

THE WHITE HOUSE
WASHINGTON

DATE: 12/10/93

TO: GEORGE STEPHANOPOULOS

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

The attached has been forwarded
to the President.

THE WHITE HOUSE

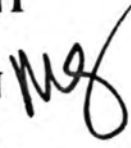
WASHINGTON

DECEMBER 10, 1993

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MEMORANDUM FOR THE PRESIDENT

FROM:

MARK GEARAN 

SUBJECT:

THE WEEK AHEAD

From this week on, I will be sending you a short summary of the upcoming week's communications strategy and major press events. Please let me know whether you think that will be helpful and what you think of the format of this week's memo. Thank you.

THE WHITE HOUSE
WASHINGTON
DECEMBER 10, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN
SUBJECT: THE WEEK AHEAD

This memo will give you a brief outline of what we hope to accomplish next week and how we hope to do it. Our strategy for December is simple:

- Highlight values
 - Shape the accomplishments stories
 - Make you visible to the public in as many non-policy settings as possible.
1. **Wrap-Up - Accomplishments.** In more year-end interviews -- with business press on Tuesday, the Wall Street Journal on Wednesday, the White House network correspondents and bureau chiefs on Thursday, and the religious and African American press on Friday --, we will continue to drive home the message that this has been a very productive year, that we have moved America in the right direction and begun to change the way Washington works. The specialty events will be targeted discussions.
 2. **Keep Focus on Crime.** In the wake of the killing on Long Island, several public events -- including the radio address this Saturday -- are designed to further our message on crime; moving beyond the Brady Law -- a solid crime bill, 100,000 cops on the beat, gun licensing -- sparing no effort to stop crime.
 3. **Renew Focus on Health Care.** At a major event next week, the entitlements conference at Bryn Mawr, we can continue to make the point -- supported by the Lewin-VII study released this week -- that our cost estimates are conservative and realistic. We can cut health care costs without a broad based tax.

Memo on the Week Ahead
December 10, 1993
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4. **A Big Step Forward on Free Trade.** The GATT deadline is upon us. No events are specifically designed to highlight our efforts on free trade, but we can work the GATT story into other public appearances if appropriate -- the Malcolm Baldrige awards and the business press event. If it is postponed or failed, we must make clear that this administration will not settle for a deal that is less than fair to US business.
5. **Holiday Spirit.** Like this week, a number of public and private events -- NBC's "Christmas in Washington" and the press parties -- are simply designed to celebrate the holidays in a variety of settings.
6. **Administration Surrogates.** Attorney General Janet Reno will appear on the weekend shows; Secretary Aspin will be on as well.

CC: VPOTUS
Mack McLarty
David Gergen

On Welfare, ✓ Wisconsin Leads, Beltway Straddles

Some things I thought I'd never live to see, but there on NBC the other day was Bill Clinton saying nice things about Charles Murray.

"He did the country a great service," said the president about the social scientist who has diagnosed the corrosive effects of welfare. "I mean, he and I have often disagreed, but I think his analysis is essentially right." Then the president did his by now legendary Clinton straddle, adding, "Now, whether his prescription is right, I question."

This is still progress. Think back 10 years, to when Mr. Murray published "Losing Ground," in which he suggested the abolition of welfare as a "thought experiment." He was pilloried, run out of polite debate. Then, six weeks ago, Mr. Murray updated his argument with an essay on this page, "The Coming White Underclass." He now argues for an end to welfare altogether because by paying single mothers it subsidizes the American social catastrophe of 1.2 million illegitimate births a year.

But this time he has not been banished like an American Salman Rushdie. "The reaction to the Journal piece has been stunning," Mr. Murray says. "I have not received one negative phone call or letter." Pat Moynihan, the Senate's welfare arbiter, has called him. And now even the president is sounding like the two trade phone calls, which they don't.

There is political calculus in all of this by Mr. Clinton, of course. He knows the power of his famous campaign pledge to "end welfare as we know it." His welfare TV ad—"Those Who Are Able Must Go to Work," read its caption—was trotted out every time Candidate Clinton dropped a few points in a state poll. So Mr. Clinton may want to reform welfare less for its own sake than to reassure the voting "middle class" that he isn't just another Robin Hood.

Yet whatever his motive, his approval of Mr. Murray reveals how far the country has moved in the welfare debate. What

Potomac Watch

By Paul A. Gigot

was taboo a few years ago is now common. When Ronald Reagan talked in 1980 about requiring work for welfare, he was derided as cruel; now even liberals talk about work. "National politicians are behind the curve," says Mr. Murray. "They don't realize that this is an issue on which there has been huge public movement."

As is often the case, the debate is more advanced in the states. Especially in Wisconsin, which began this century by leading the "progressive" movement that was a precursor to the welfare state; it could end the century by helping to dismantle it.

Tommy Thompson, a frisky two-term (and likely three-term) GOP governor, opened the bidding by taking Mr. Clinton at his campaign word. He sought a federal waiver to cut off welfare in two state counties after two years—cold turkey. This was an offer Mr. Clinton couldn't easily refuse. Mr. Thompson has built credibility because earlier reforms and a strong economy have cut his state's welfare rolls by 17% in six years; all but two other states have had rising caseloads.

But the political story here is the liberals who didn't bark. The Children's Defense Fund and other welfare activists did try to block the Thompson waiver as too punitive, and Clinton nominees at Health and Human Services also disliked the plan. But they were overruled by the White House. Mr. Thompson brought it up with David Gergen, who was supportive. It was also suggested that if the waiver weren't approved, Mr. Thompson would make a memorable speaker at the National Press Club. After his aides negotiated that Medicaid (but not welfare) could continue for a third year, Mr. Clinton, to his credit, signed off on the waiver.

Back in Wisconsin, meanwhile, Democrats decided that instead of resisting Mr.

Thompson, they'd see and raise him. They proposed to abolish all welfare programs by the end of 1998 and to devise a whole new system by 1995. "I was once on welfare myself," says Antonio Riley, a Milwaukee Democrat who sponsored the bill. "I see every day what this jailer called welfare is doing to people." He says the Thompson idea didn't go far enough, because it didn't include Milwaukee County, where 50% of the state's welfare cases reside. But Mr. Thompson may now one-up these Democrats himself by signing their bill, using his line-item veto to ensure that he would be the one who designs the new system.

Tommy Thompson

Will Mr. Clinton's welfare proposal be this radical? Almost certainly not. Washington is still not as progressive as Madison. And despite his praise for Mr. Murray, Mr. Clinton is still reluctant to confront his stern "prescription." Instead of going cold turkey after two years, Mr. Clinton told Newsweek, "we're probably going to have some sort of publicly funded jobs program" for people. But Gov. Thompson calls this "just another form of welfare," a make-work job instead of a check.

Moreover, adds Mr. Murray, the state would still be subsidizing illegitimacy. "Nobody wants to talk about sticks," he says, only carrots. Yet only with both sanction and reward can a society hope to change the destructive sexual behavior that has produced 68% illegitimacy among blacks, 22% and rising fast for whites, and the social breakdown that follows. The only way to really end welfare as we know it, in other words, is simply to end it.

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Marjorie's Misdirected Meeting ✓ THE PRESIDENT HAS SEEN

This Monday Bill Clinton will attend an "entitlement summit" in the suburban Philadelphia district of freshman Rep. Marjorie Margolies-Mezvinsky. Ms. Margolies-Mezvinsky, recall, earned 15 minutes of national fame for being almost dragged down the aisle to cast the deciding vote in favor of Mr. Clinton's \$250 billion tax increase. The summit is one of the deals he cut to "win" his budget vote. And boy, what a deal it is.

The early evidence is that the White House will use this thing to sell its health-care plan, which of course is chock-full of new entitlements. As for Rep. Margolies-Mezvinsky, she's been dealing "a high profile role" to various groups if they contribute to what amounts to a \$500,000 image-building program in her district.

Rob McCord, Mrs. Margolies-Mezvinsky's 1992 campaign treasurer, sent out letters alerting corporations and foundations that "we are planning to give supporters the opportunity to participate directly in a panel discussion during the conference." Among those who ponied up \$25,000 are AT&T, Merck, and General Motors Foundation. Others declined, noting that much of the

money would be spent on polls and promoting future meetings in an election year. Lawrence Smedley of the National Council of Senior Citizens told the Washington Post that "the not-so-subtle message of the letter and phone calls was that if you pay, you play."

Embarrassed (a little, anyway), the White House has announced that President Clinton will still attend, but he won't appear on any panel that includes groups that bankrolled the summit. But the meeting's "entitlements" cover has been blown. Much of it will be dominated by cheering for Clinton health and job-training initiatives. Moreover, attendance is limited to carefully invited guests. Any questions will be pre-screened.

Mysteriously adding legitimacy to the proceedings will be GOP Senator John Danforth and former GOP Governor Tom Kean of New Jersey.

It's what Daniel Boorstin years ago described as a "pseudo event."



Ms. M. Mezvinsky

THE WALL STREET JOURNAL FRIDAY, DECEMBER 10, 1993

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Health Care and Language

PRESIDENT CLINTON would finance universal health care mainly by requiring all employers, small as well as large, to help pay the cost of insuring their employees. The employees would also have to contribute; the mandatory premiums would amount to a payroll tax by another name. The president chose the insurance vocabulary in part to keep the health care debate from descending into another name-calling contest over "tax and spend." The administration's position is that the premiums and the spending they would support should be considered "off budget."

The plan's Republican and other critics sharply disagree. They want the hundreds of billions of dollars to be counted "on budget" as tax and spending increases. Partly they take that position because they think it would make the plan easier to defeat, but partly they're making a substantive point as well. They think the administration is trying to obscure a fundamental truth—that by keeping the funds off budget it is trying to mask how large a role the president would assign the government in health care.

In fact, the subject of how to account for—and how to think about—health care costs is more serious and complicated than either side has suggested thus far. It ought to get attention no matter what Congress does about "reform." Neither of the two current accounting conventions of "on budget" or "off" does the subject justice. That's partly because the distinction between government spending somehow defined and nongovernment spending is both less easy to make in the health care field than in others and less relevant. The case is further complicated by the fact that much of the spending the president would "compel" is occurring anyway. Suppose a large corporation begins by maintaining a

separate insurance system for its employees, as under the president's plan it would have the right to do. Then, in order to save itself money, it decides to switch to the broader public system. Should an effort on the company's part to *reduce* its liabilities—and in the process perhaps reduce total national health care spending as well—be counted as a *tax* and spending *increase*? As an added burden? What useful sense does that make?

What's needed is a broader ledger. The government ought to publish a national health care budget. It would come out every year alongside or as part of the federal budget, but it should transcend that budget—to project and examine not just federal health care spending somehow defined but the total health care expenditures of which the federal spending is a part. It is national spending, after all, not federal spending, that we as a country have to learn to understand and control. Federal spending can go down and the national total that is the issue still go up. That doesn't help. It simply means that other payers are having to cover what used to be federal costs.

The Republican and other critics are right that whatever system of health care accounting is adopted should not obscure the federal role. But the president is also right; the system should not exaggerate that role, either. It shouldn't suggest that the government is exacting a tax by requiring people to spend on health care money that they were going to spend on it anyway; nor should it let either a president or Congress pretend to be cutting spending when in fact they're merely shifting it, and making people pay another way. The on-budget, off-budget argument is another food fight about an issue that deserves more serious consideration from both sides in the debate.

A Good Word for Polls

NOW IT CAN be told: President Clinton made some major decisions on his health plan on the basis of—gulp!—polls.

That's more or less what his pollster, Stan Greenberg, told a conference at the American Enterprise Institute this week. Mr. Greenberg said that he did some polling to see how Americans would react to a value added tax (a kind of national sales tax) as a way of paying for universal health care. Turned out they didn't like it. "It was problematic," said Mr. Greenberg. So out it went. It should be added that Mr. Greenberg noted that the administration's presumption was already against a value added tax before a single respondent was contacted for his poll. There can be little doubt that enemies of the tax were more than happy to have Mr. Greenberg's numbers to confirm what they already knew.

The question is: What's wrong with any of this? If a president wants to pass a universal health care program and wants to minimize the number of people he'll alienate by some of the specifics of the program, why not take polls? Nor is Mr. Clinton the first president to watch the numbers. Ronald Reagan, who was once given to assailing Social Security and the progressive income tax as quasi-Marxist inventions, discovered the public rather approved of both and decided he had other battles to fight. If polls helped push him down that road, good for the polls. Mr. Reagan also knew how to ignore

polls, and so does Mr. Clinton, who, you'll recall, supported some tax increases this year.

There is a lot of mystification over the polls and what they mean. Yes, there are politicians who won't make a move without a poll and who seem more influenced by the data than by, say, principles. The republic could do with fewer such politicians. There is also a lot of misuse of poll numbers. Interest groups regularly commission polls aimed at "proving" that the public agrees with them—and carefully edit what they ask and what they release. Such polls are best ignored.

But it's hard to have a problem with the use of polls by politicians who do have public purposes and actually want to get things done. Is there something so terrible about finding out how the public feels, how far it's willing to go with a given program and which arguments matter most to most people? As often as not, polls overturn preconceptions about the public's alleged prejudices and silence—or at least embarrass—those who falsely claim to be speaking for "the people." Sometimes they provide the very useful information that the public neither knows nor cares much about a given issue that may excite people in the political and commentating classes. So let the good numbers roll. Polls are not in themselves infallible or the whole story: Let politicians use them to *help* find out not what they should believe, but what the public actually thinks.

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THE WHITE HOUSE
WASHINGTON

DATE: 12/09/93

TO: BRUCE LINDSEY
JAN PIERCY
MICHAEL WALDMAN
NESTOR DAVIDSON

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

FYI



**UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
OFFICE OF THE GENERAL COUNSEL**
Washington, D.C. 20570

December 9, 1993

**TO: John Podesta, Assistant to the President
and Staff Secretary**

**FROM: Daniel Silverman
Acting General Counsel
National Labor Relations Board**

Subject: Lack of Quorum at NLRB

This is in response to the request for my views on the consequences of delaying the appointment of a third Board member. For the reasons set forth below it is my belief that a delay of a week or two is tolerable but that any delay beyond that time will cause serious adverse consequences to substantive case processing as well as has significant adverse political consequences.

The Board has decided that with only two members, it must suspend making all casehandling decisions. In this regard, the Board acted consistently with previous Boards when this situation has developed. In order to avoid the extremely adverse consequences which would have occurred if injunctive relief could not have been authorized to stop some of the most serious unfair labor practices, the three-member Board delegated its authority to the General Counsel to authorize such injunction proceedings. This occurred just before the end of the term of former member John N. Raudabaugh.

However, decision making in all other casehandling matters has been suspended because there are only two members on the Board. Regional Directors under delegation from the Board continue to have the authority to issue decisions directing elections which are conducted to determine if a union is to represent an employer's employees. However, the employer, union or employee parties to these cases have the right to file with the Board, a Request for Review of the Director's decision. During this period when the Board has only two members, it has permitted elections to be held in these cases, but the ballots are impounded, no vote count is taken, and the results of the elections are not announced. Thus, a resolution of the question of whether or not employees are going to be represented by a union and, consequently, whether or not an employer has to bargain with

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John Podesta, Assistant to the President and
Staff Secretary
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the union are left unresolved until a three-member Board can act on the Request for Review. These elections, of course, are of great significance to the employees, the union and the employer involved; leaving their relationship in such an uncertain state for any significant period of time will not only create instability in the workplace but may also delay the commencement of collective bargaining. It is this function of the Board, more than any other, which in my view will result in significant public reaction should the Board not have a quorum for more than another week or two.

Additionally, those significant and serious unfair labor practice cases where it is necessary to petition for contempt of a Circuit Court decision, are authorized by the Board. The Board has not yet spoken on the question of whether or not it will continue to authorize the filing of petitions for contempt in the absence of a third member. However, should the Board direct the filing of such a petition, undoubtedly the case would be compromised and delayed by a challenge to the Board's current authority to take such case action.

A similar situation exists with regard to the approval of formal settlements in which the party which had filed the charge of unfair labor practices refuses to enter into the settlement of the case. These settlements involve some of the most serious unfair labor practices and often are based on charges filed against repeat violators of the National Labor Relations Act. Formal settlements are effectuated by the issuance of a Board Order and a Judgment of a U. S. Circuit Court. Should the two-member Board approve such a settlement, issue an Order and seek Court Enforcement of that Order, the propriety of such actions by the Board would be open to challenge by the objecting charging party who may attempt to prove them to be invalid. A delay in the approval of a settlement, will delay the commencement of the remedy which usually involves back pay, offers of reinstatement and other matters to restore the status quo ante.

Prior to the departure of Member Raudabaugh, the three-member Board made a sustained and successful effort to decide many unfair labor practice complaint cases. As a result, the Board is more current, with respect to such cases, than it has been in many years. Under these circumstances a delay of a month or two would not likely create any crisis in the unfair labor practice area.

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Finally, it should be noted that a particular representation case, contempt matter, formal settlement or unfair labor practice case will be presented where prompt action by the Board would be in the public interest. Depending upon the nature of the situation the public outcry over the inability of the Board to act, may be significant. I believe that the accumulated delay of action in these areas should be avoided if there is any practical way to bring the complement of the Board members to three. I believe it would be most beneficial if this could be done in no more than two weeks so that the Board can resume issuing decisions in all of these important areas of labor-management relations law.

Please let me know if any further information would be helpful.


Daniel Silverman

cc: Richard Socaredes

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Howard Shapiro

Fax Number:

^{FAX} Phone Number: 324-6856

FROM: JOHN PODESTA

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet): 2

MESSAGE: Please get back to Podesta or
Todd Stern

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

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**DRAFT PRESS STATEMENT FOR
THE PRESIDENT (12/9/93)**

In the ongoing struggle against the Mafia and other international crime syndicates, the United States renews its pledge of solidarity with and support for the government and people of Italy.

Organized crime is a scourge that has exacted a terrible toll in both our nations -- a toll in lives ravaged by narcotics, brutalized by violence, destroyed by murder.

The government of the United States, like the government of Italy, is committed to fighting back, to reclaiming our streets, and to punishing those whose criminal conduct tears at the fabric of our societies and threatens the lives of our citizens.

Accordingly, I am directing the Department of Justice and the Department of the Treasury to do all they can to strengthen the cooperation between American and Italian law enforcement.

As evidence of our resolve, Louis Freeh, Director of the Federal Bureau of Investigation, and Ronald K. Noble, Assistant Secretary for Enforcement in the Department of Treasury, will go to Italy December 11 and 12 for high-level meetings with Italian authorities to discuss new steps we can take to combat organized crime.

Director Freeh and Assistant Secretary Noble will speak on December 12 in Palermo on these joint law enforcement efforts. They will underscore the debt that we and all nations owe to Judge Giovanni Falcone -- the courageous jurist murdered while leading the fight against the Italian Mafia -- and to the scores of other brave Italians who put their lives on the line every day in the battle against organized crime.

The United States government was pleased that we were able to assist Italy in the search for Judge Falcone's murderers. FBI laboratory experts facilitated the processing of DNA evidence at the crime scene in Sicily. Their help proved to be a crucial factor leading to the recent filing of charges against a large number of suspects.

Director Freeh will also carry our message of commitment and cooperation to Italian law enforcement officials. Their sustained and determined assistance has helped American law enforcement officials to make real and tangible progress against the Mafia in the United States.

Needed: A Budget Policy

By HERBERT STEIN

We are entering a new federal budget cycle, as the administration works on the budget it will submit in January. This will initiate another round of discussion in Congress and among the public. It will be an opportunity for the administration and the rest of us to raise the level of thinking about what the standards, objectives and procedures for dealing with a budget of \$1½ trillion should be. Certainly the administration should be able by then to approach the subject in a more mature way than it did when it presented a budget just after entering office.

We used to have a standard: a balanced budget. Then for a while we seemed to have a standard that the budget deficit should be big enough to keep the economy at full employment. At times I thought we were approaching a standard that seemed to incorporate the best of both these ideas—the standard of balancing the budget as it would be at full employment. That is all gone with the wind.

Past Practice

I do not think one will find anywhere a statement of what our present policy is, but one might deduce something like this from the practice of the past dozen years:

The American people do not insist that the budget be balanced. They do, however, like to think that they and their representatives in the government are on the side of balancing the budget. So our representatives follow a policy that is sufficient to make their constituents believe they are for balancing the budget, or at least substantially reducing the deficit, while imposing the least possible visible pain in the form of higher taxes or lower government benefits.

Out of this we get five-year deficit-reducing programs—Gramm-Rudman I, and Gramm-Rudman II, and the 1990 Budget Package and the 1993 Budget Package. But these programs do not contain any commitment to specific revenue or expenditure decisions that would yield the promised result. About halfway through the five-year period it becomes apparent that the budget is far off the promised path. Then our representatives do the whole thing over, assuring voters that they really are on the side of the balanced budget. We will probably be ready for another dose by the end of 1995.

This may not be the worst of all possible policies. It does, of course, leave deficits that almost everyone thinks are too big. But, contrary to many fears, the deficits did not prevent recovery from the deep recession of 1981-82 and apparently are not preventing recovery from the mild recession of 1990. They did not prevent a consid-

erable reduction of the inflation rate. And the public seems to be satisfied, or at least not so dissatisfied as to turn out of office the governments that behave like that.

But I do not believe this is a good way to arrive at the size of the deficit. It leaves us constantly in the position of failing to achieve what we constantly say is a high-priority objective—namely to balance the budget or greatly reduce the deficit. That persistent failure and hypocrisy cannot be good for the national morale. The present mode of behavior about the budget provides no basis for confidence that we will not yet run into deficits of a size and duration that will be seriously damaging to the economy. And even if the present policy does conform to the public's preferences, no one can deny

Board of Contributors

Simply to reject the budget-balancing amendment is not enough. We should also recognize the risks of our lack of a standard and try to formulate something better.

that the public's preferences on this subject are terribly ill-informed.

Decisions about the deficit are made without any attempt even to describe what the consequences of the decisions might be. For example, earlier this year President Clinton proposed a \$500 billion deficit reduction package. He never explained why it was \$500 billion rather than \$250 billion or \$750 billion. He never tried to tell us what the benefits of a \$500 billion package might be and what the costs of the tax increases and expenditure cuts needed to bring about the \$500 billion deficit reduction might be. Nor did he try to tell us why he thought that the benefits would equal or exceed the costs.

I do not think such questions were ever raised in Congress. Five hundred billion dollars seems to be accepted as the size in which deficit reduction packages come these days—big enough to look serious but not so big as to seem outlandish. If it is true that the American people at least tolerate what is going on, it is also true that they don't have the faintest idea of the consequences—and neither do most of their decision-makers in the government.

There are people who will say that we can and should establish a policy of continuously balancing the budget. A proposal for a constitutional amendment to enforce that will come up again, for the umpteenth time, next year.

The arguments against the balanced budget amendment are clear and strong:

1. Requiring the budget to be balanced each year would be destabilizing to the budget and possibly also to the economy.
2. Even requiring the budget to be balanced in the long run may be inconsistent with other national objectives.
3. There are many definitions of "the budget," and no one knows which is the one that should be balanced, if any.
4. The discipline sought through a balanced budget amendment can be evaded by extrabudgetary devices, like mandates, that can affect the allocation of output and the distribution of income much as budgetary expenditures and revenues do.
5. How the requirement of a balanced budget would be enforced on the president and Congress is unclear.

6. Many issues that should be decided in the political process would be forced into the courts.

7. Anyway, the whole thing is a big cop-out by politicians who want to be known as budget-balancers but do not want to do the specific things that are required to balance the budget.

But—when all that is said one still has to ask the old question. Compared to what? Do those who, like the president and me, oppose the amendment have a better alternative?

The earlier postwar standards, whether fine-tuning or full-employment balance, were aimed at the concern of an earlier period, which was mainly for the stability of the economy. Now we know that the budget deficit or surplus has other objectives to serve. Today we need a standard that reflects our present concern with the growth of the national income and its allocation among uses and persons, of this generation and future ones.

Four years ago I wrote a book, "Governing the \$5 Trillion Economy," in which I tried to describe a way of thinking and a procedure that would yield a budget deficit or surplus reflecting explicit consideration of real costs and benefits, and without a prior assumption that the optimum size of the deficit is zero. Other economists, including Laurence Kotlikoff of Boston University and Robert Eisner of Northwestern, also have developed more functional standards of budget policy, al-

though their proposals differ from mine.

My purpose here is not to plug my proposals for a budgetary standard, or anyone else's. My point is that simply to reject the budget-balancing amendment is not enough. We should also recognize the risks of our present standard, or lack of a standard, and try to formulate something better.

Sometimes when I have tried to direct the attention of people to the need for a budgetary standard they have replied, "Oh, yes, that's very interesting, but we know what the main problem is, which is to reduce the deficit, and we don't want to distract attention from that by bringing up longer-run and more general considerations." The fact is, however, that we are not balancing the budget or reducing the deficit very much. The notion of balance first and standard later is mistaken. Balancing the budget is a flag that everyone feels obliged to salute but no one feels obliged to follow. Probably we will not make headway toward balancing the budget, if that is the desirable goal, until we can show how that is required by some general policy whose practical utility we can understand and explain.

A Functional Standard

The idea of establishing a functional standard of budget policy is obviously not high on the national agenda. One cannot expect the administration to push it. Administrations do not like sophisticated budget standards that can serve only to limit their freedom of action. President Reagan and President Bush did support the balanced budget amendment, but I think that was less a limit they expected to live with than a way to get gold stars with a fraction of the voters while fastening blame for deficits on Congress.

If the way we think about deficits and determine their size is to be substantially changed, the initiative will probably have to come from outside the government. That would not be unusual. Much of the impetus for reform of federal budgeting in the past has come from the private sector, starting with the drive for an executive budget more than 80 years ago. We may yet get tired of our five-year budget packages that start without principle and end without result, and also of our biennial wrestle with that attractive nuisance, the balanced budget amendment, and get down to serious thought about how to make budgetary decisions that serve today's real national objectives.

A former chairman of the president's Council of Economic Advisers, Mr. Stein is an American Enterprise Institute fellow.

THE WALL STREET JOURNAL MONDAY, NOVEMBER 29, 1993

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THE PRESIDENT HAS SEEN
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Chicago Street Gang Study Shows Fearful Toll of Powerful Weapons

By Edward Walsh
Washington Post Staff Writer

CHICAGO, Nov. 28—Urban streets are growing steadily more deadly each year from gang violence because of the proliferation of high-powered weapons that gang members are using to settle their disputes, according to a study of this city's gangs that was released today.

According to the study conducted for the Justice Department's National Institute of Justice, between 1987 and 1990 the annual number of gang-related murders almost doubled, from 51 to 101, at a time when other violent but nonlethal incidents motivated by gang membership declined slightly. Gang killings involving automatic, semiautomatic and heavy caliber (.38 caliber or greater) weapons almost tripled, from 24 in 1987 to 70 three years later.

"Virtually the entire increase in the number of street gang-motivated homicides seems attributable to an increase in the use of high-caliber, automatic or semiautomatic weapons," concluded the study's authors, Chicago researchers Carolyn Rebecca Block and Richard Block.

That conclusion is likely to bolster the growing chorus of demands by big-city mayors and police chiefs for tougher gun control laws and an outright ban on automatic and semiautomatic weapons to stem the explosion in urban violence. The Senate-passed version of new crime legislation includes a ban on several automatic and semiautomatic weapons, although it is not clear it will survive in a final version of the measure.

But another finding of the study called into question the widespread assumption of a strong link between illegal drug traffic and urban street gang violence.

The authors said that of the 288 gang-related murders in Chicago between 1987 and 1990, only eight involved drugs. "The connection between street gangs, drugs and

homicide was weak and could not explain the rapid increase in homicide in the late 1980s," they said.

Moreover, according to the study, turf battles, especially among small gangs operating in restricted territory, were more likely to lead to murder than drug trafficking. "The most lethal street gang hot spot areas are along disputed boundaries between small street gangs," the study said.

William Davis, a spokesman for the Chicago Police Department,

The link of gangs, drugs and homicide was weak, the study found.

said the study's findings on the increasingly deadly nature of confrontations between gang members armed with sophisticated weapons "is consistent with what we've been seeing in Chicago as well as nationally." Through October of this year, Davis said, the total number of homicides here was 708 compared with 816 during the first 10 months of 1992. The number of gang-related murders, however, increased to 109 from 104 a year ago.

"While homicide and violent crime are down here and across the country, shootings are up as are the number of youthful offenders and victims," he said.

Davis, however, disputed the study's suggestion that "turf battles" rather than drugs were the primary source of most gang-related murders. "Gang turf jibes not only with gang territory, but with drug territory," he said. "The principal source of income for street gangs is narcotics. A lot of turf battles are driven by drug markets."

In a telephone interview, the husband and wife researchers from

recent studies of gang violence in Los Angeles also found a weak link between street gang murder and drugs. "If you talk to people in the neighborhoods, they've known this for years," said Carolyn Block, senior analyst with the Illinois Criminal Justice Information Authority. "A lot of people think gangs and drugs. It's the same word."

But Block said that while competition for urban drug markets leads to violence, "once it is settled, then you don't have the violence anymore because violence is bad for business." As for the more deadly turf battles involving "the grandeur of the gang, their togetherness, the family feeling of the gang," she said, "this goes back to the Irish gangs in some of the same neighborhoods of Chicago. . . . This is not a new thing."

In a description of two Chicago neighborhoods, the study contrasted the tight control exercised by the Vice Lords, one of the city's largest and oldest black street gangs that is heavily involved in drug traffic, with the violent competition among newer, smaller Hispanic gangs.

"West Side gangs knew which neighborhoods were under the Vice Lords' control and infrequently challenged that control," the study said. "In contrast, battles between rival street gangs were a regular occurrence in the expanding Mexican neighborhoods on the Southwest Side. Thus, symbolic 'face maintenance,' graffiti contests and violent territorial defense actions were relatively frequent in street gangs more threatened by competition."

The study said efforts to reduce violence among gang members should recognize such differences. "For example," it said, "a program to reduce gang involvement in drugs in a community in which gang members are most concerned with defense of turf has little chance of success."

THE PRESIDENT HAS SEEN

12-9-97

Blood

X

China's Dangerous Arms Exports

America's relations with China are at a familiar crossroads. Commercial interests encourage us to choose the path of cooperation: Our companies want an "open door" to the China market. Yet strategic and foreign policy considerations lead us to the path of confrontation: China's open door has proven to be more of a revolving door, with the inflow of U.S. high technology into that country being matched by an outflow of sensitive weapons-related goods to hot spots around the world.

Since America has never achieved either full market access or full strategic accommodation with China, our diplomats have traditionally pursued what they believe is a pragmatic middle ground, an approach perhaps best summarized by Yogi Berra, who said, "When you come to a fork in the road, take it."

For a long time, we could afford to do this, but no longer: China's exports are jeopardizing vital U.S. interests and the very foundations of world order.

On the surface, China has been trying to end its global isolation on nonproliferation issues: It has pledged itself to adhere to international missile technology controls, signed the Chemical Weapons Convention, acceded to the Biological Weapons Convention, joined the Nuclear Nonproliferation Treaty (NPT) and pledged not to be the first to use nuclear weapons. China claims to favor the negotiation of a global ban on nuclear testing, and it requires safeguards on its civilian nuclear exports.

But despite the restraint that is supposed to come from generous U.S. trade privileges and from China's participation in international nonproliferation regimes, the evidence tells a different story. The gap between China's commitments and its practices continues to grow as fast as the U.S./China trade deficit. For example:

■ **Nuclear Energy and Weapons:** China still has not met nonproliferation standards governing U.S. nuclear cooperation with that country. It is the only country still testing nuclear weapons, and it continues to cooperate with Iran and such non-NPT countries as Algeria and Pakistan. An arms control compliance report submitted by President George Bush in January 1993 concluded that China "had [before acceding to the NPT] assisted Pakistan in developing nuclear explosives" and that the "United States has continuing concern regarding such assistance since China's accession."

■ **Missiles:** China appears eager to export its mobile, nuclear-capable "M series" missiles to the Middle East and South Asia. Its apparent transfers of this technology to Pakistan have twice resulted in U.S. sanctions, and China is reportedly developing new cruise missiles with countries in the Middle East.

■ **Chemical Weapons:** Despite the recent inability of inspectors to detect chemical weapons precursors on a Chinese freighter bound for Iran, China is believed to be engaging in illicit exports of such materials to the Middle East.

■ **Biological Weapons:** President Bush's January 1993 arms control report found that "it is highly probable that China has not eliminated its biological weapons program since becoming a party to the Biological Weapons Convention in 1964."

■ **U.S. Weapons Technology:** China has reportedly acquired U.S. Stinger and Patriot missile technology. George Carver, a former deputy CIA director, was once quoted saying that "in 1988, the Chinese blossomed forth with the neutron bomb, which was made from data stolen from U.S. research centers."

■ **Conventional Arms:** China has bought large



amounts of arms from Russia and Israel, sold large amounts to Iran and Pakistan, expressed an interest in exporting fuel-air explosives and has just increased its defense budget.

■ **North Korea:** Last April, China (joined by only Libya) voted in the International Atomic Energy Agency against referring North Korean safeguards violations to the U.N. Security Council.

When a major power disregards the rules of the nonproliferation game as China has, either the world community reaffirms the rules or the global regime loses.

What should be done? First, this country needs to clarify its priorities: We must modify our foreign, defense and export control policies to ensure that security interests take precedence over the pursuit of quick profits.

Second, world public opinion remains a potentially powerful ally against weapons proliferators. More effective than moralistic lectures, public disclosure of facts helps revitalize national efforts to strengthen export controls and sanctions.

Third, no free ride for free traders in deadly arms. The United States should not routinely grant most-favored-nation trading status to any country that flouts its nonproliferation commitments.

Fourth, encourage all countries to withhold transfers of investment capital and high technology from nations that do not abide by such commitments.

Fifth, put China's much-touted support for universal, nondiscriminatory standards to a test: Let us jointly pursue a global ban on the production of separated plutonium or highly enriched uranium for any purpose.

Sixth, seek support in the world community for condemning any country that tests nuclear explosive devices.

Seventh, maintain our de facto moratorium on exports of space launch vehicles and related technology, given the ease with which such goods can be diverted for missile uses. Expand efforts to offer low-cost space launch services to the world community.

China is testing not just nuclear devices but the commitment of the international community to nonproliferation. As an architect of the concept and the regime around which it is built, the United States must rise to this challenge. This is the real China test.

The writer is a Democratic senator from Ohio and a member of the Armed Services and Intelligence committees.

New Lives for Nuclear Labs

By Hans A. Bethe

For half a century, the U.S. has led the world in creating new scientific knowledge, inventing new technology and educating scientists and engineers. But now America's basic research is in crisis.

The crisis has its roots in the end of the cold war and the resulting reduction in the demand for military technology, and in the shortsighted misconception that Government and corporations should support only research that promises a quick payoff for taxpayers and stockholders.

Today the nation has an opportunity to redirect its huge investment in nuclear weapons laboratories toward research aimed at problems that we are sure to face but that universities and private industry do not have the resources to address.

The labs — Los Alamos, Liver-

Hans A. Bethe, emeritus professor in physics at Cornell, won the Nobel Prize in Physics in 1967.

more, Sandia — are organizations of unrivaled technical power. They employ a large number of highly skilled scientists and engineers and have unique, sophisticated facilities. Most of their employees are eager to turn their talents to nonmilitary problems. They are thus ideal for applied research, which must be strengthened if the U.S. is to be competitive.

The labs have already begun moving in this direction by tackling problems of interest to industry. But a huge lab like Los Alamos cannot live long on outside jobs that arise haphazardly; it must have steady support from the Government for a long-term civilian objective to replace the role played by nuclear weapons.

How to determine suitable goals for the labs? A Presidential task force, appointed in consultation with Congress, should be created to answer this question. Its members ought to be drawn from industry, academia and, most important, the labs themselves, because it is essential that their workers' enthusiasm be tapped.

The labs could develop new technologies to free us from our dependence on fossil fuel, especially for road transport. They could work on designing

cells in which liquid fuel is directly converted into electricity to drive engines, greatly increasing efficiency and decreasing pollution. Another project would be high-temperature superconductors for industry. Micro-robotics could be very useful in medicine. A project underway uses supercomputers to ease traffic congestion.

Harness their power for civilian technologies.

Once a general plan has been approved, the lab should be left largely to itself, without the micromanagement from Washington that has become endemic and stifles creativity.

The plan should lay to rest the misguided if well-intentioned effort to divert funds from basic long-term research toward short-term applied research.

The National Science Foundation

has been under increasing Congressional pressure to channel some of its relatively modest resources toward applied research, even though it incorporate leaders on last week's Commission on the Future of the National Science Foundation opposed such a move.

When the foundation was created in the 1950's, it was understood that pure research is the basis from which the most important and unexpected inventions flow. It is the only way to ensure a steady flow of new ideas whose primary purpose is to support basic research and the training of research scientists and engineers. Basic research is indispensable: nobody in the 1950's could have anticipated lasers and magnetic resonance imaging, which have found multiple applications.

New scientists and engineers are best trained by doing basic research, and such training is indispensable for applied research. An understanding is needed that scientists pursuing basic research cannot speed with bureaucratic precision when and how they will attain their goal. A long-term plan for applied research, early conversion of the labs would provide a steady dividend.

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THE PRESIDENT HAS SEEN

12-2-93

THE WHITE HOUSE
WASHINGTONDATE: 12/19
NOTE FOR: Mack McLarty, Leon Panetta
Bob Rubin, Joe Velasquez

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

Information ☒Action ☐

This cover note accompanied
Bob's memo on DSHA reform
which we sent to the
President at around
1:15pm. Todd

Thank you.

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


cc:

THE WHITE HOUSE
WASHINGTON

December 9, 1993

MR. PRESIDENT:

Attached is a memo from Bob Rubin on OSHA reform that is timely in view of your meeting tomorrow morning with Lane Kirkland.

Here is the basic state of play. There have been a number of meetings on OSHA reform, with all policy offices (NEC, DPC, OMB, CEA, OVP) involved, as well as the Legislative and Political shops. Everyone is on board with the text of the attached draft letter from Bob Reich to Senator Kennedy and Rep. Ford endorsing the principles -- though not all the specific provisions -- of the pending Kennedy-Ford bills.

Approve [] Disapprove [] Discuss []
letter

There is a range of views on where you should position the Administration on the Kennedy-Ford bills in your meeting with Kirkland. **The general consensus is that you should tell Kirkland that we are committed to working with him and Kennedy to get a strong bill next year.** You should, on the one hand, avoid endorsing the specific text of the Kennedy-Ford bills; but, on the other, avoid the kind of formulation -- e.g., that the Kennedy-Ford bills are a "good start" -- that Kirkland would interpret as a lack of support.

John Podesta^{ns}
Todd Stern^{ns}

(over)

THE WHITE HOUSE
WASHINGTON

December 9, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: JOHN PODESTA

SUBJECT: Call to Danforth on Mort Halperin Nomination

Some time ago, Senator Danforth's Leg. Director told Mort Halperin that Danforth was prepared to support Halperin publicly once he had an opportunity to talk to you. In particular, he wanted to talk about telecommunications policy and about being part of a dialogue with the Administration on those issues. I understand that you have now talked with the Senator about telecommunications matters, so I think it would be a good time for you to ask Danforth to come out in favor of Mort.

The following are suggested talking points for a phone call to Danforth:

- The President and I are both personally committed to Halperin nomination, as is Les Aspin. We would very much appreciate your public support for Mort's nomination.
- I have known Mort for many years and consider him to be a pragmatic foreign policy professional who could make a real contribution to our effort to think through the role of the United States in the post-Cold War world.
- Your public support for Mort is especially important now because it would pave the way for other Republicans -- who may be reluctant at this time to challenge Senator Thurmond -- to support him publicly.
- Your support for other nominations has been noticed and appreciated. We hope you will be willing to help again in light of yet another unfair attempt at character assassination.

cc: Jack Quinn
Goody Marshall

THE WHITE HOUSE
WASHINGTON

DATE: 12/8

NOTE FOR: *Sylvia Matthews*

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

Information ☐

Action ☒

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

December 6, 1993

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT E. RUBIN *smr*

SUBJECT:

Follow-up on Articles and Other Matters

1. "NAFTA: An empty victory?," Paul Krugman, U.S. News and World Report.

Krugman says that the argument for free trade is not job creation through trade surpluses, but instead, higher standards of living through each country producing in its own areas of comparative advantage and then trading with each other. I think Krugman is correct, over the long term, but that is different than the argument we made for NAFTA, and more difficult to explain and sell. The NEC, led by CEA, is working on trade strategy, and we will make sure that George and David are involved in helping us think about how the Administration should communicate about trade.

2. Carl Spielvogel letter. Instead of a trade Ambassador to APEC, as Carl suggests, I believe that we need an aggressive export strategy focused on Asia, and we will work with Commerce to accomplish this. As an aside, the uncertainties that issues like MFN and POW/MIA raise, deter businesses from investing in export strategies with regard to the affected countries.

3. "Danger Seen in Falling Jobless Rate," Frank Swoboda and John Berry, Washington Post. While it is almost always impossible to check on unattributed quotes, a coincidence of events occurred which gives me reason to be relatively certain that Larry Summers did not leak this story.

4. "Government Has Massive Pension Fund Shortfall," David Vise, Washington Post. The Post article was inspired by the Pension Benefit Guaranty Corporation's (PBGC) publication of its annual list of the 50 corporations with the most unfunded pension plans. The thrust of the story is that "the government shouldn't make us fund our pensions, because its pensions are much more underfunded." This makes little sense, except as rhetoric. No matter what the government's own situation, as guarantor of private pensions, the government has an obligation to get the private sector to reduce underfunding. The private sector can accomplish this **either** by cutting back on benefits or by putting away assets into trusts available only to pension plan beneficiaries. (On September 30, the Administration submitted legislation to require increased funding as well as increased premium payments to be paid to the PBGC by underfunded plans.)

Handwritten notes:
I need to get a memo to the President about this. I need to get a memo to the President about this. I need to get a memo to the President about this.

As to the government's pension, the retirees are protected by the on-going existence of the government, and the government pays on a current basis. Whether or not this is optimal, versus funding, is interesting but probably irrelevant, given fiscal realities and the way this has been done from the beginning.

5. GATT: You had sent a number of articles on GATT issues, and those were submitted to the interagency working group and the relevant agencies.

6. The interagency process on Superfund is progressing well, under the aegis of Bo Cutter and Katie McGinty, though internal closure may not be achievable on all issues.

REVISED

THE WHITE HOUSE

WASHINGTON

93 DEC 8 16:26

December 8, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Linda Moore, Political Affairs

SUBJECT: December 7th Special Election for Michigan's Third Congressional District

I. SUMMARY

State Senator Vernon Ehlers (R) won a special election yesterday for the seat in Michigan's Third Congressional District.

II. DISCUSSION

Ehlers won with 67% of the vote, followed by attorney Dale Sprik (D) with 23% of the vote and Perot supporter Dawn Krupp (I) with 10% of the vote. The seat was previously held by Representative Paul Henry (R), who succumbed to brain cancer earlier this year. The Third C.D. is a traditionally Republican district.

*She said this
Congress note*

A Broad Plan for Safe Streets ✓

"The first task is to reclaim the streets."

Those words are as true today as they were three years ago, when they first appeared on this page. The question is how a new administration in New York City will approach a persistent problem, and answers are starting to come from Rudolph Giuliani and his police commissioner-designate, William Bratton. In contrast to David Dinkins, who focused on expanding the Police Department, the Giuliani-Bratton team seems intent on changing the department's tactics: more civilians to free uniformed cops for patrol. More street-level drug busts. More protection for schools. More accountability from police commanders. And more attention paid to quality-of-life intrusions, like uninvited windshield washing.

It's difficult to assess the coming administration's emerging anti-crime plan until it's more fully revealed, and integrated with related social policies. Policing is much more complicated than announcing bits of micro-strategy at news conferences and in interviews. Still, the new team has begun to send clear signals about its priorities, and while we do not agree with each technique, the clear emphasis on making New Yorkers feel more secure is valid. If it is part of a balanced strategy on crime-fighting that makes prudent use of limited resources, it is bound to improve the morale of citizens and officers.

In line with Mr. Giuliani's concerns, Mr. Bratton signaled last week that he wanted to attack low-level infractions, like "squeegee men" washing

windshields. He believes a squeegee crackdown is not petty, says Mr. Bratton, because "it's that type of activity that is generating fear."

That's a message many New Yorkers will welcome. Establishing a feeling of security, under firm, professional law enforcement standards, is a reasonable police function. Similarly, a systematic attack on serious felonies is an essential one. Most serious crimes dropped during the Dinkins years. But people have not felt safer. Nuisance offenses touch many people, and as Mr. Bratton suggested, threatening behavior — real or perceived — can be truly frightening. The city's traffic laws prohibit unsolicited windshield-washing, and a recent two-month crackdown on squeegee-wielders in Manhattan showed that enforcing the law was a deterrent.

Stepping up street-level drug arrests is another approach favored by the Mayor-elect and Mr. Bratton. Mr. Giuliani said just yesterday that this would also get more guns off the streets. We have cautioned against an overemphasis on street arrests because they don't stop drug dealing so much as move it around. But they can give communities temporary relief, and any new city administration deserves a chance to test its own techniques of crime-fighting.

If such tactics fit in a comprehensive strategy that attacks both the demand and supply side of serious crime, emphasizes more police doing real police work and includes an unrelenting gun-control effort, the Giuliani-Bratton team may succeed in reclaiming New York's many sad streets.

Try This Deal on North Korea ✓

A new U.S. intelligence estimate predicts that diplomatic efforts will fail to coax North Korea into allowing international inspectors into its nuclear sites. But there is no way of knowing that without giving diplomacy a chance.

Last Friday, Pyongyang said it would open several of its nuclear sites to inspection, but not its reactor, reprocessing plant and waste sites at Yongbyon. Access to the Yongbyon sites would depend on negotiating a package deal with the U.S.

Before resorting to tougher measures, the U.S. could offer an equitable deal aimed at heading off a confrontation caused by North Korea's threat to withdraw from the Nuclear Nonproliferation Treaty. That would be in America's and its allies' best interests.

Before its overture on Friday, North Korea had been willing to allow the International Atomic Energy Agency to check the seals and replace the film in cameras monitoring its nuclear sites. These measures are designed to safeguard nuclear fuel from being diverted to bomb-making. But it had refused to allow full inspections of those sites, the best way to prevent diversion.

Now, however, Pyongyang is prepared to open several sites unilaterally and then negotiate access to the Yongbyon sites. In the words of North Korea's Atomic Energy Ministry, "the routine and ad hoc

inspections . . . will be resolved one by one if further high-level talks will make progress and if further consultations with the agency will be held."

The present U.S. position is that before high-level talks resume, the North must first allow I.A.E.A. access to its nuclear sites and begin bilateral talks with South Korea. North Korea does not want to move first. Instead, it hopes to negotiate a package deal involving simultaneous concessions.

How might such a deal unfold? First, just as I.A.E.A. inspectors are visiting the reactor at Yongbyon, North-South and high-level U.S.-North Korean negotiators would meet. The U.S. and South Korea would inform the North of cancellation of their Team Spirit military exercises.

The U.S. could then propose a broader package deal. In return for full access to all sites, and an end to North Korea's missile sales, the U.S. could offer diplomatic recognition, reassurance on U.S. nuclear arms, a light-water reactor for the North to generate nuclear power, and negotiation of a peace treaty formally ending the Korean War. That would open the way to Western aid and investment and a lowering of barriers to trade.

North Korea could be stalling. Or it may genuinely wish to trade away its nuclear program for other benefits. The only way to find out is to probe diplomatically — by offering an enticing deal.

Try - what's your reaction to this -

*Buy what's your
reaction to this
it's interesting (minds)*

TUESDAY, DECEMBER 7, 1993 A25

William S. Cohen

Expand NATO Step by Step ✓

NATO foreign ministers recently balked at deciding on how to carry out a delicate construction project: building an addition to the Alliance to shelter NATO's eastern neighbors while not arousing the hibernating bear from which they seek refuge.

In its initial effort to resolve this dilemma, the Clinton administration recently proposed that NATO negotiate bilateral "Partnership for Peace" contracts with non-NATO countries in Europe. Individualized to each country's circumstances and prospects, such contracts would link a plan for increasing security cooperation to specific actions to bring the country's defense institutions under legitimate civilian control and render them compatible with the NATO model.

Although supported within NATO, the administration's proposal has not been well received by those for whom it was designed. Warsaw, Prague and Budapest view it as inadequate to guard them from a resurgent Russia. Moscow views the proposal as another Western effort to encircle it and demands equal access to the NATO hearth.

While the Partnership for Peace proposal is a useful mechanism, it should be pursued as part of a broader strategy to assuage the mutually reinforcing suspicions of Moscow and its former satellites.

NATO should clearly state that no European country will be excluded out of hand from the prospect of Alliance membership. But before any country is considered for it, genuine institutional and societal reforms must occur, including establishment of a stable constitutional democracy in which the rights of minority nationalities are protected. It is important not to rule out Russian membership now and forever, since to do so would seriously exacerbate Moscow's already acute sense of isolation. But most observers expect only the Central European countries to qualify for consideration during the next decade or so. And recent political developments in some of these countries show that it is not a forgone conclusion that even they would qualify.

The Alliance also should change the terms of the debate over NATO expansion to recognize that its working structure consists of several dozen major committees, agencies and other institutions. From this perspective, integration of former adversaries poses far fewer problems and offers many more advantages than is evident from the simplistic debate over whether countries should jump the wide chasm to full NATO membership.

Eastern countries already participate on a limited basis in a few of NATO's civilian and military institutions under the aegis of the North Atlantic Cooperation Council (NACC). All of the countries of the former Warsaw Pact, including all countries of the former Soviet Union, are members of the NACC. But each chooses, based on its interests and abilities, whether to accept NATO's invitations to participate in activities of NATO's science, environmental, airspace control and other programs.

Thus the NACC already has established a natural "differentiation," to use the term for the 1970s policy of treating Moscow's East European satellites on an individual basis. While the NACC was initially a hand-holding forum in which to ease concerns resulting from the collapse of the Pact, it has moved on to practical, concrete cooperation through the activities of NATO's working institutions.

Rather than "growing" NATO eastward immediately, we should build on this good start by growing selected NATO institutions into NACC ones and opening up certain others to countries meeting appropriate conditions. This would help those countries capable of it to grow into NATO step by step, give them a more secure place to anchor during the transition period, and minimize concerns of those unlikely ever to qualify for full membership that NATO is seeking to isolate or exclude them.

This would not require new bureaucracies but would merely allow any NACC country to become as fully engaged as it desires in such NATO institutions as the science, environmental and European airspace control programs, including formally joining the committees that oversee them and contributing to the international staffs that operate them. Russians, Ukrainians, Poles, Germans, Americans and others would work side by side in NATO headquarters, slowly building the familiarity, shared experience and unity of purpose that is one of the most valuable benefits of NATO structures.

Countries making the greatest progress in developing political and military institutions compatible with those of NATO nations could participate in and later join such NATO military institutions as the logistics planning and civil emergency planning programs.

Instead of a bright new line separating the elect from the damned in Europe, there would be multiple, crisscrossing lines defining participation and membership in NATO institutions, with no one fully excluded and eastern countries playing a significant role in determining where the lines are drawn.

The result would be a graduated approach to NATO membership. Within a decade, some countries would be functionally integrated into NATO to a significant extent. At that point, crossing the threshold of membership would be easier, even natural and inevitable for these countries and thus less objectionable to those in both the West and East who are now skeptics. The West should make haste to extend the benefits of its security institutions to its former adversaries. But the political paranoia and instability that abound in the East dictate that we must do so slowly.

The writer is a Republican senator from Maine.

On Congress's Home Front, Faith That All Politics Is Indeed Local

By CLIFFORD KRAUSS

MELBOURNE, Fla. Dec. 5 — The Congressman knocked at the door of Everett Quint, a 64-year-old retired cabinetmaker.

Mr. Quint peered through the crack and immediately recognized Representative Jim Bacchus. "I know how you voted on Nafta!" Mr. Quint growled.

"I think you'll think about it differently a year from now," Mr. Bacchus said with a smile.

"I don't think so," Mr. Quint snapped back.

Welcome to the other side of Congress, the home front far from the marble stairways and ornate caucus rooms where legislative deals are struck. After adjourning in a blaze of headlines last month, most representatives headed home, not for a break but to plunge into the kind of meat-and-potatoes service to constituents that often has more to do with a lawmaker's political success or failure than a vote on a highly contentious bill.

On Saturday, Mr. Bacchus, a Democrat and an earnest man who neither smokes nor drinks nor plays sports, gathered up a dozen supporters for a visit to Sherwood Forest, a sun-splashed neighborhood in this conservative, largely Republican city on Florida's Space Coast. They were on a food drive for a local soup kitchen and homeless shelter. On other of Mr. Bacchus's "Citizen Saturdays," he and his group have built ramps for the disabled to watch liftoffs at the Kennedy Space Center and marched for breast cancer research.

Many officeholders count on local actions, like cutting through red tape for a veteran or interceding with the Small Business Administration on behalf of a local company, to heal wounds caused by the larger issues in Washington.



The New York Times

A Democrat finds mostly Republicans around the Melbourne area.

This is particularly true for Mr. Bacchus, a second-term Congressman who supported President Clinton on the budget and the North American Free Trade Agreement despite overwhelming mail and phone calls urging him to vote the other way.

One by One

"The campaign never ends," said the 44-year-old Congressman, who came to politics as a political reporter for the Orlando Sentinel. "I'm in the district in which Bill Clinton got the lowest percentage of the vote of any Democrat in Congress. I win by reaching out to people one by one, through relentless retail politics."

In other words, Mr. Bacchus is betting his congressional career on the adage that all politics is local.

Mr. Bacchus won re-election in 1992 by a mere 3,555 votes even though he had spent three times more on his campaign than his Republican opponent. Local Republicans and support-

ers of Ross Perot say they will not let Mr. Bacchus escape from their cross hairs next time, and they hope Mr. Bacchus's vote in support of the free trade agreement will drain him of at least some of the campaign money donated by big labor.

Popularity In Dispute

"There's not much chance at all he will be re-elected," predicted Dennis Walter, district director of Mr. Perot's party, United We Stand America, noting that Mr. Perot won 26 percent of the vote here in the 1992 Presidential election, his largest share in any Florida district. "The 100 or so members I've spoken to in the last two weeks are very upset with him."

But Mr. Bacchus carries on.

A nonpolitician might have desisted politely after Mr. Quint's less-than-enthusiastic welcome. But Mr. Bacchus is a schmoozer, and before long the two headed for the garage, where Mr. Quint showed off three antique automobiles that he is sanding down and patching into shape.

Mr. Quint did not bend on the trade agreement, but his wife filled two bags with corn flakes, bread and cans of fruit cocktail for the food drive. The Congressman thanked the couple and told them to call him whenever they needed help.

Down the street, Mr. Bacchus encountered Dick Rivers, a retired Air Force officer, who was angry about the Clinton Administration's handling of the United Nations-sponsored relief mission in Somalia. Mr. Rivers complained that his son, an Army platoon sergeant stationed in Mogadishu, gets only one hot meal a day and must sleep in his armored personnel carrier while Mr. Rivers believes, the Somalis are being catered to.

"It's a waste of money," Mr. Rivers concluded.

Mr. Bacchus nodded sympathetical-

ly and pledged to make inquiries about the son's living conditions. An aide immediately followed up on the conversation and learned that Mr. Rivers was also having trouble with the Veterans Administration, which he said owed him a payment for a costly prescription. The aide promised he would do what he could.

Political opponents deride such efforts as meaningless political gimmickry.

"It's all part of the media perception he is trying to produce that shows him as a neighbor who thinks like you and acts like you," said William R. Tolley, a business consultant who lost to Mr. Bacchus in the last two elections and is favored to win the Republican nomination again.

Mr. Bacchus countered that he voted for the trade agreement because it would create many jobs for the high-tech manufacturing industries like the Harris Corporation that are situated in his district. And, he said, side agreements that he insisted on will protect citrus and vegetable growers in the area from surges in Mexican imports.

"I'll win my usual 51-point landslide," he predicted with a faint smile.

During two days traveling up and down his Atlantic coastal district, Mr. Bacchus also sponsored a jobs workshop that brought together business people and local and Federal officials, visited the home of a family whose son is recovering from brain surgery and needs Social Security disability assistance, and met with a local space contractor seeking to qualify for a \$17 million contract for minority-owned businesses.

While executives from the contractor, Analex Space Systems, looked on, Mr. Bacchus called the Small Business Administration's Congressional liaison in Washington to ask for expeditious consideration of the company's bid. As



Ron Lindsey for The New York Times

Far from the marble corridors and caucus rooms of the Capitol, lawmakers are taking the pulse of their constituents. In Melbourne, Fla., Representative Jim Bacchus, right, saw pictures of Everett Quint's cabinet work and heard his views on Nafta.

he left the office, the Congressman asked the company's executives to let their employees know of his effort.

Between stops, Mr. Bacchus worked his car phone to nudge the Federal Aviation Administration to remove a huge radar station that his constituents around Patrick Air Force Base believe is the cause of a recent upsurge in cancer cases.

The Congressman then called to thank David Hinson, the administrator of the aviation agency, for agreeing to move the radar station in November

1995 — and to ask that the date be moved up at least a year.

When Mr. Hinson agreed to look into the matter, Mr. Bacchus asked if he would mind if he told reporters about the conversation.

Mr. Hinson saw no problem. "Anytime I can do anything for the F.A.A., let me know," the appreciative Congressman said. "I'm on the Science Committee."

As he hung up the phone, Mr. Bacchus mused, "I wouldn't mind if it were moved before the election."

Boy - is this true?

THE PRESIDENT HAS SEEN 12/9

B.

Maah

you ought to put someone on helping him with his paperwork. he's been on best support against all odds.

THE NEW YORK TIMES, TUESDAY, DECEMBER 7, 1993

Decked Out for Santa Claws At the Clinton White House

THE PRESIDENT HAS SEEN

By Donnie Radcliffe
Washington Post Staff Writer

The hounds of Christmases past would find this year's White House a real cat-astrophe.

Christmas Clinton style was unveiled yesterday, and anybody who remembers when the White House went to the dogs during the holiday season can rest assured that times have changed. This year it's the cat's meow, done up in original

American crafts made by thousands of artisans from all over the country.

"It seemed to us that highlighting American crafts would be a way to really show what's best about America and also have a beautiful Christmas filled with a lot of the symbols of the season," said First Lady Hillary Rodham Clinton, showing off the ornament-laden 18-foot Fraser fir in the Blue Room as part of the White House celebration of the "Year of

See DECORATIONS, C10, Col. 1

White House Christmas

DECORATIONS, From C1

American Craft." The tree skirt consists of individual quilted panels representing the 50 states and the U.S. territories.

"It was no accident that Arkansas is in front," said Mrs. Clinton, pointing out that Tennessee, Vice President Gore country, is right behind.

Playing no small symbolic part in the season's greetings to an anticipated 150,000 visitors will be renditions of the Clintons' cat, Socks, replacing the Reagan and Bush dogs in whimsical White House decor. This year, pastry chef Roland Mesnier's gingerbread house is the "House of Socks," with 22 miniature Socksies doing such things as playing ball, tooting the saxophone, climbing a wall and pretending to be Santa's reindeer.

The First Lady said Socks got a look at this confection over the weekend.

"He tried to eat it," said Mrs. Clinton.

But the predominant decor throughout the stately mansion, done up in its garlanded holiday best under the supervision of head White House florist

Nancy Clarke, is a tour de force of American creativity. Varied in size, texture and design are some 7,500 ornaments made of fiber, ceramic, glass, metal and wood. They arrived at the White House in mid-October in such abundance from 3,000 artisans who had been asked to participate that White House Social Secretary Ann Stock said additional trees were added to display the overflow.

In addition, the White House is starting a permanent collection of American crafts for table centerpieces and tier-table decorations. Michael Monroe, curator-in-charge of the Smithsonian Institution's Renwick Gallery of the National Museum of American Art, suggested the names of 65 crafts artists to be approached to donate large pieces in glass, wood, fiber, clay and metal.

Mrs. Clinton's intended theme of angels for tree ornaments took a multitude of forms, from a Clinton jack-in-the-box with saxophone to an angelic Bill Clinton and a guardian angel Hillary. The First Lady played no favorites, however. "I like them all."

She said her biggest concern was how to see them all. As a child, her "favorite thing" was looking at the tree at night, lying on the couch or floor. "I told my husband I may have to get a sleeping bag and sleep around this tree in order to see every one of these or-

naments, especially at night in the way they are lit," she said. Mrs. Clinton was wearing a red suit and a lapel pin shaped like a Christmas stocking; she had been advised by her press secretary to leave home her reindeer-head pin and her necklace of blinking Christmas lights.

The Clintons' own tree won't be decorated until closer to Christmas, "a ritual that the president and Chelsea take very seriously," she said. But like the Reagans before them, the Clintons will spend Christmas at the White House, opening their gifts on Christmas morning.

That is, if they can figure out how to go Christmas shopping.

"That's something we have pondered," she said. "The president shops during the year, as do I. But we're both last-minute shoppers."

When he expressed concern how he would shop this year, she told him: "Well, we're going to take that to the highest levels of the government."

As for partying it up, that begins in earnest this week. Even the media will be welcome. "We want to include everybody this year," the First Lady told reporters, who will be invited back with some 1,000 of their colleagues for four parties over two nights next week.

"If you don't get invitations," she said, "let us know."

Try and stop 'em.

Alan L. Wurtzel

Getting From School to Work

Half of U.S. high school students never go to college. In fact, only 25 percent of our youngsters obtain a baccalaureate degree. These figures should come as no surprise.

Yet, unlike most other industrialized nations, we Americans don't have a system to prepare the majority of our young people to move from high school into skilled, well-paid jobs that help them realize their potential. As a result, high school dropouts and even high school graduates tend to drift from one minimum-wage job to the next, until—in their mid-twenties—they begin to acquire the training that will enable them eventually to settle into a trade or vocation.

In Europe, Japan and most other industrialized countries, students start right in high school to learn skills they need to be successful in the job market. They work hard to qualify for prestigious apprenticeship opportunities. They study, on the job as well as in school settings, the theoretical skills and knowledge necessary to advance in their fields.

In short, the countries with which we compete for export markets and jobs have far better organized systems for moving the non-university-bound student from school to productive work, without the years of unproductive drift that so many American youngsters experience.

President Clinton has proposed the School-To-Work Opportunities Act to spur the development of such systems throughout the United States. This act would establish a national framework within which local partnerships would develop school-to-work programs and make them available to all students. Such programs would combine classroom learning with real-world work experience. They would

train students in general job-readiness skills as well as in industrial-specific occupational skills.

The benefit to young people is clear, and the benefits to American business should be no less obvious. My company can provide an example. Circuit City is a large national company that seldom hires people right out of high school. The reason: While our schools can successfully groom students for college, they do not adequately prepare them for the workplace.

In hiring new employees for our stores, warehouses and offices, Circuit City is looking for people who are able to provide very high levels of customer service, who are honest and who have a positive, enthusiastic, achievement-oriented work ethic. We also require individuals with strong math, English and computer skills.

The School-To-Work Opportunities Act would help high schools and community colleges create programs in cooperation with business, to develop the academic skills and attitudes toward work that too many of our youngsters lack today.

The act would establish, through a set of grants and waivers of certain federal requirements, a national framework for the development of school-to-work systems to help youth in all states make the transition from school to the workplace. States and communities would use federal funds as venture capital to spark the formation of school-to-work programs, dedicated to linking the worlds of school and work. Secondary and post-secondary education institutions, private and public employers, labor organizations, government, community groups, parents and students would work together on the programs.

The act would afford states and localities substantial discretion in establishing and imple-

menting comprehensive, statewide school-to-work systems. Business partners would have a significant input.

Age and experience teach us that life doesn't present itself in a series of five multiple choices. Our schools must offer young people more practical knowledge. Students must learn to read literature and technical manuals, to solve algebra problems and customer complaints, to operate Bunsen burners and sophisticated machinery. A comprehensive but customized system for smoothing the transition from school to work will increase students' chances of success in life and industry's pool of productive workers.

Two years ago I served on the Commission on the Skills of the American Workforce. The commission concluded that without an effective system for moving young people from school to work, American businesses' need for work-ready, skilled employees soon would far surpass the number available. At the time, the commission called for immediate action.

The School-To-Work Opportunities Act has strong bipartisan support. It will encourage states and communities to build meaningful connections between the now too-separate worlds of school and work. Just as schools need to change to meet the demands of businesses that are competing in a global economy, our business culture also needs to change to create incentives for students to stay in school and make smooth and productive transitions from school to work. The future of our youth and of our businesses, and ultimately our standard of living, depends on developing and utilizing the talents of our non-college-bound young people far more effectively than we have.

The writer is chairman of the board of Circuit City Stores.

THE PRESIDENT HAS SEEN

12-7-93

DECEMBER 6, 1993

MEMORANDUM TO THE PRESIDENT

FROM: MARCIA HALE
KEITH MASON
JAKE SIEWERT

SUBJECT: 1994 GUBERNATORIAL RACES

Good
to be confirmed
with
DRAFT

This memorandum provides a state-by-state overview of the gubernatorial elections in 1994. Those elections are still eleven months away, so much of this summary is very provisional in nature. We will provide you with updated information as the races heat-up.

AN OVERVIEW OF THE 1994 RACES

Total Number of Races in 1994	36
Number of Democratic States	21
Number of Republican States	13
Number of Independent States	2

Total Number of Open Seats	10
Number of Open Seats due to term limits	6
Republican	2 (ME, SC)
Democratic	4 (HI, MD, PA, TN)
Number of Open Seats due to retirements	4
Republican	0
Democratic	3 (ID, KS, OK)
Independents	1 (CT)

1994 Breakdown of Governors' Seats

Democratic Governors	29
Republican Governors	19
Independents	2

1993 Breakdown of Governors' Seats

Democratic Governors	31
Republican Governors	17
Independents	2

ROUTING SLIP

DATE:

12/6/93

FROM:

Ricki Seidman
Assistant to the President
Director of Scheduling and Advance

SUBJECT:

Photo op for Rep Stupak

TO:

Rahm Emanuel

Mark Gearan

David Gergen

Marcia Hale

Alexis Herman

Nancy Hernreich

Anthony Lake

Bruce Lindsey

Mack McLarty

Roy Neel

Bernie Nussbaum

Howard Paster

John Podesta

Jack Quinn

Carol Rasco

Bob Rubin

George Stephanopolous

Ann Stock

Christine Varney

David Watkins

Maggie Williams

DATE AND TIME:

FOR YOUR:

Information

Advice

Action

COMMENTS:

Ricki
The bill is

here
let me

know
absolutely
the photo of
it your

sent
to
do

it

TBW

12-8-93

Schedule Proposal

 ACCEPT

 REGRET

 PENDING

*ask Howard -
can we do
this w/a
photo? WH*

*ask John P -
is this bill
here for
12/2/93 signing yet?*

TO: Ricki Seidman
Assistant to the President for Scheduling and Advance

FROM: Howard Paster
Assistant to the President for Legislative Affairs

REQUEST: Photo Op for Rep. Stupak -- signing of HR 3216

PURPOSE: To give Stupak visibility on his first major piece of legislation.

BACKGROUND: Stupak authored HR 3216, an amendment to the Comprehensive Drug Abuse Prevention and Control Act of 1970 which prohibits the bulk sale of an ingredient used in the manufacture of an illegal drug.

Stupak has been very supportive of the President -- during the reconciliation battle he stood up at a meeting of the new Members and the POTUS and said this was a very difficult vote for him to cast given his district, but even if it meant being a one term Congressman he was going to support the President because it was the right thing to do.

This would be a nice pay back for Stupak since HR 3216 is his first big bill.

DATE AND TIME: At the President's convenience, but with enough notice so Stupak can arrange to be in D.C.

DURATION: 5 minutes

LOCATION: The White House

PARTICIPANTS: Rep Stupak

OUTLINE OF EVENTS: Bill signing, photo

REMARKS REQUIRED: None

MEDIA COVERAGE: Maybe local press

VICE PRESIDENT'S ATTENDANCE: Optional

RECOMMENDED BY: Legislative Affairs

CONTACT: Howard Paster

BART STUPAK
1ST DISTRICT, MICHIGAN
317 CANNON BUILDING
WASHINGTON, DC 20515
202-225-4735

Congress of the United States

House of Representatives

Washington, DC 20515-2297

COMMITTEES:
ARMED SERVICES

SUBCOMMITTEES:
MILITARY ACQUISITIONS
MILITARY FORCES AND PERSONNEL

MERCHANT MARINE AND
FISHERIES

SUBCOMMITTEES:
COAST GUARD AND NAVIGATION
MERCHANT MARINE

November 29, 1993

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

Dear Mr. President:

I respectfully request a bill signing ceremony for H.R. 3642, legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970. This bill is intended to stop bulk purchasing of the key ingredient needed to create the illegal drug methcathinone, known on the street as "CAT."

CAT has become an epidemic in the Upper Peninsula of Michigan, and is quickly spreading to other parts of the country. It is an illegal drug that is comprised of battery acid, drain cleaner, Epsom salts and a legal drug, ephedrine. CAT makers need about 1,000 pills of ephedrine -- the key ingredient -- to create a saleable portion CAT.

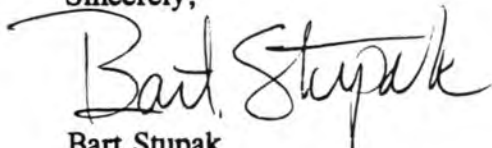
My bill essentially gives the U.S. Drug Enforcement Agency authority to restrict the amount of ephedrine that can be purchased over-the-counter or through mail orders. It also gives the Attorney General the flexibility to target other substances besides ephedrine if CAT makers try to substitute other chemicals during the production of methcathinone.

The only way to stop the CAT makers is to limit the amount of ephedrine that can be purchased at one time, and that is what this bill does.

I introduced this bill on October 5, 1993, and it passed the House on November 21, 1993 and the U.S. Senate on November 24th, the day before Thanksgiving. I have been told that this is the first piece of substantive legislation passed by a Freshman in the 103rd Congress.

This is exactly the kind of legislation that reinforces our "strong on crime" message. It is my belief that signing this legislation prior to the end of 1993 would help communicate the message that the Administration and the Democratic Congress are tough on crime.

Sincerely,



Bart Stupak
Member of Congress

1229 W. WASHINGTON
MARQUETTE, MI 49855
(906) 228-3700

2501 14TH AVENUE SOUTH
ESCANABA, MI 49829
(906) 786-4504

616 SHILDEN
HOUGHTON, MI 49931
(906) 482-1371

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TRAVERSE CITY, MI 49684
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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
12/7/93 JB

December 6, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD NUSSBAUM AND RON KLAIN

SUBJECT: POST EDITORIAL ON JUDICIAL NOMINATIONS

Maule
Worth noting
B

On Sunday, the Washington Post ran an inaccurate and unfair editorial criticizing the pace of your judicial nominations. Here are some points in rebuttal:

- First, the Post wrongly states that the number of unfilled judicial vacancies has risen by 30% under your tenure. This is incorrect. Official statistics show -- not a large increase in vacancies, as the Post claims -- but a 6% decrease in positions vacant since January 20th.
- The Post suggests that your first-year record compares unfavorably to President Reagan's. But you nominated 48 judges before Thanksgiving, compared to Reagan's 40. Even with the opportunity to nominate additional judges in December 1981, Reagan's first-year total of 45 nominations is less than your total of 48, a contemporary record.
- The crux of the Post's complaint is that Reagan won confirmation of 42 judges in 1981, compared to your 28 confirmations this year. But 12 of Reagan's 42 confirmations came in December of 1981; there is no December Senate session in 1993. The fair comparison -- Thanksgiving 1981 vs. Thanksgiving 1993 -- shows Reagan with 30 confirmations, you with 28.

As you can see, a fair comparison with the Reagan record shows you significantly ahead on nominations, and comparable on confirmations. And this ignores several key points:

- First, it ignores the respects in which your record exceeds President Reagan's: your nominees have considerably higher ABA ratings -- 10% more received the ABA's highest mark -- and are considerably more diverse. Of Reagan's 45 nominees, only two were women; only one black. Of your 48, 18 were women, and 14 were black or Hispanic.

- Second, the comparison ignores how much the judicial selection process has changed since 1981, due to the friction in confirmations during the late 1980s. The Senate confirmed one Reagan judge in nine days, two more in 11 days -- but the fastest the Senate confirmed one of our nominees was 23 days. The 1981 Senate confirmed conservative Reagan nominee Richard Posner to the Court of Appeals in four weeks; the 1993 Senate took almost four months to confirm your nominee Martha Daughtrey to an appellate bench.
- Thus, the President who faced a process akin to the one you confront is President Bush, not Reagan. And he nominated just 23 judges his first year (compared to your 48), and got just 15 confirmed (compared to your 28).

Still, even if the Reagan vs. Clinton comparison is to be the measure, the bottom line is this: you got off to a faster start than any recent President in terms of first-year judicial nominations, with more diversity and excellence than your predecessors' nominees.

CC MARK
Dee Dee
Dawn Berger

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
12.7.93

November 24, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BILL BURTON

Bill Burton

SUBJECT: Washington Legal Times article

*We need
a common
line - majorities*

I know you would be interested in how the child pornography issue is playing in the Legal Times, the Washington weekly for lawyers. In addition to the telephone calls to Justice referenced in the article, several hundred calls have been coming into the White House daily on this issue -- 100 percent of them opposed to the Justice Department position viewed by callers as liberalizing the child porn statutes. Interestingly, when the callers are told that we support strengthening the law against child pornography, they say they don't want a new law -- they simply want the old law enforced and interpreted like it used to be. They are obviously on the receiving end of a fairly sophisticated message.

Not helpful to this climate is the unfortunate timing of the front page news stories in the Washington Post this morning about (1) our Justice Department reconsidering a policy that eases up on vendors of obscenity; and (2) the D.C. Circuit's decision to throw out the FCC guidelines which prohibit adult programming on T.V. between 6 a.m. and midnight. I suspect that a lot of people will be watching our response to the D.C. Circuit's ruling.

A Legal About-Face Into a Minefield

Clinton Approach to Child Porn Pleases No One

BY JULIE COHEN

The Clinton administration is learning the hard way just how politically charged setting policy on child pornography can be.

Last September, the Clinton Justice Department submitted a Supreme Court brief seeking to narrow the interpretation of the Child Protection Act of 1984. The move set off a political firestorm among



Louis Sheldon says Justice was merely trying to save face.

fundamentalist Christian activists, who favor a broader reading of the act endorsed by Clinton's GOP predecessors. The Christian right generated so many irate callers that parts of the Justice Department's phone system were shut down for several days.

Scrambling to quell the storm, Justice officials rushed to Capitol Hill with anti-pornography legislation aimed at addressing their concerns. But the administration succeeded only in widening its circle of enemies on the issue. Christian activists are still unhappy, but now the American Civil Liberties Union is angry, too.

"This is a political pander rather than the result of any careful legal analysis," says Robert Peck, legislative counsel for the ACLU.

"They wrote [the proposed amendment] without any real sense of direction," says the Rev. Louis Sheldon, director of the Traditional Values Coalition, which represents 27,000 churches nationwide. "They hurried around to do something to save face, and this was the best they could do."

The trouble started Sept. 17, when the Justice Department filed its controversial Supreme Court brief in *Knox v. United States*.

Stephen Knox, a 38-year-old Pennsylvania man, is appealing his conviction and five-year prison sentence for possessing videotapes showing preteen and teen-age girls in bathing suits and leotards. On the tapes, the girls are not doing anything explicitly sexual, but the camera zooms in on their chests, buttocks, and genital areas for prolonged periods of time.



The ACLU's Robert Peck: New bill appears unconstitutional.

Last year, the Bush administration filed a brief before the U.S. Court of Appeals for the 3rd Circuit, arguing that possession of the tapes clearly violated the Child Protection Act. The Clinton administration's brief argues just the opposite. To be illegal under the 1984 statute, the brief says, material must "include a visible depiction of the genitals or pubic area of the body" and "depict a child lasciviously engaging in sexual conduct."

On Nov. 1, when the Supreme Court remanded the case to the 3rd Circuit, telling the appeals court to review its decision in light of the Justice Department brief, the fundamentalist community rebelled. The Clinton administration thought legislation would help calm things down.

Alienating Amendment

The proposal, which has been slow to find any sponsors on Capitol Hill, is an attempt to eliminate what the administration sees as an ambiguity in the 1984 act, which prohibits "lascivious exhibition of the genitals or pubic area." The Clinton version states explicitly that a photograph or video can be considered pornographic

even if the subject is clothed and even if he or she was not behaving lasciviously, provided that "the depiction of the minor is designed for the purpose of eliciting or attempting to elicit a sexual response in the intended viewer."

The administration says that the clarification is necessary because the 1984 statute is open to varying interpretations in the courts. "A criminal statute has to make very clear what's prohibited," says Justice Department spokesman Carl Stern. "We are simply trying to solve a problem of a law that is deficient."

But that explanation doesn't seem to satisfy anyone.

Conservative groups say the old law was fine. The only problem, they say, is that the Clinton administration has strayed from the wide-ranging interpretation of the law used under Presidents Ronald Reagan and George Bush. First Amendment advocates, meanwhile, say that the administration proposal would enforce an overly broad definition of pornography.

The amendment could allow prosecutions for possessing materials "that no one in their right mind would consider pornography—everything from medical texts to family pictures to ads for children's underwear and bathing suits," says the ACLU's Peck. "I don't think this law can pass constitutional muster."

The administration doesn't seem overly confident that their proposal is constitutional, either.

"I understand what [the ACLU] is driving at," says Stern. "We'll see what the courts do."

Conservatives also foresee trouble in the courts, but for a different reason. If Congress were to pass an amendment suggesting that the 1984 law was unclear, they say, those convicted under that law would be emboldened to try to get their convictions thrown out.

"To vote for [the new legislation] would mean that child pornographers would go free," says Patrick Trueman, who headed the Justice Department's National Obscenity Enforcement Unit during the Reagan and Bush administrations (now known as the Child Exploitation and Obscenity Section), and is now the chief lobbyist for the American Family Association. "We can't allow that to happen."

SEE PORNOGRAPHY, PAGE 20

LEGAL ASSETS

Paralegals, Law Clerks & Attorneys

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CORRECTIONS

The "Docket Watch" column, as compiled by editorial assistant Robert Schmidt, mischaracterized the law firm of Livingston, Porter & Paulk in the Nov. 1 issue (Page 12). The firm is located in Scottsboro, Ala., not Scottsboro, Ariz.

Contrary to an item in the Nov. 15 "Deals & Suits" column, written by reporter Naftali Bendavid, the D.C. public-

Clinton's Bid to Put Out Child-Porn Fire Only Fuels Flames

PORNOGRAPHY FROM PAGE 2

The AFA, a non-profit lobbying group that focuses on conservative social values and boasts a membership of 1.6 million, has been at the forefront of the crusade, aided by the Traditional Values Coalition and the Family Research Council.

Storming the Senate

After the Supreme Court remanded the case to the 3rd Circuit, the groups rushed to Capitol Hill, sent mass mailings to their constituents, peppered the media with regular updates entitled "Reno Watch," and took to the airwaves on Christian television and radio stations.

Their efforts paid off. Just three days after the Supreme Court action, Sen. Charles Grassley (R-Iowa) introduced a sense-of-the-Senate resolution repudiating the administration's Supreme Court brief. The resolution passed, 100-0.

"I doubt we'll get many other 100-to-zero votes this week," quips Gary Bauer, President of the Family Research Council. "Politicians know they're going to get their hands burned real quick if they don't handle this the right way."

The victory in the Senate only increased the pace of lobbying. Last week, AFA's Trueman addressed 30 staffers from the Senate Steering Committee, a caucus of conservative senators, and appeared as a guest on "Focus on the Family," a Christian radio show that airs on 1,250 stations nationwide. The broadcast ended with a listing of Justice Department phone numbers and an emotional appeal from host James Dobson to his listeners:

"If you ever took action in response to this program, please do so today . . . call [Attorney General] Janet Reno's office



Patrick Trueman of the American Family Association wants the Clinton administration to return to the GOP course on child pornography.

and let her know you will not tolerate this unilateral policy change that's going to affect the moral climate of this country."

And call they did.

"They managed pretty effectively to

shut down the Justice Department phone system" for two or three days, says a senior department official. Employees were switched to an internal backup system, the official says, but "anybody from outside the department trying to reach the Criminal Division [wasn't] able to get through."

The administration wasted no time responding. By late Tuesday, the proposed amendment was in the hands of the chairman of the Senate Judiciary Committee, Joseph Biden Jr. (D-Del.), and of its ranking Republican, Orrin Hatch (R-Utah). A cover letter from the attorney general urged the senators to include the language as an amendment to the crime

bill currently under consideration. So far, though, neither Biden nor Hatch have expressed any interest in sponsoring the amendment. And neither has anyone else on Capitol Hill.

Optimistic AG

While several congressional staffers expressed skepticism that an amendment with no visible supporters would find a sponsor, the administration continued to express optimism. Speaking at her weekly press briefing last Thursday, Reno predicted the legislation would be approved.

"I think we can do it in a non-political, bipartisan way, because I don't know of anybody in Congress or the administration that wants to do anything except vigorously enforce the laws against child pornography," Reno said. She denied the new legislation was a response to conservative outrage over the Supreme Court brief. "I don't worry about the politics of legal decisions in the Department of Justice," she said.

But to Peck of the ACLU, whose group supports the Justice Department brief, the administration's legislative initiative last week was political posturing, plain and simple.

"I've got to assume what they're trying to do is take away the argument that anyone is tougher on pornography than they are," he says.

Trueman, meanwhile, has broadened his line of attack, suggesting late last week to *The Washington Times* that Deputy Solicitor General Paul Bender had carried on a longtime crusade against pornography laws into the solicitor's office, and had been the architect of the Clinton Justice Department's brief in *Knox*. Bender, while acknowledging he had a hand in the brief, denied initiating or playing a primary role in shaping it, according to the *Washington Times* account.

Trueman says that he and his allies won't be satisfied unless the Clinton administration presents a new brief to the 3rd Circuit embracing the Bush stance on child pornography.

"There's no victory until Janet Reno can say the four words that public officials in this town aren't willing to say: 'Sorry, I was wrong.'"

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CALENDAR

NAFTA Dispute Settlement and the Panel Process, an evening forum sponsored by the International Trade Commission of the American Bar Association's Section of International Law and Practice. Cost: \$35;

NOVEMBER

22

\$30, section members. Location: University Club, 1135 16th St., N.W. Registration and information: Sushan Demirjian, 331-2239.

ERISA Basics I Series, Part VI: Pension Plans in Corporate Transactions, an evening program sponsored by the

bers. Location: D.C. Bar, 1250 H St., N.W., B-1 level. Registration and information: Melinda Grochowski, 626-3488.

Interactive Litigation Series, Part II: "You Be the Judge," an evening program sponsored by the D.C. Bar and

NOVEMBER

23

George Washington University National Law Center's Continuing Legal Education Program. Cost: \$80; \$65, D.C. Bar members. Entire series: \$210; \$195, D.C. Bar members. Location: D.C. Bar, 1250 H St., N.W., B-1 level. Registration and information:

THE PRESIDENT HAS SEEN

12.7.93

Remarks
by

Vice President Al Gore

At

The Kennedy School Forum

Boston, MA

December 6, 1993

Thank you very much.

It's a pleasure to be back at Harvard, where I first studied government in a formal way -- as opposed to the way it really works.

I was a student here at a tumultuous time. George Will said recently that you could say about politicians what people said about students in the '60s: it would be unfair to judge all of them by the behavior of most of them.

That's no surprise, of course. A lot of politicians now were students in the '60s. Not all of us were disappointed by the experience.

*Very good
at end, which is good
I think you can say change, require
not to be a success but to be a success
I think the success is that we have
been able to do our 20-30 year, can't
first but can change our
Chang is accumulated
B. This is very
Neville*

2

Of course, there are many people who have held a dour view of college campuses. Even this campus. I remember reading that once W.E.B. Dubois was congratulated for conquering centuries of discrimination to become the first African-American granted a Ph.D from Harvard.

"Believe me," he said, "the honor was entirely Harvard's."

He was right. Today, though, the honor is entirely mine.

I am honored to be speaking to students at one of the great schools of public policy in the world. I am equally honored by the presence of young men and women from YouthBuild, who are learning trade and skills as they rebuild housing in the inner city.

And I am honored as well that we have with us, today, residents of Upham's Corner -- what the urban planners call a "distressed" inner city community.

3

If we are going to turn this country toward a new future, we must all learn from them and from millions like them in both rural and urban communities.

I'll have more to say about Upham's Corner later. But let me start by describing for you the situation they faced not so long ago.

It was one of devastation. Not only were buildings abandoned. They were being torched. "I could smell it every night on the way home," one community organizer remembers. "The old timbers burning."

In the '80s, the drug trade took over the streets of Upham's Corner. Crime became rampant. Local businesses closed. The proud old Strand Theatre was boarded up. Families struggling to stay together had few places to turn.

4

This isn't unique. The problems faced by people in Upham's Corner are faced by communities in every city across this country.

For example, at Malcom X elementary school a few miles from the gleaming white marble of the Capitol Dome.

No white marble here. Thieves have carried off whatever of the jungle gym is not bolted to the ground. The fence is mangled where a sixth-grader crashed a car he had hot-wired.

One article recently quoted a security guard there, talking about his work at a nearby junior high. When students from the school were killed, it was his duty to walk the mother or father to their child's locker and help them clean out the books, papers and gym shoes. How many died? "Twenty, maybe thirty," he says, his eyes welling up with tears.

This is life in inner-city America. An exaggeration?

No.

People who think violent crime is up in America are right. The annual rate per 100,000 went up from 597 in 1980 to 758 in 1992.

And while this is true all over America -- rates for smaller cities are increasing more than in the very biggest -- crime is epidemic in black communities. In Washington, 42% of young black men are in jail, on bail on parole, probation or wanted for arrest.

As agonizing as it is to live in a neighborhood of drive-by shootings and gang wars, crime is only one symptom of what's wrong. Discrimination, alienation, drugs, family violence, despair, and lack of skills, all contribute to a crisis of the spirit within the poverty-stricken communities of the inner city.

6

What has caused the epidemic? Certainly when we analyze the differences between white and black opportunity, racism is at the root of it.

But that's not the whole answer. While we have moved to erase legal barriers to equality, we have seen a dramatic increase of violence in black urban communities, particularly since the scourge of crack cocaine was introduced in the 1980s. In far too many communities, the culture of violence associated with the drug trade has become part of the social fabric and the means by which non-drug related disputes are settled.

Meanwhile, along with the surge in violence, family life has disintegrated. In 1960, 20% of all black children were living in fatherless families. By now it is 68%.

7

Recently, the President quoted William Julius Wilson in his moving speech in Memphis about inner-city violence.

Both the President and I find Dr. Wilson's argument persuasive. He argues that joblessness has increased among young black men partly because jobs have vanished from urban America. He argues that the two-parent black family is disappearing because male joblessness has made marriage less attractive.

But for those who feel this is only a black phenomenon, I say this: look again.

Charles Murray -- of all people -- made this point last month in a Wall Street Journal article. In the 1960s, when Daniel Patrick Moynihan wrote his notorious memo about the disintegration of the black family, the black illegitimacy rate was 26%.

8

What's the white rate now? 22%. And what is it for white women below the poverty rate? 44%.

The breakdown of the poor family is not just a black phenomenon. In Murray's words, "the ethnic group with the most people in poverty, most illegitimate children, most women on welfare, most unemployed men, and most arrests for serious crimes are European-American whites."

But I am not here today to talk just about the problem -- or the theories concerning its origin. My profession is politics -- the only profession, Robert Louis Stevenson once wrote "for which no preparation is thought necessary."

Discussing the problems is not irrelevant for a politician. And certainly analyzing the root causes is essential. Without it, creating solutions is like building a skyscraper without a foundation.

9

At some point, though, politicians have to grapple with solutions. That's what I would like to do, today.

Because the solutions this Administration has in mind are different than those that have been proposed before in some crucial ways.

They originate in a large shift in the way our culture has decided to relate to the world -- a philosophical shift away from a vision of single cause-single effect and toward one admitting complexity and focusing on context.

This change has begun to be reflected in public policy, as we have started to abandon the notion that we can look at a single problem in isolation from all others. We have moved toward the idea that problems come in clusters and can only be solved when we treat the underlying dynamic of how they relate to each other.

10
Our new emphasis on the environment, for example, is ,
in one sense, part of this new appreciation for context.

In delivering social services, we used to look at a pregnant teenager and ask: how can we teach her not to have babies? We thought we could solve that with a single silver bullet -- say, sex education in the schools. Now, we believe that in order to help her, we have to be aware of the needs of her whole family and the community around her. The best social worker looks at everything going on in her life; looks at her relationship with each member of the family; looks at what's happening in school and among her friends. Do we map out the same approach for her that we would for everybody? No. We map out one that is as closely tailor-made to her as possible.

11

In the same way, we have treated each symptom of decay in our most disadvantaged communities as if it existed in a vacuum. It is time to assert that they do not. It is time to understand that communities need to be looked at in their entirety. It is time to adjust our strategies accordingly.

Thus, a community without jobs is likely to be a community without husbands and without active, engaged fathers. And yet, a community without intact families is likely to be a community with high rates of juvenile crime and violence. An unsafe community is not likely to be very successful at attracting new businesses and thus new jobs.

Such communities are suffering from a vicious tautology: failure that feeds upon failure. The result: communities where drug dealers are role models and where kids plan their own

12
funerals.

Government as we know it is poorly equipped to help these communities. Why? Partly, because government as we know it is itself divided into programs that treat only symptoms. Social workers cluster in one department trying to treat the symptoms of poverty and family disintegration. Economic development specialists cluster in other departments trying to come up with strategies to convince the market it should invest in these communities. Criminal justice workers -- police, parole officers and prosecutors -- cluster in yet another department in the attempt to address crime. The net effect is a band-aid here and a bandaid there. A small consolation amidst all the pain.

The President has a different approach.

13

It takes account of the limits of government and our resources. For government cannot do everything. And a government hamstrung by deficits cannot hope to erase poverty overnight.

Yet, it is an approach that believes that we can make a difference.

And it is an approach which has influenced our entire program since January 21.

First, he's devised an economic plan to put our national economy in shape to compete in the new global economy.

We cannot create jobs for Americans anywhere unless we compete successfully in the global economy.

14

That has been the meaning of our deficit reduction plan -- designed to lower interest rates and make available more investment capital. It has also been the meaning of our attempt to shift federal spending from consumption to investment; of our attempt to remove regulatory impediments to business formation; of our attempt to increase competitiveness by opening foreign markets to goods made in America; of our attempt to rebuild roads and bridges.

But it's not enough to invest in the infrastructure of America. We have to invest in the human infrastructure of America: our workforce.

So, second, the President has called on the country to invest in people. That's the meaning of all that increased support for WIC, immunization, family preservation, and Headstart.

15

That's why the President was so adamant about expanding the Earned Income Tax Credit. He wanted to make work pay off.

That's why we've supported Goals 2000, Historically Black Colleges and other education program.

That is also why he has announced the most ambitious social program of our generation: a wholesale revolution in our health care system. We cannot move ahead with a health care system that leaves 37 million Americans uninsured. We cannot afford a system where the sticker price for a new car includes more for health care than it does for steel.

Creating a new health care system for America is a key component to our investment in America's future.

And another key part of that investment is our effort to literally "reinvent" government.

That was the task the President assigned me this year. Because it was clear that in addition to our policy disagreements with the last two Administrations, government - that is, the day-in-day-out work of agencies -- didn't work very well.

After all, we had a government that spent four dollars for every three it took in. We had a government that took 49 months to order a large computer system. We had a government with 10,000 pages of personnel regulations and a culture in procurement that made us write ten pages of rules on how to buy and test ashtrays. And we don't even buy ashtrays, anymore.

We had a government modelled on the old top-down corporate models of the Industrial Age. And the message of the National Performance Review Report which we released last September, was that we must decentralize.

We have to empower government workers to make decisions instead of sending them up the endless bureaucratic ladder. We can scrap those personnel and procurement regulations and make government agencies more flexible.

We don't have bad federal workers. We do have good workers trapped in bad systems. That's got to change. America doesn't have a person to waste.

Neither do we have a community to waste.

That's why the President has created a third component of this plan: a new way of looking at "distressed" communities, and a new way of organizing government's response.

14

We want to call upon all Americans to come together from the bottom up in a new compact to help poor communities in urban and rural America join in contributing to the growth of regional economies.

You know, recently, I read about a new technology in the garment industry that allows you to go to a local tailor, pick out a fabric, color, design. Somebody takes your measurements with a handheld instrument.

Then they send the data to some machine cutting cloth in another city. The next morning you have the suit you wanted.

It's a sophisticated version of buying off the rack. But it's perfectly tailored to the contours of your body.

Before this decade, social services have come in only a few sizes. We don't have to do that any more. We think we have the capacity to empower each community with a tailor-made response.

How?

Many of you are already familiar with two opportunities to bring us together in this effort:

* **National Service**, will offer thousands of young Americans the chance to learn in exchange for serving their local communities.

* **Community Policing** will enable local communities to come together all across America to take back their streets, making them safe for people who want to raise a family, teach a child ... or start up a business.

I call these programs "tailor-made" because for both programs, communities sign up for them, then design how they want them to operate.

But we're offering more. A lot more. Our Community Empowerment agenda offers an assortment of services that every community in America can choose, then shape to meet their own goals.

They can be grouped in five basic areas.

*** Access to capital, credit, and banking services:** reform of the Community Reinvestment Act will reward our major financial institutions for making sound investments in all communities. At the same time, we'll make equity investments matched by private dollars to spur a network of community-based financial institutions to help these communities build the credit, loans and business opportunities they need.

*** Targeted Small and Minority Business Assistance:**

Small Business Administration One-Stop Capital Shops

Minority Entrepreneurship and Exports, expanded

microenterprise loans, and tax incentives for investment will be available to leverage private investments in communities previously ignored.

*** Investment Partnerships with other Financial Institutions and the States:** HUD-NCDI, Pension Fund, Sec. 108, and GSE Community Partnerships, FHA risk-sharing, expanding YouthBuild, and extending the Low Income Housing Tax Credit will make home ownership, rehabilitation and safe, decent and affordable housing opportunities -- and new jobs -- available within all communities.

*** World Class Schools:** Chapter I Reauthorization will assure that schools in poor communities have the resources targeted to meet the Goals 2000 so that all students have the opportunity and responsibility to meet and establish new world class standards.

*** Rural Development and Investment Initiatives:** These major new investments will assure that rural and Indian country communities can provide the clean water and other infrastructure necessary to build businesses, plants and jobs.

Is this assortment of investment ideas available to all communities in a one-size-fits-all package?

No. The federal government has no intention of dictating to local communities how to design, trim and cut these new investments to fit their unique circumstances. They'll do it.

But isn't there something more we can make available to the most devastated of our communities?

There is.

Congress has passed a \$3.5 billion package of targeted tax incentives and investments to support the designation of 9 empowerment zones and 95 enterprise communities.

The incentives are designed to stimulate the expansion of jobs within the zones. They will lower the cost of doing business for those that hire zone residents. They'll provide incentives and capital for business expansion. They'll upgrade the work skills of zone residents.

How do we pick these communities?

In January, the President and I will announce the beginning of an application process for designation under the new legislation.

In the initial round, communities will have six months to apply. And if they meet the criteria -- much of it involving the quality of private sector support they've secured -- they will win.

How can communities become designated as EZs or ECs?

The first thing to understand, is that we at the federal level are above all, an investor. This is not government business as usual. This is not pork barrel politics.

We are devising a set of criteria. The winners will be those who come up with a plan meeting these criteria.

And while the list of criteria is by no means complete, certainly any plan with a chance to succeed should include ways to deal with safety, with job creation, with co-investing, with environmental justice -- that is, a plan to attract investment from state, local and private sector sources.

25

I also believe that each community must examine its own assets. Build off strengths. Exploit its unique competitive advantage.

They may discover some startling new ones. For example, consider how handicapped center cities were in the old industrial economy of the 1950's. The engine of economic growth then was the mass production plant that required lots of acres for development.

In the new economy, means of production don't require that land area. there's no reason why the engines of growth in the year 2000 -- the Silicon Valleys and Research Triangle of the future -- won't be located in Harlem, next to Columbia University, or in South Los Angeles next to USC.

Those are some possible criteria. You may have others. I'll be interested to hear your thoughts when we move to Q&A.

But here's another point. We're trying to design this process so there will be no losers in this application process.

Let's say a community puts together a good plan -- and doesn't get designated. Hasn't it learned a lot about itself in the process? Hasn't it discovered resources and ideas it can use even without the federal money?

In a way this plan is like Dumbo's magic feather. Remember Dumbo? The elephant who thought he could fly because he was carrying the magic feather in his trunk. Then one day he dropped the feather -- and discovered he could fly anyway. The secret wasn't the feather -- it was his big ears.

Communities may lose the magic feather of a Community Empowerment award, and discover resources within themselves they never knew they had.

There are those who say that \$3.5 billion is a pittance -- decimal dust in a trillion dollar budget.

What you need to know is how much more we are willing to invest -- and how much more we expect local regions to invest in communities that develop workable plans.

Our network of new SBA one-stop centers will generate at least \$3 billion in private investments.

Our reform of the Community Reinvestment Act, rewarding thrifts and regulated banks for investment and lending in these communities, will generate many times this amount in loans and investments.

Our cooperative partnerships between HUD and the great government-sponsored housing enterprises like Fannie Mae, will make many billions of new, private dollars available for homeownership, rehabilitation and community development.

And we will create cooperative arrangements with each of the federal agencies, a range of resources totalling several billion dollars -- resources for local communities to decide whether they're needed, and how to use them.

And that's just the beginning.

You know, one of the lessons of the Sixties, is that governments alone, no matter how well intentioned, cannot turn around the vicious cycle of poverty with hand-outs. The President often remarks, governments don't raise kids, families do.

In the same way, governments don't build most jobs ... or businesses ... or communities. People do. People working together.

But government can listen. Government can be flexible. Government can respond to each local community's own plan to break their own vicious cycle.

For too long, government programs have operated like stovepipes, with a separate program and mandate for each narrowly perceived problem.

A reinvented government will do it differently. A reinvented government can use what I call the virtual department of Cleveland approach. If Cleveland outlines a plan in which we can help, we want to create a team made up of people from all agencies to help get the job done.

They won't really be a department of Cleveland. But while they are at work, the agency boundaries will disappear and they can work together like a department until the job's done.

That's the kind of "custom tailoring" and responsiveness I hope we can foster with the newly created Community Enterprise Board. The Board, which I chair, was created last month by Presidential memorandum. It's made up of 15 agencies. We're exploring a variety of ways to give distressed communities flexibility from these complicated categorical programs. We want to give them a responsive single point of access to the federal government.

Those are some of our ideas.

31

There's no guarantee of success. A former President of Harvard -- James Conant -- used to say, "Behold the turtle. It makes progress only when it sticks its neck out."

We are sticking our necks out.

But we are sticking our necks out for real people.

The other day, I saw some letters about crime, written by fifth-graders at a school in Brooklyn, New York to the New York Post

What breaks your heart is how often each one of these kids seemed to know crime not from hearing about it but experiencing it first-hand. One got beaten up for his sneakers and hat. Another almost got robbed because she had a dollar to buy some Marvel cards. Another was riding her bike when two men came up and began beating her because she wouldn't give them the bike.

32

This is the reality that spurs what we're trying to do in Washington.

But what gives me hope are groups like YouthBuild.

What gives me hope is that there are places where communities have reclaimed their lives.

Communities like Upham's corner.

Because at one point, a Boston Globe article laid out in grim detail the dimensions of the drug problem in their community. They knew they had only two choices -- to leave or to band together to create real change.

They had enormous obstacles. But they had one great strength. People who wanted to stay and fight.

They banded together. And they changed ...not the world but their world. They drove an open drug trade from the area.

33

Closed the crack houses.

Created the Dorchester Bay Economic Development Corporation.

Created housing and commercial revitalization.

Created two loan companies, one for small businesses and another to individuals. And now they're in the process of reclaiming the former Boston Insulated Wire site to create at least 100 jobs and maybe 3-400 more.

Why do I find that so exciting?

Because here was a community in decay. Crime. Drugs. Poor schools. And no jobs.

Washington isn't reclaiming their community. They are.

And I hope that if Americans see the changes beginning to happen at Upham's Corner we will understand not how to help other communities -- only those communities can tell us that with any precision -- but that change is possible.

It is now almost thirty years since I came to Cambridge, to find a community in a different kind of distress. Those were years dominated by America's torment over Vietnam. George Will to the contrary, the behavior of most students was sparked by idealism and concern. But campuses were shut down. The smell of tear gas hung over dormitories. And the violence played out in demonstrations were as painful as the bitter debates played out within divided families.

In those days, many doubted that change was possible -- either in Southeast Asia or Watts.

And I must admit, change has proven more intractable than I thought.

Still, we live in a hopeful time. A decade ago, who would have thought that the Berlin Wall would have fallen? That Nelson Mandela would be free? That Yitzchak Rabin and Yasir Arafat would shake hands on the White House lawn?

The Cold War is over. It is time for the United States, which did so much for people all over the world, to turn its attention to another people who need help: Americans.

This does not mean we shirk our responsibilities abroad. It means we find the resources to meet our responsibilities in both the West Bank and in South Boston.

For while the great battles of the decades ahead are likely to be economic, the greatest challenge to our economic strength is certainly not competition from the Pacific Rim or Europe. No, the greatest challenge to our economic strength is here at home, where the decaying cores of too many inner-cities and the poverty-stricken heartlands of rural America threaten to erode our dynamic regional economies from within.

That is what we intend to change. I believe we can do it. We can do it by supporting the efforts of the people of Upham's Corner to help themselves. We can do it by supporting the families of Malcolm X School.

Change, of course, is a process. If, at the end of this decade, or the next, the process is not yet complete, it will be the job of you in this room to carry it on. Just as we have learned from the mistakes of the past, you can learn from our mistakes.

And if part of learning is the knowledge that there is no magic feather ... well, part of it is also learning that there really are ways to fly.

Thank you.

12-7-93

CURRENT DEVELOPMENT**Interest Rate Declines Worsen Pension Underfunding**

On November 22, the Pension Benefit Guaranty Corporation (PBGC) released its annual list of the most underfunded pension plans in America. For the second consecutive year, General Motors led the list, with estimated liabilities exceeding assets by over \$20 billion. Many other firms also had significantly underfunded pension plans, and the 50 firms topping the list were underfunded in 1992 by over \$38 billion—an increase of \$9 billion over the previous year.

Analysis. The overall decline in interest rates is one key reason for the increased amount of underfunding. To fund expected future payments to retirees, firms must make contributions to pension plans, which are invested in financial assets such as stocks and bonds. When real interest rates fall, pension plans earn less on their bonds. Consequently, they need more assets in order to finance expected future pensions. Declining interest rates have raised the value of some assets, but these capital gains have not been sufficient to offset the declines in real returns.

GM Proposes Pension Funding Plan

In mid-November, General Motors proposed reducing its pension plan underfunding by contributing a special class of stock with dividends tied to the fortunes of the EDS unit it bought from Ross Perot. Based on the then-current market price of \$31 per share, General Motors valued these shares at \$5.7 billion. Even with this transfer, GM's pension plan will have over \$14 billion in unfunded liabilities. The PBGC is ultimately responsible for underfunded pensions, and these liabilities could be borne by the PBGC were GM to encounter financial distress. The proposed contribution would also leave the General Motors pension fund with a greater concentration of its own shares than current law allows. Such a large holding of GM stock would reduce the diversification of the pension plan's portfolio—leaving the pension plan's soundness excessively vulnerable to declines in GM's performance.

12.7.93

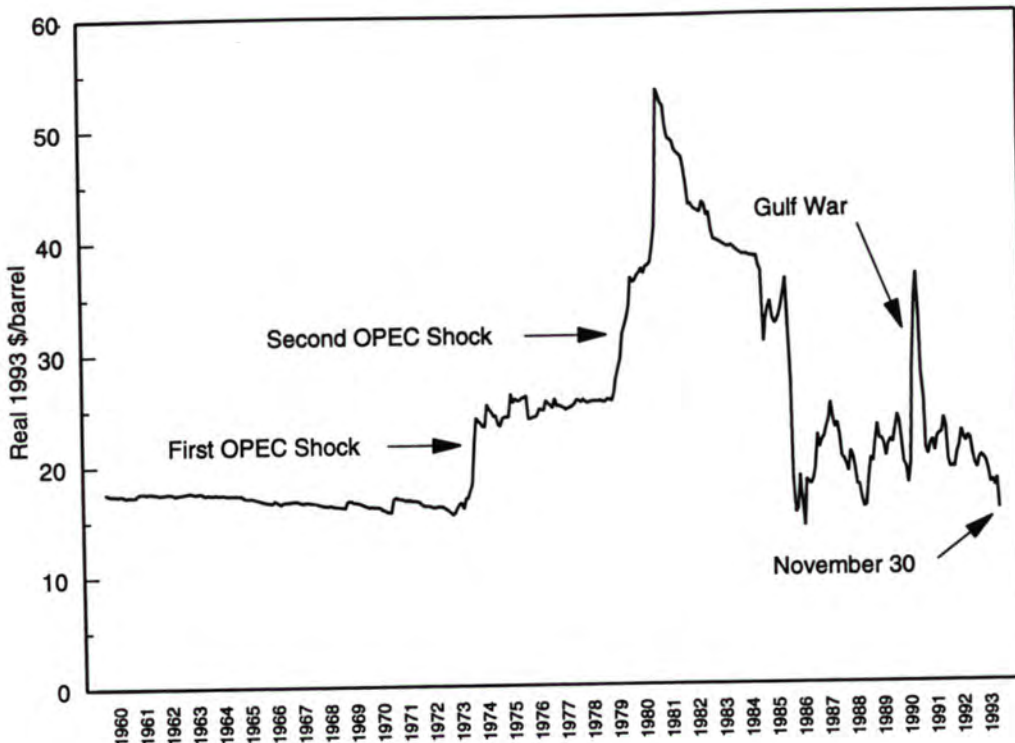
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

December 3, 1993

CHART OF THE WEEK

Real Oil Prices



Oil prices, corrected for inflation, are lower today than they were in 1960.

B. Alex / J. Baggott
Fyl-

MEMORANDUM

TO: Representative Lincoln Diaz Balart
FROM: Rob Schroth
RE: Miami/Hialeah survey results
DATE: December 2, 1993

Saludos.

As we discussed earlier, I share your opinion of the political progress President Clinton has made within the Cuban-American community in South Florida... progress I attribute to you and others who have spread the word that this Democrat is different when it comes to our nation's policy toward Cuba.

As promised, here are the numbers from the poll I conducted for **WLTW-23** and the **Miami Herald** between October 14-17, 1993.

Opinions of Bill Clinton

	<u>Favorable</u>	<u>Unfavorable</u>
Miami Cuban-Americans *	59%	34%
Hialeah Cuban-Americans *	64%	29%

*n = 251 Cuban-Americans in Miami (+/- 6%)

*n = 266 Cuban-Americans in Hialeah (+/- 6%)

As you correctly pointed out, these results are made even more impressive considering that the President only received 18% of the Cuban-American vote last November.

Let's talk again soon.

5335 Wisconsin Avenue, NW
Suite 700
Washington, DC 20015



CHIEF ~~THE~~ PRESIDENT HAS SEEN
THE WHITE HOUSE 12 1 13
WASHINGTON, D.C. 20500

12/6/93
The President

12 1 13 24:21

I thought you might be interested in the
attached.

Personally,

Mack

Mack McLarty

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get back to
Linn*



Points —
Desc —

Points for Discussion with the President
of Senator Dodd's Interest
in the OAS Secretary General Position

- I understand that Senator Dodd spoke to you privately before he did so with me and then the Vice President about his interest in being the U.S. candidate for Secretary General of the OAS. I believe he merits a prompt and candid response from one of the three of us.
- Until we reply to the Senator, our efforts to influence selection of the next Secretary General are paralyzed.
- While I have the highest regard for Senator Dodd and his lifelong interest in Latin America, on balance I believe it would be a bad idea to propose any American for that position.
- Even with Latin Americans as Secretaries General since the Organization's inception, because of the lopsided nature of the hemisphere and the aggressive assertion of U.S. interests in the region, the OAS has been broadly viewed as a multilateral cover for the U.S. An American as Secretary General would inflame these suspicions.
- Although an American Secretary General would demonstrate undeniable U.S. interest in the organization, an American Secretary General's effectiveness would be undermined by an insurmountable perception that he or she was an agent of the USG.
- While some of the smaller countries might rally to the U.S. standard, a campaign for an American candidate would engender deep concern among many Latin American and at least some Caribbean governments. There would likely be very strong resistance from most of the major countries, especially Mexico, Brazil and Colombia.
- A victorious effort would be divisive with negative repercussions long after the election. Moreover, expectations of economic and other support from the U.S. would be great, particularly on the part of those who supported the American candidacy.
- We are not at all confident an American could win. In fact, presentation of an American candidate could prompt a quickly rallying around one of the already declared candidates, all of whom are poor from our perspective.
- An American candidacy would prompt the Latins, who have considered the OAS job to be their preserve, to ask what key multilateral post the U.S. would be prepared to cede, the World Bank presidency?
- Finally, there is the domestic political consideration of whether we could hold the Senator's seat after he left it.

THE PRESIDENT HAS SEEN
12/1/93 eb

THE WHITE HOUSE

WASHINGTON

December 2, 1993

MEMORANDUM FOR MACK McLARTY

FROM: BILL BURTON

SUBJECT: President's note re DFAS

Attached you will find a note from the President asking about the status of the DFAS projects he is concerned about. I asked Andre to prepare a brief memo to you (also attached) which explains where we are on the DFAS projects generally. It does not state where we are on any specific DFAS project; indeed, I am not aware of those projects the President has a specific interest in.

Please let me know what further information I can provide you on this matter.

B. Burton

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count - more q's*

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Ohio - ~~Youngstown~~ / Cleveland
Michigan
Southwest
Situ for 161,000 / 300 clubs*

BC

THE WHITE HOUSE
WASHINGTON

December 2, 1993

MEMORANDUM TO THE CHIEF OF STAFF

CLOSE HOLD

FROM: Andre Oliver *AO*
RE: Selection of DFAS Centers

As you requested, here is a progress report on DOD's selection of DFAS centers.

The DFAS selection team, working with GSA and the Army Corps of Engineers, has just completed site reviews of more than 200 prospective locations, including the bases closing under BRAC III. The site selection team will analyze this information and present a preliminary report to the Department's Comptroller and Secretary Aspin by mid-February. The report should provide the Secretary several options -- which they term "packages" -- of new centers to consider.

At this time, the Secretary is expected to consult informally with the White House on the selection process. DOD hopes to announce the new centers by late February or early March.

Background

DOD currently has 11,000 employees in five DFAS locations, and another 16,000 spread across 300 centers around the country.

DOD expects to consolidate these sites to about 5 - 15 centers (with a range of less than 1000 to more than 2000 jobs at each center). The Secretary has outlined more merit-based selection criteria from that of the previous Administration, emphasizing: 1) cost to the government; 2) maintenance of customer service; 3) use of defense assets made redundant by the end of the Cold War; and, 4) good labor supply. The Secretary developed these new selection criteria to dampen the perception that political considerations would determine selection of the new sites.

cc: Bill Burton

THE WHITE HOUSE
WASHINGTON

7/30 09:40

Mack

When can we see
the DFA's projects
I'm very concerned
about —

B.

Mack,

Where are
we on the
DFA's projects
I'm very concerned
about —

T Guy
Sum ~~at~~
Retire -
R

THE PRESIDENT HAS SEEN
12/7/93 db

THE PRESIDENT HAS SEEN

12/7/93 11:15

Dear President Clinton,

Since all the Western European countries now recognize Macedonia, including the European Community, when will the United States follow suit?

The Republic of Macedonia is suffering an economic depression due to sanctions imposed on former Yugoslavia. Simultaneously, Macedonia is the only country in the Balkans that has abided by the sanctions imposed by the United Nations on former Yugoslavia.

The Republic of Macedonia is the cradle of peace in the Balkans, and desires a peaceful coexistence with all of its neighbors.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mirjan Iliev". The signature is written in dark ink and is positioned below the word "Sincerely,".

THE PRESIDENT HAS SEEN
12/7/93 db

THE WHITE HOUSE
WASHINGTON

DECEMBER 1, 1993

- Supp papers
- Rees
- Rees Media 12/2/93

MEMORANDUM TO THE PRESIDENT

FROM:

MARK GEARAN *MG*

RE:

DECEMBER COMMUNICATIONS PLAN

Mark
call as per
with B

The following memorandum is an update on media briefings that we have set up during the month of December. The objective of this series of interviews is very simple: to provide you with a chance to summarize your administration's accomplishments this year.

Taken together, these interviews afford you a chance to touch base with most of the major outlets for news in this country. We have crafted a schedule that includes interviews with major newswEEKlies, press from crucial electoral states, specialty press, political columnists and major political reporters from newspapers and the wires, targeted editorial boards, press from your home state, and major reporters and producers from the networks and key radio stations.

We will also provide you with individual briefings for each meeting and memo summarizing our overall plan for the series of meetings. A short summary of the media meetings is set out below chronologically:

The Weeklies. We have set aside one hour on December 2nd to spend with the major newsmagazines: Time, Newsweek, and US News and World Report.

Sperling Breakfast. The Sperling breakfast on December 8th will give you an opportunity to highlight your accomplishments before major national political print reporters from targeted states.

MEMO ON DECEMBER PLAN
DECEMBER 1, 1993
PAGE 2

African American Press – Religious Press. We have scheduled some time on December 9th to follow up on your Memphis, North Carolina, and Yale speeches with the black press and religious press.

The Networks. We have scheduled a lunch with the networks' White House correspondents and Bureau Chiefs on December 14th or 15th so that you can lay out for them your accomplishments and your plans for the coming year.

The Business Press. On December 14th, we have scheduled time so that you can lay out your economic, trade and budget records for the major business and economic reporters.

The California Press. On December 14th, you will also be speaking with key members of the California press so that we can spell out in greater detail our strategy for reviving the California economy. In addition, they will be invited to a day-long briefing with key administration officials.

The Wires. During the week of December 20th, you will sit down with reporters from the major wire services to discuss the year's accomplishments.

Radio. Major radio reporters will come in during the week of December 20th so that we can follow up on the work we did with them in October.

Arkansas Roundtable. During the week of December 20th, we have set up an Arkansas round-table that will allow you to touch base with your home state press and answer the particular questions that Arkansans have about your time in Washington.

Editorial Boards. During the week of December 20, we plan to bring in key writers from the editorial boards from the major regional newspapers that provided key support to your candidacy.

CC. VP
MACK
Gergen
George

THE WHITE HOUSE
WASHINGTON
November 22, 1993

THE PRESIDENT HAS SEEN

12-7-93

11:22 P6:53

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ~~ALEXIS~~ ALEXIS HERMAN

SUBJECT: NAFTA OPL OUTREACH ACTIVITIES

Great for

I. SUMMARY

Instrumental in the passage of NAFTA was a concerted constituency and industry outreach effort conducted by the Office of Public Liaison in conjunction with the NAFTA War Room effort. The following is a summary of OPL's outreach with attached letters illustrating the direct impact of the outreach strategy.

II. DISCUSSION

A. Briefings

The focal point of our outreach strategy was a series of briefings to three types of constituents: state opinion leaders; industry representatives; and base constituency groups. Each participant left the briefings with extensive background packets providing facts and figures about NAFTA and its effect on specific states, industries and the country.

1. State Opinion Leaders

- a. These briefings were patterned after the state opinion leaders briefings conducted during the economic plan. Business, civic and environmental leaders were defined as the leaders.
- b. From October through November, a series of eleven 3-hour briefings with leaders from 30 states were conducted by the Vice President, Cabinet Secretaries and other administration officials. The emphasis of these briefings were the regional concerns and questions pertaining to the implementation and passage of NAFTA.
- c. OPL, working with the NAFTA War Room, Political Affairs, Intergovernmental, members of Congress and outside groups, compiled a balanced and diverse invitation list of state leaders. Primarily,

supporters and those undecided were extended invitations. They were prepared to either make up their minds to support NAFTA or be thoroughly equipped with information to persuade others and talk to the media following the briefings.

2. Industry Briefings

- a. Targeted industrial sectors that would be the beneficiaries of NAFTA received briefings.
- b. The industries included transportation, energy, agriculture and environmental technology. Cabinet Secretaries from the respective industries served as the briefers along other administration officials adding support.

3. Base Constituency Briefings

- a. As part on OPL's ongoing outreach, base constituency groups including women, African-Americans, Hispanics, local chambers of commerce and small business groups received NAFTA briefings.

B. Special Events

1. Momentum and support for the treaty was generated through NAFTA-related events such as NAFTA Products Day on the South Lawn; an East Room event with three former Presidents, former Secretaries of State and Nobel Prize economists; and the small business event at the National Museum of American History.

C. Results

1. From July through November 15, over 3,000 individuals received White House briefings on NAFTA.
2. The briefings galvanized interest and support for NAFTA. (See attached letters.)
3. Positive word-of-mouth "buzz" about NAFTA was generated in the media some attributable to the media coverage from the stake out appearances following each briefing.
4. Organizations such as the National Association of Women Business Owners, the Executive Leadership Council, the Chrysler Minority Dealers Association and the 5 million-member American Legion endorsed NAFTA. (See attached letters.)

SUSTAIN Program

Sharing United States Technology to Aid in the Improvement of Nutrition

November 16, 1993

1-3-93
DM
The Honorable Alexis M. Herman
Assistant to the President and Director of Public Liaison
The White House
West Wing
Washington, DC 20500

Dear Mrs. Herman:

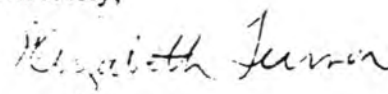
The November 10 briefing and discussion on NAFTA for women business leaders was outstanding! It was informative, energizing, and well organized. The speakers from the White House and Cabinet were exceptional and the diversity and insights provided by the women invited to the event were enriching. It is always exciting to see such high caliber talent among women! Thank you for inviting me to be part of it.

As Director of SUSTAIN (Sharing U.S. Technology to Aid in the Improvement of Nutrition), I work closely with women business leaders in the U.S. food processing industry and in developing countries. SUSTAIN provides technical assistance in food processing technology to help improve nutrition in developing countries. The assistance is provided by senior executives and technical professionals from U.S. food companies who agree to donate their time and expertise. The benefits of NAFTA would be tremendous for many of the groups we work with in the U.S. and overseas. Enclosed are program materials.

Please don't hesitate to call on me if I can assist in any way in the future.

Thank you again. Best wishes for success on NAFTA.

Sincerely,



Elizabeth Turner
Director

Enc: Program materials



Hercules Incorporated
P.O. Box 8
Oxford, GA 30257-0008
(404) 788-7011

November 1, 1993

Honorable Paul Coverdell
204 Senate Russell Office Building
Constitution and Delaware Avenues, SE
Washington, D.C. 20510

Dear Senator Coverdell:

Recently I had the opportunity to come to Washington and listen to the Vice President, Secretary Babbitt, and other White House personnel in discussions on NAFTA.

I found the meeting invigorating and stimulating, and resolved all of my concerns and questions regarding NAFTA. The meeting further cemented my belief that NAFTA is good for the country and good for our industry.

Our business is founded in Covington, Georgia. It employs 600 personnel and manufactures 250 million pounds of polyolefin fiber. We currently do 20-30 million pounds per year of business in Mexico. They are our third largest customer and an extremely important business partner. We expect that the major growth in North American for diapers (which is the final result of our product) will be in Mexico.

We appreciate any support you can give us in helping to convince others that NAFTA is right for Georgia.

Very truly yours,

HERCULES INCORPORATED

J. G. Kirkham, Plant Manager
A&TP Business Group
Oxford, GA Plant

JGK:dm

coverdell.jgk

*Make it right
G.A.*

Small Business

R. E. Cartledge
Chairman and CEO

UNION CAMP CORPORATION 1600 VALLEY ROAD, WAYNE, NJ 07470 TELEPHONE (201) 628-2615
FAX (201) 628-2490

November 11, 1993

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

Dear Mr. President:

I applaud you and your administration's work on behalf of the NAFTA free trade agreement. Your work is not only extremely important for the promotion of the world's free trade, including GATT and the Japanese/American agreements, it is also most important to our 20,000 employees' jobs.

Last year, one day of our production each week was required for export markets. Our employees believe, as do I, that exports mean more jobs and more job security for all of us. With NAFTA, our markets will grow.

Two years ago, we seriously considered the acquisition of production facilities in Mexico, in order that we might have an economically viable facility to participate in the growth of the expanding Mexican markets and to eliminate the tariff. With the advent of NAFTA, we will not be required to make this new investment but, instead, will ship our paper products from U.S. facilities.

Mr. President, I have attended the briefings on NAFTA by Vice President Gore, Secretary Benson and Bob Rubin. They did an excellent job on your behalf.

All of us at Union Camp are working with you and communicating on your and our behalf with our employees, our customers and our families to explain why NAFTA is good for us and good for America.

Sincerely,



Gene Cartledge

/db

**BRISTOL-MYERS PRODUCTS**

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Morrisonville, NC 27560 919 467-3500

November 12, 1993

Alan C. Norris
Director
Plant Operations

President Bill Clinton
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Clinton:

Please allow me to express my sincere appreciation for the invitation to the White House NAFTA briefing this past Tuesday. I was of course, honored to be there, but more importantly I picked up a clear understanding of the issues and why passage is very important.

Within my sphere of influence, I have taken the following steps to help ensure passage:

On Wednesday, I met with the President of my Division and the Vice President of Operations to review The North American Free Trade Agreement and to solicit their support, both personally and through their people, in helping to get it passed. They did commit their support.

I run an operation with approximately 600 employees who are spread throughout four Congressional Districts. Today, I have dedicated my time to meeting with each and every one of them to discuss NAFTA. I have taken the liberty of copying and distributing to all my employees the materials your office provided. Also, we have provided to everyone, the names and telephone numbers (both local and Washington) of the four Congressmen and two Senators representing this area. In the group meetings, I have encouraged my people to review the information so that they can make an informed decision and then to call their representative and both Senators and let them know that we want NAFTA passed. I have asked them to call even if they believe that their representatives are in favor of the Treaty. Also in these forums, I have entertained questions and found the information provided at the White House briefing as well as in the briefing books very helpful in addressing the issues.

Within my Division, there is a group of 40 Directors who manage each business unit. They work in New Jersey and New York City, and live in many congressional districts spread throughout New Jersey, Pennsylvania, New York, and Connecticut. I have Federal Expressed the materials to each of them, requested that they share it with their people, and of course to also call their Representatives and Senators today.



JOHNSTON
C. A. Johnston
October 28, 1993

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. President;

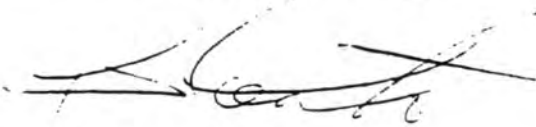
Thank you for inviting me to the NAFTA briefing on Thursday, October 21, 1993.

I appreciated hearing directly from members of your cabinet, special counsel, and the Vice President on the grave importance of the NAFTA to our country and to our future. I was very impressed with the high commitment expressed by you and your administration to this important international agreement.

This agreement will be of great benefit to our country, state, and to our company. I estimate that we will increase 25% in revenues and employment, directly related to the NAFTA. Furthermore we have 150 to 200 suppliers who will also benefit from our NAFTA increases. We don't have plans to move to Mexico because we rely heavily on a highly productive local work force, high quality suppliers and excellent local infrastructure.

As in the past, I am committed to support your efforts in any way I can.

Very truly yours,
JOHNSTON ENVIRONMENTAL


Luis C. Contreras
President

PARSONS ENVIRONMENTAL SERVICES, INC.

Joel H. Bennett, President

100 West Walnut Street • Pasadena, California 91124 • (818) 440-4412 • Fax: (818) 440-6195

October 28, 1993

The President
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President:

I was pleased to have the opportunity to attend a briefing on October 21 at the Old Executive Office Building during which Vice President Gore and members of your Cabinet and staff made excellent presentations supporting the North American Free Trade Agreement.

There is no question in my mind as to the importance of the Congress approving this landmark legislation. The positive impact on our economy cannot be understated and it is regrettable that there is so much misinformation on the subject inundating the public. Those of us in the business community who deal with Mexico and are aware of the trade activity believe that creation of jobs in the United States is a real and near-term benefit of NAFTA.

I fully support the agreement and I urge you to continue your most vigorous efforts to convince the Congress to vote their approval. I personally will make every effort to contact our senators and representatives to promote this cause and will continue until the critical vote is taken.

Wish you success in this important endeavor.

JHB/eyk



**Baker
Campbell
Associates**



2627 Martin Luther King, Jr. Blvd.
Dallas, Texas 75215
Tel. (214) 428-2300
Fax (214) 421-4310

*Doris
Ben*

*DM
10 1993*

November 4, 1993

NOV 9 1993

Alexis Herman
Assistant to the President
Director of Public Liaison
The White House Office
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Ms. Herman:

Thank you for the invitation to what was a most comprehensive and informative briefing on NAFTA Monday morning. Secretary Brown's comments and the ensuing dialogue help solidify my support of the treaty and the immediate necessity of communicating its benefits to our communities.

As President of the National Black Business Council, I have initiated a resolution in support of NAFTA that will be voted on Friday, November 5th. We will be also communicating to our board members and affiliated organizations the importance of communicating the treaty's importance to their elective representatives.

I want to thank you for taking the initiative to hear the voice of the black business community on this very important issue. I look forward to working with this administration to assure the passage of NAFTA and other critical legislation that President Clinton has envision for our country.

Please do not hesitate to call upon me if I can be of any additional assistance individually or through the National Black Business Council.

Best Regards,

Gregory A. Campbell

Gregory A. Campbell
Principal

GAC/sdj

Management Consultants

Arm-Wrestling Over Trade

TRADE AGREEMENTS are always tough to negotiate when times are hard and unemployment is high. The enormously ambitious effort known as the Uruguay Round, now coming to a make-or-break decision in Brussels, was begun in 1986, a year of solid economic growth and optimism. But then the United States fell into a recession from which it is only slowly recovering, and both Western Europe and Japan are now deeply sunk in recessions of their own. No wonder the progress in these trade talks has been slow and uncertain.

Hopeful noises have recently been coming from Brussels, where trade negotiators for the United States and the European Union (as the European Community has now renamed itself) are trying anxiously to push each other to an agreement. They say that they will succeed soon, perhaps even today. But that won't be the end of this process.

If they arrive at an agreement, the Americans and the Europeans will next have to sell it to all the other governments taking part in these talks—more than 100 of them—and then go on to settle a half-dozen other major issues. All that has to be done by Dec. 15. If that deadline is met, each government will have to ratify the result. In the case of the United States it will require Congress to pass legislation and, as in the case of

the North American Free Trade Agreement last month, that won't be simple.

The purpose of trade agreements is to make countries richer by increasing the competition among them. But in recessions, doubts rise in every country about its ability to compete, and anxiety about jobs is fierce. In the current arm-wrestling between Americans and Europeans in Brussels, the French have been most conspicuous in dragging their feet. It's not irrelevant that the unemployment rate in France is now 12 percent, nearly twice the rate here in the United States.

And yet, after taking full account of all the difficulties and all the hazards, it's necessary to say one more thing: The Uruguay Round has to be brought to a useful conclusion. It can't be allowed to fail.

The basic argument for it is a simple one. Over the past century the times of expanding trade have meant increasing prosperity for most of the world, and the times of stagnant or contracting trade have been disastrous. That's why the quarrelling in Brussels, which has gone on longer than it should, now needs urgently to be brought to a conclusion on which the next world trade agreement can be built.

HUD-(D.C.) Initiative—Day 180

LAST WEEK'S death of Yetta Adams literally on the doorsteps of the Department of Housing and Urban Development has brought a sense of urgency to the much discussed HUD-D.C. Homeless Initiative. In a dramatic response to a tragic circumstance, the doors—and coffers—of HUD have been opened by Secretary Henry Cisneros in ways that this city hasn't seen in years.

To several private shelter operators, Yetta Adams was an example of the difficulties and frustration encountered by social workers and mental health specialists who try to provide real treatment and a sanctuary for the homeless who are mentally ill. She was no stranger to shelters or group homes. To Secretary Cisneros, however, Yetta Adams' death—alone and huddled on a bus shelter bench—was the kind of painful and tragic result that HUD is charged with bringing to an end. To avoid more Yetta Adams's, HUD has triggered several emergency actions to counter the dangers of cold weather—although the D.C. Medical Examiner has not yet reached a determination as to the cause of Ms. Adams' death. Secretary Cisneros has ordered HUD to serve as a backup shelter to local facilities when the temperature dips below freezing. He also

wants other federal agencies to open their doors as well. The secretary also has taken the unusual step of bypassing the District government—his initiative partner—to give about \$250,000 of federal money directly to homeless advocate groups to be spent for vans, drivers, an updated homeless hot line, and more shelter beds and outreach workers. To do this, HUD plans to tap into the special \$20 million Homeless Initiative pilot program. That step should be taken with great care and due regard for the understandings reached between District officials and HUD.

The initiative rests on a proposed HUD-D.C. partnership agreement that spells out the mutual obligations of both sides. Chief among the various concerns is accountability, especially for the expenditure of federal funds. Until now, it was believed that until a "public/private" coordinating entity was established by the mayor and D.C. Council, no HUD funds would be spent. That is the basis on which the Congress concurred with the initiative, too. Many are counting on HUD to prove that it can work on pilot programs with local governments without repeating the bad experiences of the past. The District offers a good opportunity to do just that.

→ GS/Carry

Or some poss. how for gtr

TUESDAY, DECEMBER 7, 1993 THE WASHINGTON POST

Wright

THE WHITE HOUSE
WASHINGTON

DATE: 12/06/93

NOTE FOR: JIM DORSKIND

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

Information ☐

Action ☒

Please prepare a Presidential response, coordinating with Carol Rasco, and return it to my office.

Thanks.

(The newspaper article continues on page 25, but that page was not sent with the other two pages.)

Thank you.

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

cc:



Los Angeles Times

SATURDAY, DECEMBER 4, 1993

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Timony Menendez Trial Ends

AN ABRAHAMSON
STAFF WRITER

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se see COURT, A23

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his nearly eight-year battle with unemployment.

"Here's some documents," he told an editor of the Ventura County Star Free Press. "Please take a look at them."

On his way out of the door, he said: "You don't have to do it now."

Inside were more than 200 job rejection letters and other files relating to his lack of work.

He apparently drove from there
Please see RAMPAGE, A28

fect its culture and its entertainment industry from an onslaught of American films, presents a difficult political challenge for President Clinton, for whom Hollywood has been an important political backer.

Clinton, who will be in Los Angeles today to raise \$2 million for the Democratic Party from the entertainment industry, has publicly committed himself to taking on the issue of Europe's restrictions, which include limits on for-

ing room on the issue, the entire trade package, affecting virtually the entire U.S. economy, could go down the tubes when the talks hit their Dec. 15 deadline for completion. Recognizing that bind, the industry has quietly relaxed its position in recent weeks, and now says that it can live with some import quotas.

European negotiators, too, have shown some flexibility, offering for

Please see TRADE, A16

THE PRESIDENT HAS SEEN

For the Love of a Child, a Man Is Saved

■ **Recovery:** A Skid Row addict turns his life around to keep his daughter.

By GORDON DILLOW
SPECIAL TO THE TIMES

It's not really very far from the filthy, seemingly hopeless sidewalks of Skid Row in Downtown Los Angeles to the neat, one-bedroom apartment on Atlantic Avenue in Compton—only about 12 miles. But there was a time not so long ago when Orlando Lee figured it might as well be a million.

He was living on the streets then, sleeping in a cardboard condo and planning no further ahead than his next bowl of crack, his next bottle of cheap fortified wine. After eight years on the Row, he had become one of those apparently hopeless cases, the kind you have to step over when you're

Please see CUSTODY, A24



Orlando Lee at home with his 3-year-old daughter, Danielle.

I want to work together with
of course, encouragement
Coulter Clark



VINCE COMPAGNONE / Los Angeles Times

Orlando Lee says he's got "worries, responsibilities, bills" and—making it worthwhile—his daughter.

CUSTODY: Father Regains His Daughter

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of
PASADENA
Exquisite Ori
530 N. Lake Ave., D

Our roman
classical, co
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Dec. 2
choice of fab
this week for

CUSTODY: Father Regains His Daughter

Continued from A1

walking down Main Street.

Orlando Lee had pretty much given himself up for dead.

What saved him was the love of a little girl—his love for her and her love for him—and a tough, no-nonsense "restoration and re-entry" program run by a Lynwood church.

Now, two years after he picked himself up from a Skid Row sidewalk for the last time, Lee once again has a job, a home and a future. And, in what social services workers acknowledge is a startling accomplishment for a man with his background, he recently was awarded sole custody of his 3-year-old daughter, Danielle, who was born into the squalor of Skid Row.

"If it hadn't been for my daughter, I'd probably still be down there," says Lee, 36, who spent months in parenting and literacy classes to win his child back. "She's the reason I turned around. Now I'm sitting in my house—a real house, not a cardboard house—and I've got a job, and I'm watching my daughter grow up. It's a joyful thing."

"Mr. Lee has accomplished what he has through a lot of guts and effort," says Jeff Murphy, an L.A. County Department of Children's Services social worker who has monitored Lee's efforts to gain custody of his daughter. "Unfortunately, we don't see enough success stories like this. What he's done should be an inspiration to a lot of people."

"We're very proud of him," says Pastor John Hopkins of the Truevine of Lynwood Missionary Baptist Church, which operates the program that helped Lee. "He's an example of what can be accomplished with men like him."

An L.A. native, Lee grew up in South-Central Los Angeles near 70th and Central. He dropped out of Fremont High School in the 12th grade, got married at 21, had two sons and was working as a food preparer for a catering company. But somehow things started going wrong.

"I was starting hanging out, drinking, smoking weed," Lee remembers. "That was when crack started getting popular, and I started doing that. I was getting lazy, missing work, making excuses. I lost my catering company job, and got a part-time job as a cook at a child-care center on 75th Street. But I lost that job, too. I left my home and my wife and my kids. I was going down, down. People in the neighborhood were talking bad about me, talking me down. Then this friend of mine said, 'Hey, let's go Downtown.' I wanted to go, 'cause Downtown nobody cares what you look like, or what you wear, or what you do."

That was in 1984. Lee would spend the next eight years on the Row, picking up a little money unloading trucks in the warehouse district or working in a liquor store, but mostly living on his county general relief check—at the time a little more than \$300 a month.

He met a young woman, and started living with her—and using drugs and drinking with her. When she got pregnant, he says, she quit drugs until Danielle was born on Sept. 10, 1990. He and the baby's mother would pool their relief checks and get a room in a \$9-a-night hotel for a week or so, but most of the money went for drugs. When the money ran out they'd be out on the streets with their baby, living in a cardboard box.

Nobody knows for sure how many children live on Skid Row. But Liz Mooradian, a spokeswoman for the Union Rescue Mission in Downtown, says the problem is growing, and notes that her mission alone provides services—food, clothing, diapers, baby food—to about

700 women and children a month.

Living on the streets with a new baby and readily available drugs and alcohol did not make for a stable relationship between Lee and the baby's mother. There were arguments and fights, and Lee did some jail time for spousal abuse—six months one time, three months another. The baby was often dropped off at her maternal grandmother's house for days or weeks while Lee and the baby's mother got high.

One day several years ago, a friend of Lee nicknamed Crazy Charlie told him about the Truevine church in Lynwood, which was operating a feeding program for Skid Row down-and-outers. Every Sunday the church bus would make a run to Skid Row and bring a full bus back for a sermon and a hot meal.

"When Crazy Charlie said there was a meal in it, that got me," Lee remembers. "I started coming down. I'd sit through the service, waiting for the meal, and then after the meal, it was like, 'I'm full, take me back Downtown.'"

Perhaps providentially, the Truevine church bus was there when Lee hit bottom. He remembers waking up on the sidewalk at the corner of Los Angeles and Winston streets after a binge on crack and cheap wine—dirty, hung over, feeling sick at heart and sick in body. It was November, 1991.

"I was at my rock bottom," Lee says. "That was it. I knew I had to change my life or my life was going to be over. Then I saw the Truevine bus come by and I flagged it down and said, 'I need help.'"

Since 1988 the Truevine church has operated a program called Truevine Community Outreach Transitional Program for Men, which puts alcohol- and drug-addicted men in a highly disciplined group home environment. Funded by grants and contributions, the program has two residential houses in Lynwood and Compton, each with space for six men. The rules are strict: out of bed at 6 a.m. sharp, working during the day at house

chores or church-related tasks, no one allowed out of the house unaccompanied for the first 30 days, and so on. Residents agree to stay in the program for at least 180 days, undergoing job training and substance abuse, spiritual and psychological counseling.

In the past five years, about 40 men have gone through the program, Hopkins says. It's a small program but an effective one.

"We're not a shelter, we're a re-entry program," says Hopkins. "A lot of men wind up just going to this shelter for so many days, then that shelter for so many days and so on. They get locked into that system. But we can give them training, help them build up their self-esteem. And when they leave the program every man has permanent housing. He doesn't just go back on the street."

Lee signed the papers agreeing to abide by the program rules and moved into one of the residence houses. He didn't tell anyone on Skid Row where he was because he didn't want to be embarrassed when he failed in the program. He simply assumed that he would fail. His years on the Row hadn't prepared him for anything else.

"I had the shakes for two weeks," Lee remembers. "But then after a couple of weeks in the home I wasn't shaking any more. It was hard, but I stuck with it. I knew I had to stick with it."

Lee's daughter, Danielle, then about a year old, was at her grandmother's house in Hollywood when Lee checked into the program. Her mother was still on Skid Row. Eventually the grandmother decided she couldn't or wouldn't care for the child; she turned

Please see CUSTODY, A25

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before the holi

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