-reaching gun measure now on Capitol Hill is that by Sen. John H. Chafee (R-R.I.) to ban the manufacture, sale and possession of all handguns. The Chafee bill would establish a six-month period during which citizens could turn in their handguns to federal, state or local law enforcement agencies for monetary reimbursement. After that time, violators could face criminal penalties of up to \$5,000 and/or five years in jail. The bill would exempt law enforcement and the military and certain kinds of collectors, hunting guns, gun clubs, security guards and gun dealers.

Chafee's proposal may sound radical. It's not. It's sensible. The bill, stuck in committee, focuses on handguns, often the street gun of choice. Chafee says it's time to "turn off the spigot" flooding our neighborhoods and schools with these weapons. He's absolutely right.

But if the Chafee measure would do much to stem gun violence and the Brady bill and others we have mentioned would do less, there are some proposals floating around Congress that are not wholly on target. For instance, limiting individuals to the purchase or transfer of one handgun per month is obviously only a small piece of the puzzle. And imposing on firearms manufacturers liability for injuries caused by the handguns or assault weapons they make is stretching product liability laws too far.

Two things must happen if gun control is to work. First, a strong public consensus must emerge for bold and sweeping action. That is beginning to happen. Second, Congress will have to shed its interest-group shackles, roll up its sleeves and get serious. Our future is on the line. Either we act decisively or we can expect to watch the slaughter in our homes, streets, malls, schools and churches proceed apace.

NEXT: The best and the worst of state and local gun proposals.