Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	To POTUS re: Pilot Qualification [partial] (1 page)	12/27/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 2244

FOLDER TITLE:

January 9-15, 1994

2018-0662-S
rs3084

RESTRICTION CODES

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

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

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

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

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

Copy

THE WHITE HOUSE
WASHINGTON

DATE: 1-12

NOTE FOR: VP, Rubin

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

Information ☑

Action ☐

[redacted]

Thank you.

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

cc: Panetta
Griffin

THE WHITE HOUSE

WASHINGTON

January 8, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT E. RUBIN SM for REK

SUBJECT: **Attached Memo on Tax Extenders**

The attached is self explanatory, and we are recommending that we defer the extension of these tax provisions until a later time for Congressional and political reasons. If you disagree with this decision, since there are also political considerations in favor of acting now, please contact Secretary Bentsen or myself as soon as possible because we would need to include any tax provisions in the upcoming budget.

I think I agree
w/ this, want to know
OPs view —

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

94 JAN 8 P3:22

SECRETARY OF THE TREASURY

January 8, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD BENTSEN

SUBJECT: FY 1995 BUDGET PROPOSALS -- EXPIRING TAX PROVISIONS

SUMMARY: The targeted jobs tax credit (TJTC), exclusion for employer-provided educational assistance, and orphan drug tax credit will expire on December 31, 1994. The R&E tax credit and R&E 50-percent allocation rule expire mid-year in 1995. If you wish to propose the extension of some or all of these provisions, such proposals should be included in the FY 1995 budget submission to the Congress. The NEC has considered whether these provisions should be extended in the budget, and if so, for how long.[1] Bob Rubin asked me to provide this memorandum to you setting forth the NEC's recommendation and the major reasons for and against this approach. Some background information is attached.

RECOMMENDATION: The NEC considered four options for the treatment of expiring provisions in the budget: (1) do nothing (i.e., do not extend any of the expiring provisions); (2) propose a one-year extension of the exclusion for employer-provided educational assistance and the orphan drug credit (at a revenue cost of $491 million over 5 years) and make a commitment to include an extension of the R&E credit, 50-percent R&E allocation, and TJTC in the FY 1996 budget; (3) extend all of the expiring provisions for one year ($3.2 billion); or (4) extend all of the provisions permanently ($14.4 billion).

The discussion at the NEC meeting focused on options 1, 2 and 3. The consensus of the group was to recommend option 1, (i.e., not extending any of the expiring provisions in the FY 1995 budget). However, we also recommend privately contacting both the Members of Congress and key persons within the groups who support the provisions to advise them that we would expect to extend the provisions no later than in the FY 1996 budget. Also, in some cases the credits might be modified (e.g., the TJTC might be replaced with a different training or work incentive).

[1] The NEC meeting was attended by Bob Rubin and representatives from the Vice

RATIONALE:

The NEC recommends option 1 for the following reasons:

- All of the expiring provisions are in effect for all of 1994, and the R&E provisions do not expire until mid-1995. Therefore, it is not necessary to extend them at this time.

- Extending the expiring provisions will require revenue offsets. We are going to have a very difficult time financing Administration initiatives, even without the expiring provisions. We will have to propose ways to finance the GATT (approximately $11 billion over 5 years), Generalized System of Preferences ($2.7 billion), unemployment insurance extended benefits program, the dislocated workers program, and possibly welfare reform. During an election year, both Democrats and Republicans would oppose another round of tax increases, particularly after the enactment of the 1993 Budget Act.

- Tax bills during the Bush Administration (the "no new taxes" era) and last year's budget bill have depleted the inventory of "less controversial" revenue raising proposals. Moreover, there is a kind of "Catch 22" about revenue raisers. To the extent that we can develop "relatively easy" revenue raisers, presenting them in the budget would make them available to Members of Congress to pay for their own initiatives, which could include deficit reduction or miscellaneous member items. Any controversial items, however, will be criticized and rejected.

- Proposing both extension of the expiring provisions and the offsets would tend to result in criticism (e.g., from Republicans) of the offsets. By contrast, if the budget does not propose extension of the expiring provisions, it will include no tax provisions (other than those in the health care reform proposal). This puts you in an attractive position politically and will give Republicans and others (e.g., business groups) who want to extend the R&E and other provisions an incentive to work with the Administration and Democrats in Congress to develop acceptable revenue offsets. In essence, this could encourage them to become constructively engaged in the budget process and perhaps even come forward with revenue of their own to pay for extension of the expiring provisions.

- If we include these provisions in the budget, we would in effect be asking Congress to initiate a tax bill. This could result in amendments to lower the capital gains tax rate and add numerous miscellaneous member-sponsored proposals.

- The TJTC has been heavily criticized as an inefficient incentive, and supporters of the R&E credit have suggested changes (which would make the R&E credit more generous). The budget document should include language indicating that we are studying whether changes to these incentives should be proposed.

You should be aware, however, that there are disadvantages with our recommended approach.

- The budget serves as a statement of the Administration's priorities. Thus, failure to extend the R&E provisions will result in questions about our commitment to research and development by Senators Feinstein, Baucus, Danforth, Rep. Pickle and other proponents of the credit. Senator Feinstein is up for re-election this year so we can anticipate a particularly negative reaction from her. Similarly, proponents of the other provisions will also complain (e.g., Congressman Rangel about the TJTC). To forestall this criticism, as noted above, we believe that Congressional proponents and interest groups that support these provisions should be contacted before the budget is announced and reassured that we support these provisions. We would also explain to business groups that the provisions were excluded because we do not want a tax bill this year and would point out (in appropriate cases) that GATT, which will cost ~~approximately $11 billion~~, will provide significant benefits to the business community.

This is where [illegible] we get Gov't agreement to Budget rules only

- Similarly, education and training are key Administration priorities. The failure to extend the exclusion for educational assistance and the TJTC -- which are the only tax provisions directly encouraging investment in human capital -- could generate an impression that contradicts our commitment to spurring increased private sector investment in education and training.

- The TJTC, exclusion for educational assistance, and orphan drug credit expire at the end of this year, while the R&E provisions expire next year. As a result, if Congress agreed with our recommendation we would probably have to extend these provisions retroactively next year (i.e., in all likelihood a bill would not be enacted until after they expired, even if they were included in the FY 1996 budget). These provisions, however, have been extended retroactively on several occasions.[2] Also note that there are alternative vehicles for the three provisions that expire this year (i.e., the orphan drug credit could be included in the Health Security Act, while the TJTC and the exclusion for educational assistance could be included in the dislocated workers legislation).

As noted above, the NEC also gave serious consideration to the second and third options. The second option, which would extend only the exclusion for educational assistance and the orphan drug credit, was rejected because we would appear to be favoring some provisions over others. It would evoke criticism from interest groups and Congressional proponents because it excludes the R&E credit, 50-percent R&E allocation rule and TJTC.

The third option would extend all five of the expiring provisions for one year and would cost **$3.2 billion** over 5 years. This package would provide for the minimal possible extension of the expiring provisions in 1994 so as to ensure that the provisions would not have to be extended retroactively at some point in 1995. This option was rejected in favor of the "no revenues" option for the reasons discussed above.

I should note that I have discussed the issue of the expiring provisions with Chairmen Rostenkowski and Moynihan. Chairman Rostenkowski indicated that he would be willing to go along with whatever we proposed (including, I believe doing nothing, i.e., the recommended option). Chairman Moynihan would prefer that we extend the educational assistance program. However, he will recognize the benefits of not being forced to deal with a tax bill this year, and I do not believe that he will object strenuously to the recommended option.

Attachment

BACKGROUND INFORMATION

1. <u>In General</u>. The provisions expiring before the end of FY 1995 are as follows:

December 31, 1993	•	Health insurance deduction for self-employed individuals
December 31, 1994	•	Targeted jobs tax credit
	•	Exclusion for employer-provided educational assistance
	•	Orphan drug tax credit
June 30, 1995	•	R&E tax credit
July 30, 1995	•	R&E 50-percent allocation rule

The Administration's FY 1994 budget proposed <u>permanent</u> extensions of <u>all</u> of these provisions but the support from interest groups for permanent extension was tepid at best. The final 1993 Budget Act included permanent extension of the low-income housing credit, the mortgage revenue bond program, small-issue industrial development bonds, and alternative minimum tax (AMT) relief for charitable contributions of appreciated property. All of these provisions expired in July of 1992 and were extended retroactively in the 1993 Budget Act.

2. <u>Specific Provisions</u>

<u>Health insurance deduction for self-employed individuals</u>. The extension of <u>this provision is included in the health care proposal</u>. The proposal in the health care bill permanently extends and increases the deduction from 25 percent to 100 percent. This proposal loses **$9.8 billion over 5 years.**

<u>Targeted jobs tax credit (TJTC)</u>. The TJTC provides a maximum credit of $2,400 per employee to employers that hire individuals who are recipients of payments under means-tested transfer programs, economically disadvantaged or disabled. The Labor Department is responsible for overseeing state programs to certify eligible recipients.

A recent study by Labor's Inspector General analyzed the effectiveness of the TJTC in Alabama. This study found that most of the workers hired by companies would have been hired without the credit. Many employers taking the credit do not know at the time a job offer is extended if the individual will qualify for the credit. In addition, some employers are reluctant to ask the questions necessary to determine eligibility because of privacy concerns and a fear of discrimination suits by applicants who do not receive job offers. Thus most of the work is delegated to TJTC consultants. The Inspector General is currently conducting a nationwide study, which is expected later this year.

Despite these problems the TJTC has strong support on Capitol Hill (i.e., from Senators Boren and Baucus and Rep. Rangel). Not including an extension of the credit in the FY 1995 budget would allow a study of the TJTC to be undertaken during 1994. In addition, Secretary Reich is interested in developing tax incentives to encourage worker training, youth apprenticeships, etc. There is insufficient time to develop (and estimate) such proposals for inclusion in the FY 1995 budget and to determine whether they should supplement or replace the TJTC.

A permanent extension of the TJTC loses **$1.3 billion** in revenues over 5 years and a one-year extension loses **$307 million** over 5 years.

Employer-provided educational assistance. An employee may exclude the first $5,250 of educational assistance paid for or provided by the employer during the taxable year pursuant to an educational assistance program. The exclusion is not limited to job-related educational assistance, but does not apply to any education involving sports, games, or hobbies. A permanent extension loses **$2.5 billion** over 5 years and a one year extension loses **$467 million** over 5 years. Senator Moynihan is a strong supporter of this provision.

Orphan drug credit. The orphan drug credit is a 50% nonrefundable tax credit for expenses incurred in the testing of drugs for certain rare diseases. A rare disease is a disease that (1) affects less than 200,000 persons in the U.S. or (2) affects more than 200,000 persons but for which there is no reasonable expectation that businesses could recoup the costs of developing a drug for it from U.S. sales of the drug (e.g., Lou Gehrig's disease, Tourette's syndrome, etc.). Last year's budget did not include a proposal to extend this credit because this was considered a health care issue. The credit, however, was included in the final 1993 budget bill. The Administration's health care proposal does not currently propose to extend the credit, but it could be added to the bill. A permanent extension loses **$124 million** over 5 years and a one year extension loses **$24 million** over 5 years.

R&E credit. The R&E credit expires on June 30, 1995 (i.e., several months after the presentation of the FY 1996 budget). Supporters of the credit have raised a number of issues regarding the structure and efficacy of the credit. For example, many argue that the current method of computing the credit denies the credit to deserving businesses. The credit is available only for incremental research expenses in excess of a base amount. The base amount is determined based on data from the 1983-1988 period, and thus may not reflect the current circumstances of many businesses. Other issues have been raised by recent proposals involving enhanced incentives for collaborative research, and use of the credit to ease defense conversion by making the credit available to companies converting from high technology defense businesses to civilian businesses that may be relatively less research-intensive. These and other proposals were included in a bill introduced last year by Senator Danforth. The budget could indicate that the Administration plans to study these issues in 1994.

Senators Feinstein, Baucus, Danforth, and Rep. Pickle are strong proponents of the credit, and would criticize a failure to extend the credit in this year's budget. However, this should not be a decisive consideration. Whatever the budget includes, R&E proponents in Congress will always want us do more. If we propose a 1 year extension they will want a permanent extension. If we propose a permanent extension they want an enhanced credit for small businesses. So completely satisfying the R&E proponents should not be our goal.

In contrast to those who would enhance the credit and improve its incentive effects, others question whether any research credit is justifiable. In particular, Chairman Rostenkowski has long been skeptical of the efficacy of the credit and supported the reduction in the credit from 25 to 20 percent of incremental research expenditures as part of the Tax Reform Act of 1986.

Permanent extension of the R&E credit would lose **$7.6 billion** over 5 years. Thus, a permanent extension would require us to propose a package of significant revenue raisers. A one year extension would lose **$1.8 billion** over 5 years.

R&E allocation. In 1977, Treasury regulations were issued that required U.S. multinationals to allocate between foreign and domestic source income the amount of their research and experimentation expenses (the apportionment in general was according to the proportion of foreign and domestic sales or gross income). The effect of requiring U.S. multinationals to allocate some of their R&E deductions to foreign income, even though the R&E may have been entirely performed in the U.S., was to cause some U.S. multinationals to lose foreign tax credits. Viewing this result as undercutting the tax incentive for R&E, the Congress imposed a moratorium on the 1977 regulations, and has extended this moratorium nine times since 1977, the last time in the 1993 Budget Act. The moratorium provision in the 1993 Budget Act provided that 50 percent of R&E expense could be allocated to U.S. income before apportionment. It expires July 31, 1995. A permanent extension of the OBRA '93 moratorium would lose **$2.8 billion** over 5 years and a one-year extension would lose **$568 million** over 5 years.

Despite urging from the Congress to provide a 50 percent or better R&E allocation rule by regulations (which would spare the Congress the necessity of paying for an extension), the Treasury's judgment (and that of the Treasury in the previous Administration) is that the Treasury lacks the statutory authority to provide a tax incentive for R&E by regulations. The Treasury's authority is limited to an allocation rule that matches R&E expenses with the income produced by those expenses. We therefore believe that a 50-percent (or higher percentage) rule must be accomplished by legislation. If the R&E credit is extended, we believe that the R&E allocation rule should also be extended. On the other hand, if the R&E credit extension is deferred to the FY 1996 budget we suggest that the R&E allocation rule also be deferred and studied during 1994.

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 01/14/94

TO:
THE VICE PRESIDENT
MACK MCLARTY
DAVID GERGEN
GEORGE STEPHANOPOULOS
MARK GEARAN
ROBERT RUBIN

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

[redacted]

The attached has been forwarded to the President.

[redacted]

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

MEMBER

94 JAN 14 P7:52

January 14, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN S. BLINDER ASB

SUBJECT: Foreign Economic Developments

Exchange Rates: The dollar rose this week on renewed evidence of a robust economy and low inflation. The DM continued to fall, reaching a 28-month low relative to the dollar and a 16-month low relative to the pound sterling.

Value of the Dollar in terms of:	Week Ending 1/7/94	Week Ending 1/14/94	Percent change from: Week ago	Year ago
Deutschemark	$1 = 1.7290 DM	$1 = 1.7485 DM	+1.1%	+7.7%
Yen	$1 = 111.75 Yen	$1 = 110.90 Yen	-0.8%	-11.8%
Multilateral (March 1973 = 100)	96.18	96.73	+0.6%	+4.4%

Japan: ▸ A special "promotion team" to implement proposed deregulation plans was announced. Wholesale prices fell 0.1% in December and 3.3% during 1993.

Europe: ▸ **West German** GDP was unchanged in the 4th quarter and fell 1.9% in 1993. This is the largest annual drop since the Second World War. Retail sales fell 2.5% in November. Consumer prices rose 0.2% in December and are 3.7% above a year ago. CPI inflation was just over 1.0% for the second half of the year, however.

▸ **French** consumer prices fell 0.1% in December and rose only 2.1% in 1993. The Bank of France's intervention rate, which sets a floor on short-term interest rates, has remained at 6.2% since October. As a result, interest rates remain high in real terms.

▸ The **UK** economy continued to show signs of strength as unemployment fell to 9.8% in December from 10.0% in November. The trade deficit fell by half in October, reaching $385 million.

Other Countries: ▸ **Mexican** stock prices fell 6.3% early this week in response to the fighting in Chiapas and acts of terrorism in the capital.

▸ **Russian** GDP fell 12.0% in 1993 and has fallen 29% since 1991.

▸ **Ukrainian** central bank financing to ailing state-run enterprises reached 45.6% of GDP in 1992.

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

MEMBER

January 14, 1994 94 JAN 14 P7:52

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN S. BLINDER AB

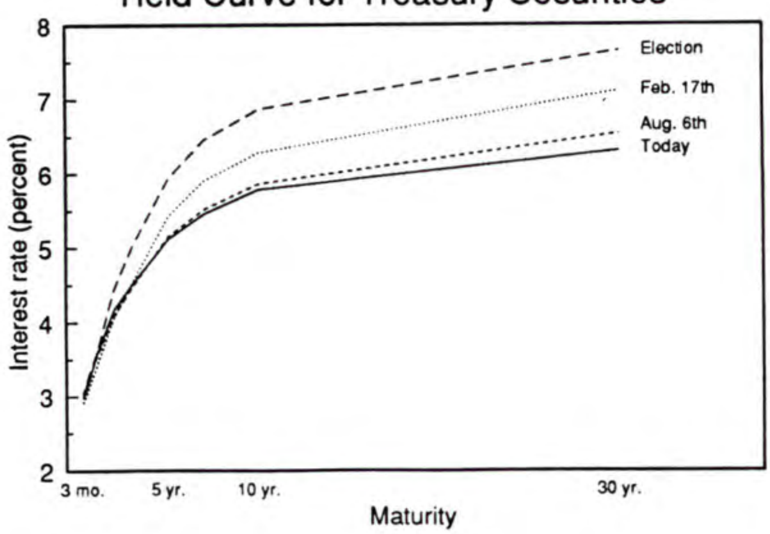
SUBJECT: Interest Rates and the Stock Market, Week Ending Friday, January 14, 1994

Interest rates changed little this week, with rates rising slightly at the long end. Changes in Treasury borrowing rates were as follows:

	Close 1/7/94	Close 1/14/94	Change
3-month bills	3.01	2.97	−0.04
10-year bonds	5.70	5.78	+0.08
30-year bonds	6.24	6.30	+0.06

The stock market closed higher for the week. The broad-based S&P index reached a new record high on Monday, and closed Friday at 474.91, up 1.1 percent from the preceding Friday's close. The Dow Jones Industrial Average also reached a new record high, closing on Friday at 3867.20, up 1.2 percent for the week.

Yield Curve for Treasury Securities



Jim
Pre

U.S. Department of Housing and Urban Development
Washington, D.C. 20410-4000

OFFICE OF ASSISTANT SECRETARY
FOR PUBLIC AFFAIRS

TELECOPY INFORMATION PAGE

TRANSMIT TO: Collier Andress

PHONE NUMBER: (202) 456-2461

FROM: Sharon Maeda, Deputy Assistant Secretary for Public Affairs

TOTAL NUMBER PAGES INCLUDING THIS COVER: 2

COMMENTS: Please expedite this letter. Secretary Cisneros is coincidentally going to be in Los Angeles and will read the President's letter LIVE at the event. Thank you.

OUR TELECOPIER NUMBER IS: (202) 619-8153

OUR TELEPHONE NUMBER IS: (202) 708-0980

DATE: Jan. 11, 1994

1-11-94 4:45pm
faxed to Jim
Dorskind 6-2993
to handle

FAX NUMBER: (202) 456-2461

Jan. 15, 1994
The White House
Washington, D.C. 20500

Dear friends at Comic Relief:

As your wonderful slogan goes, "Where there's laughter, there's hope."

On this, the occasion of your sixth telethon to raise funds for the National Health Care for the Homeless Council, I want to commend you for bringing so much laughter and so much hope to the cause of people for whom laughter is a rare commodity and for whom hope is all too foreign.

The power of laughter to heal and to restore hope has been amply demonstrated by the more than $20 million raised by Comic Relief in five previous telethons. This money has augmented federal efforts to help homeless men, women and children, and has contributed substantially to the impressive accomplishments of the Health Care for the Homeless Program in 23 cities.

Money is important in the fight against homelessness, but there is something else that is even more critical: the continuing commitment and involvement of caring and concerned citizens. Year after year, you have performed an invaluable service by employing the great gift of humor to call forth the best in the American people -- our natural desire to reach out and help the least fortunate among us -- and to engage millions of Americans in this cause.

There is no reason why, in the richest country in the world, people should have to live -- and sometimes die -- in the streets. As a nation, we have the resources and the talent to beat homelessness, provided we remain firm in our belief that it can be beaten. For more than five years, you have shown that we can make a real difference by acting together.

Please accept my very best wishes for the success of Comic Relief VI, and as you carry on this vitally important work, remember that millions of Americans will be laughing, and caring, with you.

Sincerely,

Bill Clinton

6-2993

AIR EXPRESS DELIVERY FORM

800 3442 797

PLEASE PRINT OR TYPE INFORMATION. PACKAGES WILL BE RETURNED IF INFORMATION IS NOT COMPLETE. AIR EXPRESS **WILL NOT** DELIVER TO P.O. BOXES.	No. 011429

SENDER INFORMATION

94 JAN 11 A 9:25

Name: John Podesta		
Agency: The White House	Room: Gr Fl. WW	Extension: 452-2702
Signature: Sharon E. Wagner		

DELIVERY INFORMATION

Addressee: Mrs Edna Carter		Phone:
Organization: Lake Mead Hospital		Bill Recipient Account No.:
Street Address: 1409 East Lake Mead Blvd.		
City: North Las Vegas	State: NV	Zip: 89030

TYPE OF SERVICE (Select One)

X Next Business Day Delivery

☐ Saturday Delivery ***(Extra Cost)***

SENDER COPY

[redacted]

THE WHITE HOUSE
WASHINGTON

01/11/94

TO: TOM EPSTEIN

FROM TODD STERN

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

December 23, 1993

Dear Mr. Dinsmore:

I appreciated your support for the APEC events in Seattle and share your belief the Asia Pacific region provides exciting economic opportunities for America. The Port of Seattle can be justly proud of the role it played in making APEC a success and in the contribution it has made to the vibrancy of Seattle's economy.

Your generous offer of office space for establishment of an APEC secretariat is intriguing and complements my desire to ensure Seattle continues to be a focal point for our Asia Pacific outreach efforts. The idea of setting up APEC offices throughout the member economies is being discussed within the organization and I'm confident the Port's offer will be evaluated carefully.

With warm regards,

Sincerely,

Bill Clinton

Mr. M. R. Dinsmore
Executive Director
Port of Seattle
P.O. Box 1209
Seattle, WA 98111

931228

12/23
(date)

NSC PACKAGE

RM:

OK FOR SIGNATURE PER JOHN PODESTA

RETURN ALL LETTER(S) AND ORIGINAL MEMO(S) TO PODESTA'S OFFICE.

TW
(intials)

12/23/93

NATIONAL SECURITY COUNCIL

ID 9309844

REFERRAL

DATE: 27 DEC 93

MEMORANDUM FOR: WH STRIPPING DESK

DOCUMENT DESCRIPTION: TO: DINSMORE, M R

SOURCE: PRESIDENT

DATE: 23 DEC 93

SUBJ: APEC & PORT OF SEATTLE ROLE

REQUIRED ACTION: FOR DISPATCH

DUEDATE: 27 DEC 93

COMMENT:

FOR WILLIAM H. LEARY

NSC RECORDS MANAGEMENT OFFICE

EF

9844

048 06355

FO006-03

THE WHITE HOUSE

WASHINGTON

December 22, 1993 93 DEC 22 P7:10

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
ROBERT RUBIN

SUBJECT: APEC - Letter to the Port of Seattle

Purpose

To reply to Mr. Dinsmore's offer of office space at the Seattle World Trade Center to establish a North American branch office for APEC.

Background

Mr. M. R. Dinsmore, Executive Director of the Port of Seattle, wrote you congratulating you on the success of the APEC events in Seattle. The Port of Seattle and Mr. Dinsmore were instrumental in providing logistical and administrative support for our activities. Mr. Dinsmore has offered the Administration office space in the World Trade Center to establish a North American branch office of the Singapore-based APEC Secretariat.

Mr. Dinsmore's proposal is intriguing and APEC senior officials previously have discussed informally the value of setting up branch offices of the APEC Secretariat throughout the region. At present, APEC does not have sufficient administrative resources to staff a field office and has not defined the role such offices would play.

Your reply to Mr. Dinsmore thanks him for the Port of Seattle's efforts to make the APEC meetings a success, expresses your support in principle for the concept of APEC branch offices and welcomes his continued support of the APEC work program.

RECOMMENDATION

That you sign the letter to Mr. Dinsmore at Tab A.

Attachments
Tab A Letter to Dinsmore
Tab B Incoming Material

cc: Vice President
Chief of Staff

Clinton backs plan for APEC Seattle office

1/7/94

By Arthur C. Gorlick
PI Reporter

President Clinton has signaled his interest in the Port of Seattle's offer of space at $1 a year for an Asia-Pacific Economic Cooperation headquarters, or secretariat, in Seattle.

Clinton wrote Port Executive Director Mic Dinsmore this week that the port's offer is "generous" and "intriguing" and that it "complements my desire to ensure Seattle continues to be a focal point for Asia Pacific outreach efforts."

"The idea of setting up APEC offices throughout the member economies is being discussed within the organization and I'm confident the port's offer will be evaluated carefully," Clinton wrote.

Dinsmore first offered space for a U.S. or North American headquarters of the international trade organization in a letter when Clinton and leaders and ministers of 14 other Pacific Rim nations met in Seattle for an APEC conference Nov. 15-20.

Dinsmore later provided Clinton with more

APEC: Clinton's response 'a powerful statement'

From Page C1

information about the port's offer in a letter to the White House. Dinsmore received Clinton's reply Monday.

Dinsmore said he was encouraged by Clinton's response.

"That's a real powerful statement," Dinsmore said.

Dinsmore said he will send copies of Clinton's letter to all members of the state's congressional delegation, Seattle Mayor Norm Rice, Gov. Mike Lowry and King County Executive Gary Locke.

"I want to let them know we have heard back from the president and solicit their continued support in making this become a reality," Dinsmore said.

Dinsmore offered 10,000 square feet of office space to house the APEC facility, which would coexist with the APEC secretariat established in Singapore in 1992.

He advised Clinton that the APEC offices would be part of the port's Central Waterfront Project, which includes construction of an international conference center equipped with simultaneous translating equipment for all APEC languages.

Port commissioners voted last month to proceed with building the conference center along with a maritime museum, cruise-ship facility, retail stores and restaurants. The complex would be centered at the port's Pier 66.

But commissioners put on hold plans for a private developer to build an office building, hotels and residences on port-owned land east of Alaskan Way.

They would be linked by a "skyway" to the conference center complex.

Earlier this week, port officials disclosed that the port is exploring the possibility of building the $15 million office structure itself.

It would house a world trade center that would contain federal, state and local government agencies involved in international trade, as well as related private organizations.

Anne Fennessey, Lowry's press secretary, said the governor's office was pleased with Clinton's response.

"APEC is very important to us, and if we can have an office in Washington state, we would like that very much," Fennessey said. "We're happy that the president of the United States thinks" an APEC office in the state would complement his Asia-Pacific trade efforts.

Rice also was enthusiastic.

"Setting up a permanent APEC office in Seattle would help to translate the potential of APEC into real jobs and econo[mic] benefits for the entire Pacific Northwe[st]," Rice said.

"Establishing an ongoing APEC pr[es]ence in Seattle would be a great investm[ent] in our economic future, an investment th[at] would repay itself many times over throu[gh] increased jobs, trade volumes, export m[ar]kets and revenues — not just to Seat[tle] and King County, but to the entire re[gion]."

Port Commissioner Paul Schell co[n]ceived the idea of offering Clinton offi[ce] space for an APEC secretariat.

"I thought it was an excellent idea and discussed it with the other four commissioners," Dinsmore said.

During a dinner Nov. 19 for Clinton and other national leaders at the Asian Art Museum in Volunteer Park, Dinsmore and the commissioners sought the views of Seattle-area business leaders and heads of organizations involved with international trade.

Encouraged by their response, Dinsmore sent his first letter to Clinton the same evening.

He sent a more detailed letter Nov. 30 to the White House explaining the port's $70 million Central Waterfront Project.

TO: Tom Epstein
FR: Gretchen Sorensen
— FYI —

To: David Dreyer, Bob Boorstin
Fr: Todd Stern
Re: State of the Union -- First Draft
Da: January 10, 1994

Good work on the first draft. I have a few thoughts I wanted to pass on. In addition, I've made some interlineal notes on the enclosed copy.

Opening

I don't think there is enough of a story-line here. I know the President wanted to get into the accomplishments piece fairly quickly, but I think we're doing it too quickly.

Taking off from some of the memos sent in, the President might say:

- We are in a pivotal era of transition, with end of Cold War, the rapid integration of the global economy, etc., a world of uncertainty and concern for many of our citizens.

- When I came to Washington after years of gridlock, many Americans worried that in this difficult period of rapid change, the serious, long-neglected problems facing our country -- an economy failing to create jobs and falling behind our competitors, an exploding deficit, a broken health care system, violence assaulting our communities, etc. -- might be beyond our capacity to solve.

- But America has faced difficult times of transition and uncertainty before. A century ago...(add stuff from Brinkley or Sandel memos).

- When I came to Washington a year ago, I was convinced that what this nation needed was an Administration with the energy and commitment to tackle our toughest problems head on; the determination and persistence to find solutions and make them happen; the wisdom to understand what government can -- and cannot -- accomplish; and an unshakable faith in the can-do spirit of America that has carried us through every challenge since we landed on Plymouth Rock.

- One year later, I think we can say that we have made a good start. Not perfect. Not without some mistakes. But a start that we can build on and be proud of.

- [Then move into accomplishments.]

Opening -- II

If you want to stay with the kind of opening you have, rather than expanding the narrative, I'd still make three small points:

(i) in third graph, I wouldn't lead with the journey "to help spread prosperity and democracy around the globe." I'm all for making foreign policy important in this speech -- I think we have to -- but it rings wrong in my ear to **lead** with it. I'd do economy, health, violence and foreign in that order;

(ii) in fifth graph, I'm not sure about "twelve years of irresponsibility." Seems both too vague and too partisan. I'd say something like "12 years of neglected investment and exploding deficits", etc.;

(iii) in seventh graph, I don't like "a sense that we were destined to drift." Sounds like malaise. I think a better way to do this is to say that we had these very large problems (deficit, jobs, health care, violence) that had been neglected too long and were getting worse and that there was a feeling that nothing could be done about them, that this chamber would be the last place, etc.

Accomplishments (pp. 1-4)

I would frame the list more. My own idea for framing would be to say that we accomplished two very big things this year: (i) started getting the economy moving again via deficit cut, lower interest rates, etc.; and (ii) broke through gridlock, showed that government can get things done -- and we did a lot (then go into specifics). If you don't like this way of framing, I'd try something else. Point is to give people some framework for the list. Makes it easier for people to hear and absorb and lets us apply our spin.

1994 Agenda (p.5)

Again, I think we're going overboard by starting with foreign policy. We should emphasize it, but leading with it sounds strange. It's not who Clinton is. I think it'll sound strange to ordinary people and strained to the press and the Hill -- like we're so worried about our foreign policy stature that we're doing this highly counter-intuitive thing. I'd do foreign seriously and well, but still last, after economy, health and crime (or values).

Also, I would frame the overall agenda section by saying, up front, we see four fundamental challenges -- jobs, health care, crime, America's role in the world. And then going into it. This is akin to telling people in our big health care speech that there were six principles and then discussing them. It gives people guideposts for listening.

An Additional Thought

I'm not sure whether this is useful, but I just had a thought about trying to define the President's mission in terms of preparing the nation for a new, high-tech, competitive century (via investments in people, infrastructure, etc.), but doing it through a renewal of our age-old American values. A renewal in this rapidly changing world, but one rooted in changeless values.

For example:

"It is the task of this Administration, the mission of my Presidency, to lead this nation toward the dawn of a bold new century, fortified [or renewed] by our commitment to age-old American values -- hard work, community, freedom and a better life for ourselves and our children."

cc: Bill Galston
Gene Sperling
John Podesta

President William Jefferson Clinton
Address Before a Joint Session of Congress
State of the Union: DRAFT ONE 94 JAN 8 A10:25
January 25, 1994

Mr. Speaker, Mr. Vice President, Members of the 103rd Congress, my fellow Americans (and you, down there, running the TelePrompter):

Standing at this podium tonight, one cannot help but recall the giant who presided here for so many years. Tip O'Neill of Massachusetts was an example to us all, a true patriot, a fighter for the American people. A colleague once said of the Speaker: "he has no enemies in this House." Well, Tip, if you're listening, I hope you'll pass some of that magic down my way.

Get Miller notes

Tonight, I ask you to join me and continue the journey of renewal we began last year. A journey to help spread prosperity and democracy around the globe. To expand our economic recovery, and create jobs. To reward those who work and restore security by providing every American with health care benefits that can never be taken away. To join hands and battle back against the gusts of violence that imperil our neighbors.

And I ask you to advance in many other ways, large and small, the cause and ideal of America.

Last year, when I came before you, our economy was struggling. Twelve years of irresponsibility and exploding deficits had rusted the engine of our economic growth.

To many of the people who strive to live a good life and pass on a better one to their children, America was on the verge of losing her hopeful soul.

How ironic. Our nation had won a great victory in the long, twilight struggle for freedom; our ideals inspired revolutions on every continent. But here at home, there was a sense that we were destined to drift. That nothing could be done and that, if change were possible, this chamber would be the last place to make it happen.

It was then -- one year ago -- that I came here and spoke of a new direction. I promised the American people we would "accept responsibility" and work to chart a new course for our country.

ACCOMPLISHMENTS: A LOOK BACK

When historians look back at 1993, I am pretty sure that they will not remember it as a simple or neat year. They will see it, rather, as a year when America woke up and smelled the coffee. A year when we said no to retreat, faced up to reality, and determined once again to take control of our lives.

The year reminded us that persistence and hard work can triumph over politics and partisanship. That we must prepare for the great challenges ahead, and keep the promises we have made.

We began by recognizing a simple truth: people should be able to work and care for loved ones. You passed, and I signed, the Family and Medical Leave Act. And in so doing we gave mothers and fathers all over this nation the time they deserve to enjoy the first months of a newborn's life or sit with a sick child ~~whose time is up too soon~~. We have done right, and we can be proud.

a little too grim -- sick, but not necessarily dying, right

We made it easier and cheaper for the sons and daughters of the middle class to borrow for college, and we threw out an old program that enriched banks, but not minds.

For the thousands of young people that we so rarely read or hear about -- those who want to contribute to their communities and earn money to educate themselves -- we joined together across party lines and said: "You deserve the chance."

National Service program -- AmeriCorps --

In this, its first year, our ~~Americorps program~~ will send 20,000 young people out across our nation. They will work to give our families more homes and less hopelessness, our students more tutors and less truancy, and our sick and aged more friendship and less fear. And I am confident that the cheers that went up when national service became law, will echo from small town clinics to inner city playgrounds for generations to come.

(people don't know what AmeriCorps is so we should tell them up front.

In 1993, we began our effort to end welfare as we know it. When Congress voted to increase the Earned Income Tax Credit, you sent a simple message to 15 million American families who work for low wages. You said to them: "If you work full time, and raise children, you will no longer labor or live in poverty."

And, together, we began to make up for senseless years lost in the fight against violence. Last year I offered you a bargain. I said: "If you will pass the Brady bill, I'll sure sign it." Well, you did and I did -- and thousands of lives will be saved because of what we did.

But before we pat ourselves on the back too hard, let's not forget that what we have accomplished -- and we accomplished a lot -- has not restored the public's faith in us. Millions and millions of Americans are angry. They feel that their voices have been drowned out by the monied chorus of special interests. They want us to listen, to reinvent our government, to reform the way we do business.

So, in the year ahead, let us act to restore their trust. Let's pass real campaign finance reform -- reform that curbs the PACs and lobbyists, that limits spending, and that opens the airwaves to candidates with new ideas. Let's make it real. Let's give it teeth. And let's get it done.

We took one giant step last year to restore the public trust. We faced up to economic reality. We passed a comprehensive economic growth plan and began building the foundation for a recovery that will endure.

For years, the federal budget process was a sham. We changed that. We used real numbers. We put our fiscal house in order. We passed a plan that will reduce the deficit by $500 billion over five years.

Know what? It's working. This year, our national deficit will be 50 [cq] billion dollars lower than expected.

We also restored fairness to our tax code. More than a few words have been said on the subject of taxes so let's clear the air.

Our budget raised taxes on the richest 2 percent [cq] of Americans. But when 98 percent of our citizens fill out their 1040 forms this year, many of them will pay less in incomes taxes because of indexed tax brackets. For 98 percent of taxpayers, income taxes did not go up. (cq)

Tonight, I can report that we have begun to take hold of our economic destiny. I know our recovery is not good enough. I know that people are still hurting, that not everyone feels the growing strength. But we are moving in the right direction.

Deficit reduction has lead to dramatically lower interest rates. Car sales are up. Home sales are at record highs. And homeowners are refinancing their mortgages at record low rates.

All of this serves our highest goal: to create jobs. In 1993, we created 1.6 million new private sector jobs -- twice as many jobs in one year than my predecessor saw in four. The unemployment rate in December declined to 6.4 percent -- the lowest it's been in almost three years.

In 1993, we built jobs for the future by taking historic
steps to increase our exports. We didn't always agree -- I have
the scars to prove it -- but I am confident that our efforts to
open markets abroad will help create jobs and raise living
standards here at home.

The North American Free Trade Agreement will open up markets in Mexico and Canada, and generate 200,000 new American jobs in

I'm not sure that rank & file union guys will think this is cute. I think they feel they've got the scars.

the next five years. It was one of many steps we took to sell American products abroad. We liberalized export controls and brought the leaders of Asia together to start building a new Pacific alliance for economic growth.

And we used our renewed economic credibility and strength to wrap up seven years of trade talks with 115 nations; I urge you to pass the General Agreement on Tariffs and Trade when it comes before you this year.

NSC Accomplishments Insert

- Our efforts to renew America's economy are also essential to America's security; when we are strong and prosperous at home we are better able to inspire and lead abroad.

- This is a time of vast global changes and our leadership is more important than ever.

  --We have seen the promise of new progress in the Mideast peace talks, and I was proud to stand with Israeli and Palestinian leaders as they reached across years of animosity to join hands in a promise of peace.

  --We have seen black and white join together in adopting a new constitution in South Africa, and immediately after they did so, I was pleased to enact the lifting of sanctions so that economy can thrive again for black and white alike.

- When I ran for President, I promised I would engage actively abroad to advance that economic renewal, to make our military strong and ready for the challenges of a new era, and to promote the wave of democracy we have seen abroad. During the past year, we made progress on all of these.

- We have worked to update our forces for this era's challenges:

  --Bottom Up Review.

  --Defense conversion -- worked to take care of those in the military and in our industries who helped win the Cold War, and to help hard-hit communities adjust.

  --During my trip earlier this month, proposed an historic plan -- the Partnership for Peace -- to begin enlarging NATO so it can meet the new challenges facing both Europe and America.

- We have worked to support the world-wide march toward democracy that is bringing freedom to millions while making our own nation more secure:

--Actively and staunchly supported President Boris Yeltsin and other reformers in Russia and the other new states of the former Soviet Union as they make the hard transitions from communism to democracy, and from state economies to free markets.

--As I stressed with Lech Walesa, Vaclav Havel and the leaders of Hungary and Slovakia, we are supporting the efforts of Central and Eastern Europe's former communist states to build thriving, prosperous democracies that enjoy real security as they make their historic transformations.

NSC section: 1994 Agenda

1. Continue supporting these democratic reforms. Democracies do not go to war against each other. The most important thing we can do to increase our own security is to support the enlargement of the free community of market democracies. That's why:

    -- Continue to support reform in Russia and other former communist states.

    -- Convene a Summit here in the US of the leaders of democratic leaders of our own Hemisphere.

    Mideast, Peace?

    -- Continue supporting the birth of a non-racial democracy in South Africa and that nation's economic renewal.

    -- Continue to apply pressure on those who would destroy democracy by force -- as we did in Guatemala, as we will continue to do in Haiti.

    -- Continue to press for improvements in China's performance on human rights, as part of a broader effort to strengthen our relations with this great and growing country, which will play such an important role in the coming years.

2. As we make the adjustments from the Cold War to a new peace, I am committed to keeping America secure and keeping our military ready for whatever dangers this era holds.

    -- Must prepare for this era's new threats. Work to combat the proliferation of weapons of mass destruction, including the start of negotiations toward a comprehensive test ban treaty. Also new efforts on environmental degradation.

    -- But the core of our security, as always, will remain with our military. One of the things I have enjoyed most this past year is meeting with the fine men and women who wear America's uniform and stand sentry over our security, every day, around the world.

-- I am committed to keep them the best-trained, best-equipped, best-prepared fighting force on the face of the earth.

-- Starting with the Bush Administration, military spending has been reduced significantly since 19xx to reflect the end of the Cold War. There were pressures to make even more cuts this year. But in the budget I will send to Congress, I rejected that idea. Despite all the investments we want to make, despite all the needs we want to address, America must not withdraw our stabilizing presence from the world or sacrifice our military readiness.

3. Continue using our engagement abroad to build our economic strength back here at home.

-- Will host world jobs summit here in March.

-- Will go to G-7 meeting in Italy in July to talk with major industrialized countries about further steps to get the world economy growing faster.

-- Will build on this year's APEC meeting by going to next summit in Indonesia.

THE ECONOMIC AGENDA

Our economic plan aligns our country's fortunes with the forces of change. For there is no security and no future for a nation standing still in a churning world.

We have no choice but to change. To build protective walls will do little but generate fear and divide our nation from within. To improve the state of our union, we must embrace the change and continue our course of economic renewal.

As we go forward, we will pick up where we left off last year -- with a tight and disciplined budget.

The budget I ask you to support reduces discretionary spending by 12% over five years. It gives nine Cabinet Departments less money than they had last year. It ~~reduces the federal workforce~~ makes government smaller by 252,000 positions, and reforms the federal procurement system, as advocated by the Vice President's National Performance Review.

We must make the tough choices and the tough cuts. We will fight for them. We will make them not for austerity's sake, but

too big a word, isn't it?

We understand this shorthand, but most people don't. So set it up by explaining how we have to keep cutting the deficit while at same investing for 21st century competitiveness. Then you can summarize by saying "cut & invest"

to keep faith with what our people demand: to do more with less, to cut and invest.

When we follow our plan, the budget deficit will go down for two years running for the first time in twenty years. When we stay with the program, and reform health care, we will post three consecutive years of declining deficits for the first time since Harry Truman lived in the White House. Now, the buck stops with us.

But no matter how much we lower the deficit or bring down interest rates, we will not lead the world into the 21st century unless we raise the skills and talents of our people. That's why our strategy calls for a revolution in lifelong learning.

We must make sure that every child enters school ready to learn. We know what works. Immunization and nutrition programs for infants and children; Head Start during the early years of schooling; and efforts to help parents -- the first teachers - prepare their children for the challenge of education.

We must develop a world-class system of public education, with clear standards and accountability for results. Our effort must start with the Goals 2000 bill, which gives states new incentives to develop reforms and make them real at the local level.

For those young people who do not go directly on to college -- and half do not -- we must build new roads that lead to better jobs. My school-to-work initiative will link schools to workplaces, teachers to employers, and students to skills.

This year, I will also ask the Congress to transform America's unemployment system. In a dynamic economy -- where the average eighteen year old will change jobs seven times in a lifetime, where people stay unemployed longer, and most don't get called back to the same job they left -- this system must go. It unfairly taxes employers, and rips off employees. And it is our responsibility to set it right.

We will scrap this outdated unemployment system with a forward-looking re-employment system, and transform today's bureaucratic maze of training programs into a single source of information and assistance.

When we do more for our people -- when this Congress passes Goals 2000, School-to-Work, and our [Reemployment Act] -- then we will truly be able to say: "We made 1994 a year for education and training for all Americans."

Education and training are fine ideas. But as I travel across our nation, people tell me that all the degrees or training in the world do not matter if there are no jobs.

That is why every time I walk into the Oval Office, I know that my job is to make sure you have a job.

I know, too, that government does not create jobs. In our nation, jobs are created by the men and women who operate America's nineteen million businesses. And we must turn to them, and help them, as we launch an all-out effort to generate jobs today and tomorrow.

In every center of economic activity, we will free private capital. We will make Empowerment Zones a reality, reform the Community Reinvestment Act, and unleash one hundred Community Development Banks to boost jobs, opportunity and hope in distressed urban and rural areas.

seems like wrong topic sentence. Empowerment zones are about bringing economic opportunity not really about "freeing private capital."

The budget we passed last year rewards those who start and own small businesses. It makes nine of every ten small business owners eligible for tax write-offs when they invest in the future. This year, we must build on those incentives, fight to keep the credit crunch at bay, strip away unnecessary regulations, and help enterprises create profits and jobs.

In our cities, suburbs and states, we will create jobs by building a more healthy environment through Clean Water and Wastewater Grants. We will fully fund the highway bill, and invest in the information highways of the future. And one day in the not too distant future, as the Vice President says, it will be as easy for an American child to hook up to the Library of Congress as it is for him to play a video game today.

To invest in the technologies of tomorrow, we will shift funds away from the weapons of the past. To replace the jobs we lost when we won the Cold War, we will move aggressively to help abandoned communities.

In too many communities across America, work has simply vanished, and the work ethic has disappeared with it. Instead of creating jobs where there are none, we have created a welfare system that penalizes people for trying to work, and encourages families to split up, not stay together.

I don't think this transition works.

That is why, last year, we began our fight to end welfare as we know it. We took the first vital steps: expanding the Earned Income Tax Credit, giving states the chance to experiment with innovative programs, and moving toward comprehensive health care reform.

Now this year, we as a society must say that people who bring children into this world must take personal responsibility for raising them. We will launch a national campaign to prevent

OK, if we're saying welfare is really an employment issue-- we need ~~one~~ some explanation for this, because people (William Julius Williams notwithstanding) don't naturally see it that way.

I guess welfare seems to me to be a better fit in values section.

P.R. campaign or are we ~~going to~~ thinking about material disincentives?

teen pregnancy -- and stop people from going on welfare in the first place. We will urge teenagers not to conceive outside of marriage. And we will tell children who have children to stay at home with their parents, and not set up housekeeping with the help of a welfare check.

urge or require?

We must remember a basic truth: Governments don't raise children, parents do. And parents must. Millions of children are stuck growing up on welfare because parents refuse to pay child support. Our welfare reform plan will include the toughest child support measures any White House has introduced. We'll give states the tools to collect child support from every parent who owes it, and throw the book at those who won't pay.

Our final step will be to give people on welfare the skills and training they need for up to two years, but after that, anyone who can work will have to go to work -- in the private sector if possible, in community service if necessary. We will make welfare what it used to be -- a second chance, not a way of life.

Health Care

This year we will finally face up to the challenge of providing health security for every American.

Our national discussion on health care has already begun, and I hope that every plan will be subjected to the same rigorous scrutiny that our plan has passed. In many cases it has been a constructive debate. At times, however, more heat than light has been shed. And I suspect that the temperature may rise a few degrees more in the months ahead.

So tonight -- before it gets any hotter -- I want to be clear where I stand.

I believe we Americans can rightly boast of the finest medical care and the best health professionals in the world. No one among us would allow these accomplishments to be put at risk. And that is why -- from the first day forward -- our health care reform program has been based on a simple premise: that we must preserve and strengthen what is right while we fix what is wrong.

The solution that we have put forward is a system of guaranteed <u>private</u> insurance. Guaranteed <u>private</u> insurance.

No matter how many false charges are lobbed in our direction, these are the facts. We considered -- and rejected -- a health care system run by the government. And when the defenders of the status quo tell you otherwise, ask yourselves: "what stake do they critics have in today's health care mess?"

Do we need to explain more why we're giving them more power? Because they pay much more than those who work for big companies, etc.

Remember nothing could be more confusing than the system we have now. And the steps that we take will make it more difficult for special interests to protect their profits but easier for you to live a healthy life.

The vast majority of Americans -- the nine of ten of us who have insurance today and get it through our employers -- will keep doing just that. But when you visit the doctor, you'll present your health security card and fill out one standard form. And you'll know what you're getting.

No more insurance company fine print. No more policies that require a Ph.D. to understand. And no more hemming and hawing when you need help.

But we will also take two critical steps to make things better for working families: we must guarantee every American comprehensive health benefits that can never be taken away, and give individuals and small businesses more power to choose affordable, quality health coverage.

Fixing the system will not be easy. This much, however, **is** certain: If we do nothing, millions more Americans will lose their insurance, thousands of businesses will be strangled by rising costs, and uncontrolled federal deficits will threaten our future. Other nations have devised ways to provide excellent health care to all their citizens -- and spend much less than we do. If they can do it, so can we.

The opponents of change, nevertheless, counsel us to sit still. They tell us everything is okay. They insist that health care costs aren't rising. That your family is not in any danger of losing its insurance. That all we need do is tinker at the edges.

They are wrong. And they don't understand how you live.

The fight to guarantee health security is about all of us. It's about every one of the 210 million Americans who has health insurance -- and pays more and more each year to make up for the exploding costs of caring for those who do not. It's about the tens of millions of Americans who go to bed every night just a pink slip or an illness away from ~~a life of constant fear or potential bankruptcy~~. It's about the millions of people who are ~~trading~~ wage increases just to keep the same health benefits. And it's about the tens of thousands of small business owners who want to provide health insurance to their families and employees but simply cannot afford it.

or are stuck in jobs they dare not leave for fear of losing their health insurance.

the trauma of losing their health insurance + facing financial ruin

sacrificing

The fact is, if you're very wealthy or very poor, if you work for a big company, if you sit in this Congress or live in the White House, our health care system works for you. But if you're in the middle -- trying to move up or hang on -- you can never be sure that your health care will be there when you need it.

And the question that we must answer in 1994 is: will we sit back and take our chances, or stand up and take control of the change?

Tonight, I want every one of you here in this chamber to stand up for the people who sent us here. Stand up and promise that before you go home next fall and ask them to send you back, you will pass -- and I will sign -- a bill that guarantees every American health security.

Now let's be clear what health security means.

True health security means guaranteed, comprehensive benefits that can never be taken away. It means that if you lose your job, you're covered. If you switch jobs, you're covered. If you start a small business, you're still be covered. And if you decide to retire early, you'll still be covered.

It means, if you, or someone in your family, has a pre-existing condition, you're covered -- because it will be illegal to turn someone down who's been ill. If your health bills rise out of sight, you're still covered -- because it will be illegal to set lifetime limits on coverage. [AIDS] And if an insurance company tries to drop you, you'll still be covered -- because that will be illegal, too.

There are many health reform proposals before this Congress, and many contain good ideas. But if the final legislation you send me does not cover every American, I will do something I have not yet done in this young Presidency -- I will veto the legislation and tell you to start over again.

The health reform bill you pass must also guarantee every American a comprehensive package of benefits set down in law.

Some will argue that we don't need to spell them out -- that a government agency should handle that later. Don't believe them. You deserve to know what you're getting and how much you'll pay. And there's no way to know unless the benefits are spelled out.

In the coming debate, some will urge that we penalize companies who want to provide top-notch benefits to their employees. Or, they'll tell us to strip the benefits down to the basics. That we can't afford shots for kids or mammogram for women, that care for mental health is frivolous, and that there's really no need to help seniors with prescription drugs or long-term care.

I disagree. Providing preventive care to every citizen will spare so much pain and solve all of us money. And if we're going to slow the rate of growth in Medicare -- and we must -- we owe it to older Americans to reinvest the savings and help them buy the prescription drugs, and home and community-based care they need.

I don't think we can say that health care is the challenge of our generation. It's hugely important, but does not define what this generation of public servants is about.

Let me be clear: health care reform must protect older Americans -- and my plan does that. It preserves Medicare. It gives you more. As the American Association of Retired Persons has said, my plan is "the best option for senior citizens." [Veterans]

Health care reform is a big task. It will not happen overnight. It will phase in over several years. It will cost money up front. Everybody will pay something. But in the end, every American will be guaranteed comprehensive health benefits that can never be taken away.

In the next year, Congress will come under intense pressure. Those who are getting rich off our health care system will prowl the halls outside this chamber, and they'll spend millions to protect their billions in profits. Those who summon the courage to face this challenge will be subject to withering attacks. The fact is: the lives of all of us here tonight would be a whole lot easier if we put health care back on the shelf.

But every generation -- and every generation of public servants -- faces challenges that it cannot afford to walk away from. And for ours, health care is ~~the~~ ~~one~~. such a challenge.

Providing health security is more than an economic necessity. It will define who we are as a people. It is a vital step to give every American the freedom to take chances and change -- to move from welfare to work, to start a small business, or to seek a better job or a different life. It is a contest between those who would shrink before the challenge, and those who would tackle it with vigor. It is a test for all of us -- a test of whether the leaders of this country can serve those who sent us here.

We can do this. All we need do is look back to 1935 -- the year that our nation passed Social Security and guaranteed that Americans would never again grow old in fear. Or to 1965, the year that a courageous Congress looked beyond labels and lobbyists and provided Medicare for older Americans. 1994 can be such a year, too -- a year in which we renew our people's spirit by giving them the freedom of true health security.

transition? What yearning?

VALUES SECTION

This yearning for security is as old as time itself. The Prophet Micah said, "and they shall sit every man under his vine and his fig tree, and none shall make them afraid." Throughout our history, we Americans followed his admonition. We obeyed the law. We respected our neighbors. We cherished our faith. And because we did, we became the greatest country on earth.

Today, however, the peace of our society has been broken. An innocent slumber party gives way to agonizing tragedy. An ordinary train ride home ends in a hail of 9-millimeter shells. Michael Jordan loses his father to brutal murder. A tourist is nearly burned alive by bigots simply because he is black. Right here in our nation's capital, a brave young man -- a policeman, son of a policeman--is ruthlessly gunned down.

Each of us has become vulnerable, and none of us feels safe. We can lock our doors, move to the suburbs, we can keep crossing the street when we are scared.

Or we can rise up and declare with a single mighty voice, "Enough is enough." And in the name of the decent hardworking Americans--in the name of Polly Klass, James Jordan, Officer Jason White, and the other victims whose names we will never know--let's pledge tonight to put politics aside and take back our homes and reclaim our lives.

Before this Congress is the toughest anti-crime and violence effort ever proposed by the Federal government. I want you to send it to me. And I want to sign it.

I want to hire 100,000 new police officers and put them on the beat in communities across America.

I want cop killers and carjackers who kill, and terrorists who murder people with their bombs and their guns, to face the death penalty with certainty and swiftness.

I want more boot camps for first-time offenders, and more prisons for those who must be locked away.

I want to invest hundreds of millions in safe schools to prevent our children from being mugged, raped or shot on their way to school or class.

I want a law that says to violent felons: "The revolving door is shut. Commit a third violent crime, and you will never see the outside of a cellblock again."

When it comes to guns: hunters should be free to hunt; law abiding citizens should be free to own guns for self-protection. But killer weapons that terrorize our communities and cut down our children must be banished. It's time to clear assault weapons off the streets and take casual dealers out of the business of selling guns.

Let there be no mistake. Drugs must never be legalized. Violence is the drug trade's constant companion, despair its silent partner. We must move aggressively to control drug related crime, and make special efforts to fight drug abuse. We must rid our cities of the drug lords -- and treat desperate customers before we lose them forever.

These measures, and more, are in the crime bill that awaits final action. Pass this legislation, pass it this spring. I will sign it, and together we will help calm the rising tide of fear.

Fear. But fear is only the most visible and terrifying symptom of what is becoming a moral-- even spiritual--crisis. The precious fabric of family, neighborhood, and community is being unraveled -- by students who drop out and give up; by coarsened youth, who kill without remorse; by absent fathers, unwed mothers and broken homes.

As a people, we have no greater responsibility than to restore the bonds of civility and respect that bind us together.

The condition of our larger society is always a reflection of our inner lives. We must never forget that changes from the outside in will surely fail unless they are met, and matched, by changes made from the inside out. We must do what's right because it is right -- because the habits of our hearts know the difference between right and wrong.

We must remind all parents -- nothing you do is more important than protecting the children you bring into the world; teaching them-- by power of example -- the importance of hard work, of respect for education and learning, of resistance in the face of temptation, of patient building for a better future. That much is your duty.

But we cannot expect parents to succeed if the larger culture that surrounds -- indeed, invades -- our homes to undercut their efforts. We must challenge the people who create our culture -- who bring us films, radio, and television shows -- to curb pointless violence, immorality, and imagery that degrades women or needlessly tramples on religion.

This is not a call for censorship. It is a call for conscience and responsibility on the part of those who could better use their gifts to elevate our spirit.

Let us give our children a future. Let us take away their guns and give them books. Let us remove their despair and replace it with hope. Let us rebuild our families, our neighborhoods, and our communities. Let us weave these thin but good and sturdy threads into a new social fabric that can once more warm us against the chill of evil, and lead us to a better tomorrow.

Tonight, we meet in a time of great challenge and great promise. Our democratic values light the way for all those who remain repressed by leaders or ideas long obsolete. Our economy gathers strength, our citizens grow more confident. We are home to this planet's most energetic and optimistic people.

These people, the American people, are eager to get on with the task of making history as we want it to be made. Little wonder. This restless state of reinvention and renewal is the natural state of our people, our democracy, and our union. It is our task to help breathe new life into the American spirit, and grow new wings for the American soul. Thank you. And may God Bless America.

To: David Dreyer, Bob Boorstin
Fr: Todd Stern
Re: State of the Union -- First Draft
Da: January 10, 1994

Good work on the first draft. I have a few thoughts I wanted to pass on. In addition, I've made some interlineal notes on the enclosed copy.

<u>Opening</u>

I don't think there is enough of a story-line here. I know the President wanted to get into the accomplishments piece fairly quickly, but I think we're doing it too quickly.

Taking off from some of the memos sent in, the President might say:

- We are in a pivotal era of transition, with end of Cold War, the rapid integration of the global economy, etc., a world of uncertainty and concern for many of our citizens.

- When I came to Washington after years of gridlock, many Americans worried that in this difficult period of rapid change, the serious, long-neglected problems facing our country -- an economy failing to create jobs and falling behind our competitors, an exploding deficit, a broken health care system, violence assaulting our communities, etc. -- might be beyond our capacity to solve.

- But America has faced difficult times of transition and uncertainty before. A century ago...(add stuff from Brinkley or Sandel memos).

- When I came to Washington a year ago, I was convinced that what this nation needed was an Administration with the energy and commitment to tackle our toughest problems head on; the determination and persistence to find solutions and make them happen; the wisdom to understand what government can -- and cannot -- accomplish; and an unshakable faith in the can-do spirit of America that has carried us through every challenge since we landed on Plymouth Rock.

- One year later, I think we can say that we have made a good start. Not perfect. Not without some mistakes. But a start that we can build on and be proud of.

- [Then move into accomplishments.]

Opening -- II

If you want to stay with the kind of opening you have, rather than expanding the narrative, I'd still make three small points:

(i) in third graph, I wouldn't lead with the journey "to help spread prosperity and democracy around the globe." I'm all for making foreign policy important in this speech -- I think we have to -- but it rings wrong in my ear to **lead** with it. I'd do economy, health, violence and foreign in that order;

(ii) in fifth graph, I'm not sure about "twelve years of irresponsibility." Seems both too vague and too partisan. I'd say something like "12 years of neglected investment and exploding deficits", etc.;

(iii) in seventh graph, I don't like "a sense that we were destined to drift." Sounds like malaise. I think a better way to do this is to say that we had these very large problems (deficit, jobs, health care, violence) that had been neglected too long and were getting worse and that there was a feeling that nothing could be done about them, that this chamber would be the last place, etc.

Accomplishments (pp. 1-4)

I would frame the list more. My own idea for framing would be to say that we accomplished two very big things this year: (i) started getting the economy moving again via deficit cut, lower interest rates, etc.; and (ii) broke through gridlock, showed that government can get things done -- and we did a lot (then go into specifics). If you don't like this way of framing, I'd try something else. Point is to give people some framework for the list. Makes it easier for people to hear and absorb and lets us apply our spin.

1994 Agenda (p.5)

Again, I think we're going overboard by starting with foreign policy. We should emphasize it, but leading with it sounds strange. It's not who Clinton is. I think it'll sound strange to ordinary people and strained to the press and the Hill -- like we're so worried about our foreign policy stature that we're doing this highly counter-intuitive thing. I'd do foreign seriously and well, but still last, after economy, health and crime (or values).

Also, I would frame the overall agenda section by saying, up front, we see four fundamental challenges -- jobs, health care, crime, America's role in the world. And then going into it. This is akin to telling people in our big health care speech that there were six principles and then discussing them. It gives people guideposts for listening.

An Additional Thought

I'm not sure whether this is useful, but I just had a thought about trying to define the President's mission in terms of preparing the nation for a new, high-tech, competitive century (via investments in people, infrastructure, etc.), but doing it through a renewal of our age-old American values. A renewal in this rapidly changing world, but one rooted in changeless values.

For example:

> "It is the task of this Administration, the mission of my Presidency, to lead this nation toward the dawn of a bold new century, fortified [or renewed] by our commitment to age-old American values -- hard work, community, freedom and a better life for ourselves and our children."

cc: Bill Galston
Gene Sperling
John Podesta

THE PRESIDENT HAS SEEN 1/10/94

DH

Duplicate given to NGC

POTUS

FR: Larry Lawrence

THE PRESIDENT HAS SEEN 1/18/94

January 6, 1993

The Honorable
William J. Clinton
The White House

Dear Mr. President:

Shelia and I enjoyed being with you last evening. We want to express our deepest regret on hearing, just now, about the passing of your mother. We were with Virginia on New Year's Eve at the Streisand concert; she was warm and so vivacious that this news came as a great shock. Our thoughts and love are with you and Hillary. Please let us know if there is anything we can do for you or your family.

Following up on our brief conversation, I thought I would put my comments on Switzerland on paper rather than taking up your time at this difficult moment. Since, due to the unfortunate circumstances we discussed, I will not be able to host your visit to Switzerland, there are a few things I'd like to call to your attention.

While your focus in Geneva will naturally be on the Assad meeting, the importance of your bilateral discussion with the Swiss President should not be underestimated. I would like to suggest that, in addition to President Stich who took office on January 1, former President Ogi be included in your meeting, since it was he who originally asked you to visit. You might also consider including, in addition to Foreign Minister Cotti, Defense Minister Villiger, since the Swiss recently committed two and a half billion dollars to purchase our F/A-18 jets for their defense forces (over a competing bid by a French-German combine). The other possible Swiss participant would be Ambassador Carlo Jagmetti, who is their senior diplomat and my counterpart here in Washington.

On our side, I would ask that you consider including Michael Polt, who was my selection and is currently Charge d'Affaires at our Embassy in Bern. In addition, a very good friend and director of the Office of Central European Affairs at State (who will shortly become Deputy Chief of Mission at our Embassy in Bonn) is J.D. Bindenagel; he will be in Europe and could be a very important addition to your meeting.

While the issues involving Switzerland may seem less obvious to many, there are some vital American interests at stake which could be discussed. As an example, I enclose a copy of a news article regarding your plutonium policy which might be reviewed. This will be the first meeting between a serving U.S. President and a Swiss President in nearly 10 years. It offers the opportunity for you to set the agenda which I will be carrying out for you.

Over the past few years, Switzerland has expanded international cooperation on a number of fronts. For example, both bilaterally and through the Financial Action Task Force, we work closely with the Swiss Government to combat money laundering and to assist other countries in implementing controls. We also enjoy a win-win situation in sharing the proceeds from seized drug trafficking funds.

On export controls, Switzerland's decisions to join the Missile Technology Control Regime in 1992 and to take the chair from December 1993 - October 1994 are particularly important. Another action which showed the Swiss desire to become more engaged internationally was their assumption of a seat on the IMF Executive Board in 1992. The Swiss are charged with helping to develop market structures in Poland, Azerbaijan, Turkmenistan, Kyrgyzstan, and Uzbekistan; this role puts Switzerland in the forefront of the international effort to promote democracy in the newly-independent states and Eastern Europe.

Please also bear in mind that the Swiss are not members of the EC and are becoming increasingly isolated from their principal trading partners. Our exports to Switzerland approach 4-1/2 to 5 billion dollars annually (before the F/A-18 contract). The Swiss have invested about 20 billion dollars in the U.S., much of it in pharmaceuticals, which could be of substantial value in discussing your new health care program. I believe the Swiss are looking strongly to the U.S. for trade relationship support, as it is unlikely that they will join the EC in this century. Our transportation links would also be particularly important, since the Swiss would not be part of an EC civil aviation agreement.

Finally, Shelia, as you are aware, is your appointed Special Representative to the IUCN, or World Conservation Union, and will be attending the triennial conference in Buenos Aires while you are on your trip. She is very enthusiastic about taking up her duties. Her office will be just outside Geneva, as well as in Bern, so that your mentioning our friendship to the Swiss could increase both Shelia's and my effectiveness during our service on your behalf.

Again, we extend our sincerest condolences. You will be in our thoughts throughout your trip. Godspeed.

Your friends,

M. Larry Lawrence
U.S. Ambassador-designate
to Switzerland

Encl

Switzerland Tests U.S. Plutonium Policy

By Thomas W. Lippman
Washington Post Staff Writer

The first test of the Clinton administration's new policy on nuclear proliferation and the use of plutonium has come from an unlikely country: Switzerland.

The Swiss are seeking U.S. government permission to ship used commercial nuclear fuel to a new plant in Britain, where the fuel's plutonium content would be extracted and returned to Switzerland for commercial use.

Switzerland needs U.S. permission because the fuel originated in the United States, which as a condition of providing it retained the right to approve subsequent uses.

President Clinton has expressed strong opposition to the spread of plutonium—the main ingredient of nuclear warheads—into the world's civilian economy, but he has also declined to interfere with such traffic between friendly nations.

In the Swiss case, several House Democrats have called on Energy Secretary Hazel R. O'Leary to block the shipment and have also appealed to the Arms Control and Disarmament Agency to issue a public assessment of the nuclear proliferation threat the transaction might create.

O'Leary said in an interview last week that she would decide the issue after a brief Christmas vacation. She said her telephone "has been ringing off the hook" with calls from opponents of the Swiss transaction, including arms control watchdogs as well as members of Congress.

Plutonium, a byproduct of the irradiation of uranium fuel in nuclear reactors, is extracted from used fuel by a chemical bathing process. Once separated, it is a volatile, highly toxic material that is relatively easy to fashion into a crude nuclear explosive device. As little as 15 pounds can make a crude nuclear bomb, according to weapons scientists.

With the world facing a huge glut of surplus plutonium from dismantled nuclear warheads, Clinton has called for an international ban on the production of new plutonium for military uses.

But to avoid offending France, Britain, Japan and Russia, which are committed to the production of plutonium as a commercial energy source, he has declined to seek a similar ban on reprocessing of commercial fuel. President George Bush followed a similar course last year, declining to block a shipment of plutonium from France to Japan.

Nonproliferation watchdogs and government weapons scientists, however, argue that there is no effective distinction between military and commercial plutonium.

Clinton recently rebuffed appeals from members of Congress to try to block the startup of a new reprocessing plant in Britain known as THORP, for Thermal Oxide Reprocessing Plant. The British government this month authorized British Nuclear Fuels Corp. to begin operating THORP.

Now his administration is being asked to prevent Switzerland from sending used fuel to THORP for reprocessing.

In their letter to O'Leary, Reps. Nancy Pelosi (D-Calif.), Joseph P. Kennedy II (D-Mass.), Fortney H. "Pete" Stark (D-Calif.), Edward J. Markey (D-Mass.) and Charles E. Schumer (D-N.Y.) quoted the words Clinton used in declining to intervene in the THORP case:

"The United States does not encourage the civil use of plutonium. Its continued production is not justified on either economic or national security grounds, and its accumulation creates serious proliferation and security dangers."

The administration's response to Switzerland, they said, "will be seen as a test of the administration's commitment to the principles it enunciated in that statement."

In the past, Switzerland has used plutonium in the form of mixed oxide fuel, or MOX, in electricity-producing nuclear reactors. Japan plans a similar program.

Nonproliferation activists and terrorism specialists have said many times that they are not worried that Switzerland or Japan will make improper use of plutonium to menace their neighbors. Their concern is that the spread of plutonium—for decades one of the most tightly controlled materials in the world—into civilian commerce increases the risk of theft, accidents or terrorist incidents.

They argue that if resource-poor countries such as Japan must use plutonium as a commercial fuel, they should make it from surplus military plutonium, reducing the worldwide glut, rather than produce more by reprocessing civilian fuel.

THE WHITE HOUSE
WASHINGTON

DATE: 01/10/94

NOTE FOR: GEORGE STEPHANOPOULOS
MARK GEARAN
JIM DORSKIND

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

Information ☒X

Action ☒X

Jim,

Please draft a thank you letter per the President's request and return it to this office separate from the mail sample. Thanks.

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 1/8

THE WHITE HOUSE

WASHINGTON

93 DEC 14 A10:08

GS

Gearan

Didn't go thru

Pls draft thank letter

Markel

December 13, 1993

RECOMMENDED TELEPHONE CALL

TO:	Conan O'Brian work: (212) 664-3737
DATE:	At your convenience; Monday - Friday, 9:30 am - 5:30 pm
RECOMMENDED BY:	Mark Weiner
PURPOSE:	To thank Conan for his support of you both on and off the air.
BACKGROUND:	Conan interned for Mary Herlihy Gearan in Father Robert Drinan's office on the Hill in the mid-1970s and he's a big fan of your's. The show's musical director, Max Weinberg helped organize the Inaugural Gala.
STAFF CONTACT:	Heather Beckel, x.7105
DATE OF SUBMISSION:	December 13, 1993

ACTION: ______________________________

Conan The Squirmy

The Late Night Host In an Uncomfortable Spot

By Ellen Edwards
Washington Post Staff Writer

NEW YORK

Conan O'Brien is very unhappy. He stands over his desk, shoulders stooped, a tight grimace across his face. Carol Kane, scheduled to be the name guest for this night's show, has dropped out at the last minute and O'Brien is left with Rene Auberjonois, whose name he can't quite pronounce and whose face he can't quite place, and Yokozuna, a stone-faced sumo wrestler who speaks only through his manager, Mr. Fuji.

It is 1 p.m. on a typical day last week, and the show will be taped precisely at 5:30. O'Brien, who has had a rocky first three months as the unknown who inherited David Letterman's 12:30 time slot on NBC, holds out the possibility that there will be an eleventh-hour rescue by another guest, but nobody else seems to be taking that very seriously.

Segment producer Michael Weinberg has booked Auberjonois for the show and done a "pre-interview" on the phone, and he briefs O'Brien. Currently on "Deep Space Nine," the new "Star Trek" TV series, the veteran stage actor won a Tony years ago for "Coco," with Katharine Hepburn, and had a featured role in the sitcom "Benson," which ran for seven years.

He's got no Hepburn stories to tell, Weinberg reports, and O'Brien is not exactly interested in "Benson." "Could we get a really long 'Benson' clip?" he asks with a sarcastic edge. "I don't think we saw enough 'Benson.'"

Weinberg continues his report—Auberjonois is a direct descendant of Napoleon, a fact of little interest to O'Brien. He lives in Los Angeles and voted wearing his "Star Trek" makeup. "There were never any awkward lulls in the conversation," says Weinberg, "although he's not particularly anecdotal." O'Brien's despair deepens.

He settles on taking a "Star Trek" tack, and suggests Weinberg get more information on that. Whatever he finds out will go on blue note

See O'BRIEN, C12, Col. 1

PHOTOS BY FRANK JOHNSTON—THE WASHINGTON POST

'Brien warming up his audience with an Elvis impression. And at ease—sort of—in his office.

Letterman's Successor

O'BRIEN, From C1

cards that O'Brien has in his hand during the show should the conversational well run dry.

"If I start getting into 'Benson,'" he says as Weinberg heads out, "you know we're taking on water."

The Beginnings

Conan O'Brien's leap onto the stage that was vacated when Letterman moved to CBS is an enormous gamble for NBC. "Ten years from now, you'll either be writing the piece about Conan's show that really caught on," says O'Brien, "or you'll be writing the piece, 'We found Conan in Upstate—' But I think you'll be writing the first piece."

Letterman made the time slot highly lucrative, and O'Brien is charged with keeping it that way. But Letterman did more than that—he set the standard for a show that appealed to a smart young audience, pushing comedy in new directions. And not very long into his 11-year run, he was utterly comfortable doing it.

And that's where O'Brien has had trouble.

The acclaimed former writer for "Saturday Night Live" and "The Simpsons" is in essence enrolled in talk show host school, albeit on the air five nights a week with about a million and a half people watching. Instead of making his mistakes in tiny comedy clubs, he is making them on high-stakes television. And he is making almost a million dollars a year to do it.

The ratings for "Late Night With Conan O'Brien" have been better than the network promised advertisers. NBC sold the show at a modest 1—guaranteeing that 1 percent of the nation's TV sets would be tuned in—and the ratings have averaged a respectable 1.8. (Letterman, by comparison, was getting a 2.1 rating when he left.)

Despite the hits the show has taken from the critics, Tom DeCabia of the Paul Schulman Co., which buys advertising time for its clients, thinks O'Brien and the show still have a good shot at succeeding.

"I think most advertisers are looking favorably on the show and rooting for him," says DeCabia. "I think he's still nervous and has a lot of growing to do in the job. . . . People forget how uncomfortable Letterman was when he started.

"Besides," he says, "who are you going to get?"

But that has not stopped concern in some quarters about O'Brien's ability to make it work; nor has it made it that much easier for him to actually do the show.

On the air, he fidgets and twists. He leans too close to his guests, he forces a laugh, he rushes from question to question. Sometimes he appears not to be listening. He looks, in short, uncomfortable. And he knows it.

"If you had talked to me in April I would have told you it's going to be a little bit of a bumpy road," says O'Brien, 30, in jeans and white T-shirt under a red flannel work shirt, and beating a pair of drumsticks on his knee.

Here, in his spare Rockefeller Center office, he is a different person, completely at ease. He is eating his breakfast, a dried-up buttered bagel and coffee. In back of him is a huge caricature, his trademark vertical shock of hair accentuated. A three-foot pickle leans against the corner.

BY FRANK JOHNSTON—THE WASHINGTON POST

Conan O'Brien reflecting upon a recent performance after the show. "That's one of the weaker monologues in two weeks."

"I told everyone I interviewed for a job on this show that we're going to have to learn as we go, we're going to make our mistakes, we're going to make a bunch of mistakes on the air. . . . Not all of it works, but five nights a week it's not all going to work."

The critics more than agreed—some of them thought almost none of it worked. Still, his reviews were less severe than those for Chevy Chase's self-immolation on Fox, which O'Brien couldn't bring himself to watch.

"I sort of felt it's not my place to watch other—'*Man*, hey, they should take this guy off the air!' I sort of felt like, look, just mind your own store, pal. Everyone was talking about how awful Chevy Chase was. Doing one of these shows is a hard thing to do. I didn't gleefully kick at his corpse."

Reading his own bad reviews has been tough, he admits. "I think people like me get to where we are because we're sensitive and hard-working and probably hard on ourselves, so you never get used to it. . . . There's some part of you that hurts. It's tough but I love doing this so much and I have so much hope for this show that it is worth just about anything, short of my family getting hurt, it is worth just about anything."

The Scoop

O'Brien is posing for pictures on an exercise bike in his office and making small talk.

He asks what the optimum age would be for a man to become a father, and is told 30 seems just about right.

"Ohhhhh, no," he says laughing. "Uh-uh!"

Then he reconsiders.

"Okay," he says, "the show needs press. Here it is. Uma Thurman and I are having a baby! Don't check it! I don't care about the lawsuits! Just put it in the paper like that."

The Joke Factory

What passes for a story conference is taking place around a big table just down the hall from O'Brien's office. Everybody is wearing jeans, and few of the writers appear old enough to have started shaving—and if they are, they haven't. Everybody looks tired and rumpled, most especially Robert Smigel, the head writer and, along with Jeff Ross, one of the show's producers.

They are quietly tossing around ideas for an opening segment in which O'Brien plays a game with his Ed McMahon, sidekick Andy Richter, in which Richter is shown groups of four things and has to choose which one is not like the others.

The first sets are relatively obvious, but the last consists of a bowl of soup, Simon and Garfunkel, a shuttlecock and an airplane. When Richter can't guess which is different, the audience is to shout, on cue, "The bowl of soup." And when Richter still won't accept that, a naked German psychiatrist is to come out and shout, "Eet ees zee bowl of zoup!"

"Salvador Dali was one of our writers," says O'Brien, happy with the absurdity of the bit.

Richter, who has also written a running gag for this show in which three men answer the question "Where were you when you first made money off the Kennedy assassination," has been the critics' second favorite target. "I think it's been hard on Andy because my role is defined," O'Brien had said earlier. "I think we could get to the point where maybe yeah, I just come back to the desk and get something going, but then Andy and I do a bit. I think what you learn is, don't force anything."

Says Richter, "Enough people I respect on a personal basis respect what I do . . . I don't think of myself as a sidekick. I don't ask myself, 'How would Ed [McMahon] do this?'"

The Monologue

Amir Gollan, Tom Agna and Louis C.K., the writers who put the monologue together every day, wander into O'Brien's office. Everybody seems to mumble the jokes, punctuating them with occasional smiles, but there is no real laughter. O'Brien says he keeps the monologues short because he knows they're not his strong suit.

Today the subject is "Sesame Street's" 25th birthday.

There is a joke about times getting tough. "'Sesame Street,' brought to you today by the letter A and Miller High Life, the champagne of bottled beers." O'Brien likes that one.

And another, about the changing city: "There's a Gap where Mr. Hooper used to live." Nixed.

See O'BRIEN, C13, Col. 1

BY FRANK JOHNSTON—THE WASH

Conan O'Brien, second from left, in conference with his writers. He keeps his monologues short because he knows they're not his strong suit.

The Talk of Conan

O'BRIEN, From C12

And one about a fight between Barney and Big Bird. Nixed.

And this: "Cookie Monster has an eating disorder. I don't know what it's called, but the food just falls out of his mouth." O'Brien laughs out loud. The joke makes the cut. O'Brien tells them to check in with him again later at rehearsal. He wants to run through it with Smigel.

He holds out his lunch, a mystery-meat sandwich encased in a little plastic box. "Here," he says. "I want people to know what my life is like." And he heads downstairs to the studio for rehearsal.

The Worrier

Producer Jeff Ross wears a Kids in the Hall jacket and a perpetually worried look. He is talking about the problems the show has had booking the bigger-name guests. "If Tom Hanks does a show, he's going to do Letterman," he says. "And Jay's [Leno] getting fairly big numbers. They're going to do those two shows before they do us.

"We take more chances with guests," he says. "We have to."

He says the NBC brass send him occasional suggestions, but tell him they are generally happy with the show's direction. "They want to look out for Conan," he says. "They say don't worry about getting canceled."

And then, as an aside, "That's what they [Fox] said to Chevy."

The Warm-up

It's near 4, and the rehearsal is wrapping up. Drummer Max Weinberg, who used to be with Bruce Springsteen, is finishing with the "Late Night" house band, which has gotten raves. O'Brien takes his sandwich back to his office. He wants some time alone before the taping.

By 4:30 Auberjonois is in his dressing room, and Yokozuna and Mr. Fuji are lumbering down the hall. Joe Henry, the musical guest, has set up his band backstage. By 5, O'Brien's in makeup and he's rolling. The worrying is behind him for now. He's getting himself cranked for the show.

"I know way more about makeup than any man my age should know," he says. "When I start chastising people for using the wrong eyeliner . . . I can never go on an Outward Bound trip."

His signature hair, standing up in front, is being combed.

"Make me look like Jack Lord," he says. "I idolized Jack Lord as a child." He says he was devastated when he learned Lord wore a toupee. "It took him three hours to put on his hair in the morning. I wish I was bald if I could have a piece like that. People think I have this crazy hair because of TV. I always had crazy hair. I even calmed it down some. It was violating the building code. . . .

"Whose Victoria's Secret bag is that?" he asks, pointing to the corner. "There's a woman inside me screaming to get out, and I'm going to use network television."

He says politico Mary Matalin, a guest on the show not long ago, told him that if he came down to Washington she would fix him up with some girls, but he doesn't believe it. "And Katie Couric's been saying that for weeks," he grumps.

He is told that everyone thinks he's got a girlfriend.

"Uh-uh. Oh, no. You've been reading that old Vanity Fair stuff," he says. "This show is my mistress, and we're not getting along."

The audience is filling up the 200-seat studio. And then the warm-up comic is out egging the audience on, introducing Richter and finally O'Brien.

The doors shoot open, and O'Brien, transformed from the shlub in jeans into a bolt of lightning, bounds up the stairs three at a time into the audience, doing a raucous, ear-splitting Elvis imitation. This is an energy that hasn't yet come across on television. The audience goes wild.

He tells the crowd to please laugh—"my parents watch this show"—and talks to a couple of people, wanting to know why they are there. "Did they tell you this was 'Donahue'?"

The Review

An hour later it's all over. Conan O'Brien is out of the studio and into his tiny dressing room, pulling a Coke out of the small refrigerator and slugging it down. He is immediately ready to review the performance in a sort of stream of consciousness.

"That's one of the weaker monologues in two weeks," he says. "It was a little soft. We tried to avoid the easy jokes about children's puppets in the grim real world. Some nights the audience is great. Some nights they're cold. I hear that from the pages. It happened to Dave too. . . . I give the monologue a C or C-plus. Maybe a B-minus."

He is happier about the Kennedy bits. "They're smart and funny," he says. "It's a thin line—are you making fun of it? But it's such a smart thing. They're such good jokes.

"Rene whatever-his-name-is—I got it right two out of three times—had a sense of humor." O'Brien's worst fear of the day, an incredibly boring guest, was not realized.

Still he is baffled by a large round of applause from the audience at the mention of "Benson."

He is satisfied with Yokozuna, unhappy with a heckler who jumped up to ask a question (and who, says Ross, will be cut from the tape before the show airs that night), happy with Joe Henry.

And he was comfortable with the warm-up. "I like to talk to people and just go out there and dance around. It works on the sourest, meanest people. Maybe they didn't get tickets to Dave, but they smile and say what the hell are you doing? I think that helps.

"Overall," he says, "tonight was okay."

He heads out to tape a promo for tomorrow.

THE WHITE HOUSE
WASHINGTON

DATE: 01/10/94

NOTE FOR: SECRETARY BENTSEN

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

Information ☐

Action ☒X

See the President's question at top of page 2.

Thank you.

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

cc: DAVID GERGEN
CAROL RASCO
BRUCE REED

cc:
Bentsen
Bruce Reed
Gergen
Rasco

THE WHITE HOUSE
WASHINGTON

January 3, 1994

MR. PRESIDENT:

The attached has been circulated to the Vice President and relevant staff. We will coordinate the announcement.

~~[illegible]~~ great

[illegible]

John Podesta

THE PRESIDENT HAS SEEN 1/8/94

THE PRESIDENT HAS SEEN 1/8/94

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

93 DEC 30 P4:30

SECRETARY OF THE TREASURY

December 30, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen LMB

SUBJECT: Treasury Crime Control Initiatives

As part of your effort to address the crisis of increasing crime and gun violence in this country, I plan to announce several initiatives involving Treasury enforcement bureaus early next week. This memo outlines these initiatives.

The Department of the Treasury has substantial law enforcement responsibilities and bears the primary responsibility for gun control. Treasury's law enforcement bureaus -- Alcohol, Tobacco, and Firearms (ATF); Customs; and Secret Service -- can make significant contributions to the Administration's commitment to address the nation's crime problem. The following initiatives address violent, gun-related crime. I plan to announce further anti-crime initiatives in the areas of smuggling, money laundering, as well as financial institution, Treasury check and trade fraud , pending the completion of an ongoing Treasury enforcement review.

My staff has reviewed these proposals with OMB, the White House Domestic Policy staff and the Justice Department.

Anti-Crime/Anti-Violence Initiatives

I. ATF Law Enforcement

These proposals seek to build on the close cooperation in the gun control area that currently exists between the ATF and State and local law enforcement agencies (LEAs).

Brady Bill. Treasury will promulgate and implement the regulations for the waiting period, and local LEAs will conduct the required background checks on gun purchasers. In support of the LEAs' responsibility for conducting the background checks, ATF will develop a model for the LEAs to recoup the cost of the background check through a user fee.

Resources/Legislation required: No new legislation needed; initially some costs for printing information and mailing to several hundred thousand LEAs will total $900,000 and can come from the Treasury Asset Forfeiture Fund.

What are 10?

Great *

Targeting Highest Crime Areas. Studies show that 20 percent of the nation's felonies occur in only 10 counties -- Treasury will make these ten counties its first priority. I will direct ATF, in consultation with State and local authorities, to assess and address the specific gun trafficking patterns in those regions. Also, ATF will replicate the New York pilot Federal Firearms License (FFL) project in these counties. In this project, funded by the Bureau of Justice Assistance (BJA), ATF and the New York City Police Department screen and investigate all applications for FFLs. Since the project began, 90 percent of FFL applications have been either withdrawn or denied because the screening and investigative process revealed that many new applicants did not satisfy local requirements for being engaged in the sale of firearms. Before the project began, 90 percent of all applications were granted.

Resources/Legislation required: No new legislation needed; funding levels being worked out between BJA and ATF.

Expand State and Local Law Enforcement Assistance. The Senate Crime Bill authorizes $30 million for ATF to expand a number of existing programs. These programs include Project Achilles, which targets armed career criminals; Project Uptown, which focusses on firearms in Public Housing; and "Bulletproof," an effort being tested in the District of Columbia which uses high-tech computer systems to inventory, identify and match bullet projectiles, much like fingerprint systems.

Resources/Legislation required: No new legislation needed; the Treasury Forfeiture Fund and existing resources would be used. Funding from the Crime Bill would be a source for major expansions of these programs.

High Integrity, Well-Trained Police. The recent arrests for corruption of 12 DC police officers, hired in a rapid expansion of the DC police department, demonstrate the need to be cautious as we expand the nation's law enforcement capacity. Treasury's Federal Law Enforcement Training Center (FLETC) provides quality training, not only to over 70 Federal law enforcement agencies, but also to State and local officers. We will expand our overall effort to provide training to trainers of the new State and local police as well as develop new curricula addressing violent crime.

Resources/Legislation required: No legislation is required but some funding will be provided to expand existing programs. Some funding could come from the Crime Bill.

II. Federal Firearms Licensing Reform

There are approximately 287,000 FFLs in the U.S. It is estimated that only 30 percent actually run full-time gun shops. It is exceedingly easy to obtain a license, thus enabling one to purchase guns wholesale and buy and ship them interstate. Further, a license facilitates high-volume purchases of weapons which may end up in the illicit market. Legitimate gun shop owners and sporting goods stores support FFL reform, because the FFLs who straddle that thin line between legal and illegal are undermining the legitimate businesses. We will propose to take the following steps, which in aggregate we believe will reduce the number of authorized FFLs by 80 percent.

First, based upon your firearms control directive, ATF has been giving FFL application information to some police departments and zoning boards. I will direct ATF to set up a standard procedure whereby all appropriate LEAs are made aware of all FFLs issued in their area. This will be done in concert with the implementation of the Brady Bill.

Second, the 1995 budget calls for an increase in the annual FFL license fee to $600. Prior to Brady, the fee was $10 per year and Brady raises it to $200 for an initial three year license and $30 a year thereafter.

Third, the Administration will support the Simon FFL Reform provisions in the Senate Crime Bill and go further by proposing to:

* immediately suspend or revoke an FFL following a felony conviction of the Gun Control Act, even if an appeal is pending (if the conviction is overturned, the FFL would be reissued);
* establish formalized periodic reporting requirements on ongoing business operations for FFLs (to ensure that the FFLs are indeed legitimate businesses); and
* increase sanctions for non-compliance.

Resources/Legislation Required: Legislation is required for both FFL reform and the increase in licensing fees. The FFL provisions should be included in the Crime Bill; the fees will be in your FY 95 budget. Although the number of FFL holders will decrease dramatically, OMB projects revenues to increase by nearly $25 million -- which will cover the costs of implementing these initiatives. Per your directive, an additional $2.4 million is included in the FY 1995 budget request for FBI fingerprint checks of FFL applicants.

III. Intelligence -- Cracking Down on the Illicit Gun Market

FFL reform will be one step in eliminating a big gateway for firearms to get into the illicit market. However, our law enforcement agencies need better intelligence on the illicit trafficking patterns and trends. Firearms trace requests generate extremely valuable information for local, State and Federal law enforcement. Trace information is very useful in cracking down on the source of weapons used by juveniles as well as by adult criminals, and will become more critical if the prohibition on the transfer of weapons to juvenile offenders (currently in the Senate Crime Bill) is enacted.

ATF's National Trace Center (NTC) is currently able to process only about 50,000 firearms trace requests per year, from over 500,000 firearms recovered in crimes annually. Many records are not computerized and ATF needs to input much of this data into computers. Additional data bases, such as for multiple weapons sales, (reports of which are required in the Brady Bill), and theft should also be computerized. It would be a great advantage for Federal, State and local law enforcement to have these data bases efficiently designed and linked for intelligence purposes. We will seek to redress these inadequacies.

ATF is hampered by weak statutory authority, few resources and inadequate sanctions against FFLs who fail to comply with regulations. We should seek new legislation to:

* require that FFLs respond to trace requests without a site visit (included in the Simon FFL reform);
* make it a felony offense for an FFL to falsify records, knowingly and willfully to fail to maintain required records, or knowingly and willfully to fail to supply records to NTC when they discontinue business;
* require FFLs to report within 48 hours any lost or stolen firearms (included in Simon FFL reform); and
* authorize funding for a modern, integrated data base.

In addition, we will examine and reassess the sentencing structure for certain firearms offenses, such as illegal sales, diversion, or defacing firearms to prevent identification.

Resources/Legislation Required: New legislative authority will be needed to improve Treasury's tracing capacity; it could be included in the pending FFL reform initiatives included in the Crime Bill. Resources will be required to improve the automated systems, and to input data. ATF has determined that $5-7 million is required. Under your directive to control firearms, we have developed a proposal for $3.2 million in your FY 1995 budget request for automation. The additional $1.8 million for equipment could be funded through the Treasury Forfeiture Fund.

IV. CRIME PREVENTION -- Gang Resistance Education And Training (GREAT)

We should support the Senate proposal to expand the GREAT program at ATF, a structured grade-school-based program designed to help children become responsible members of society by setting goals for themselves, resisting negative pressures, learning how to resolve conflicts and understanding how gangs harm the quality of their lives. The Senate Crime Bill contains a provision to expand this program to 50 new communities in addition to the 12 currently underway.

Resources/Legislation Required: The Senate expansion of the GREAT program includes an authorization of $800,000 per project site (for a total of $40 million, $20 million for State and local LEAs and $20 million for ATF). This provision deserves our support as the Crime Bill makes its way through the House.

THE WHITE HOUSE
WASHINGTON

DATE: 01/10/93

NOTE FOR: RICKI SEIDMAN

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

Information ☐

Action ☒x

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 1/8/94

Creso
cc Gergen / Gearan
memo to visit w/
SS — Do more to push

DEPARTMENT OF THE TREASURY
UNITED STATES SECRET SERVICE

December 16, 1993

Dear Mr. President and Mrs. Clinton,

On behalf of the Presidential Protection Division, I would like to thank you for the wonderful Christmas reception on December 9, 1993. It meant so much to all the personnel and their families. Everyone had a great time!

Each year the Presidential Protective Division has presented the President and First Lady with a Christmas gift. The gifts have been very traditional ranging from items for one's home to donations to a favorite charity. This year we wanted to be unique and "get with the program". We decided that the program to which we should be giving our attention has to do with guns, drugs and opportunity for the inner city youth. We hear much about these problems in the media and in your speeches, and God knows we hear enough of your speeches!

With all this in mind, the division has decided to adopt an inner city school, Kramer Jr. High School, in the Anacostia section of Washington, D.C. We have contacted the school and have been received with a great deal of enthusiasm. That enthusiasm is only matched by the enthusiasm exhibited by our detail. Everyone is excited and willing to volunteer their time and talents to prove that there are people who care. We plan to speak to all the classes, assist at sporting events, have them tour our training facility at Beltsville, MD, assist with tutoring after school and any other need that we can fulfill.

Further, members of your White House Staff have shown a great deal of interest in assisting with this program and we gladly welcome the help.

This past year has been an interesting and challenging time for the members of this division. It has also been very rewarding to us and we all have much for which to be thankful. We look forward to taking your lead and giving something back to our communities.

We hope that you and your family have a wonderful and happy Holiday.

Sincerely,

Rick Miller

and all of the men
and women of PPD

THE WHITE HOUSE
WASHINGTON

DATE: 1/10/94

NOTE FOR: TONY LAKE
SANDY BERGER
NANCY SODERBERG
DAVID GERGEN

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

Information ☒

Action ☐

See the President's note --

Very important to
cc
I want to discuss this
when I return.

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

A, Accept to
cc Tony / Sununu
Nancy's + [illegible]
(Lawrence to contact [illegible]
w/ [illegible] ([illegible]

THE WHITE HOUSE

WASHINGTON

January 5, 1994

Ricki Rhodarmer Tigert
Gibson, Dunn & Crutcher
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ricki:

Thanks for your note. It was good to see you at Hilton Head, as always. We had a great time.

I appreciate your sending Jia Zhao's letter about China. I am glad to have the benefit of her very personal experience.

See you soon.

Sincerely,

Bill

THE WHITE HOUSE

WASHINGTON

January 5, 1994

Jia Zhao
Baker & McKenzie
One Prudential Plaza
130 East Randolph Drive
Chicago, Illinois 60601

Dear Jia:

Ricki Tigert was kind enough to pass along your letter, which I have read. I deeply appreciate having the benefit of your insights into our China policy, and I will carefully consider your recommendations. I am also pleased to know of your offer of assistance, which I take seriously.

It was good to meet you at Hilton Head, and I look forward to seeing you soon.

Thanks.

Sincerely,

Bill Clinton

Ricki Rhodarmer Tigert

January 5, 1994

Dear Mr. President,

It was terrific to see you and Hillary at Renaissance. You not only did not "get in the way," you managed to deftly blend in to the Renaissance family likes the old days! It was a warm, loving, informa-tive week-end and yours and Hillary's speeches were your

best ever - and highlights!
You apparently asked my dear friend Jia Zhao whether you should visit China. She has written you a letter to express her views, and I am, at her request, forwarding it to you. She cares deeply about both countries and her advice may be very useful to you.
All the best for a tremendous 1994! Good-luck in Moscow too!
Love, Richi

THE PRESIDENT HAS SEEN 1/8/9

BAKER & McKENZIE

ATTORNEYS AT LAW

EUROPE
MIDDLE EAST

AMSTERDAM, BARCELONA, BERLIN, BRUSSELS, BUDAPEST, CAIRO, FRANKFURT, GENEVA, KIEV, LONDON, MADRID, MILAN, MOSCOW, PARIS, PRAGUE, RIYADH, ROME, ST. PETERSBURG, STOCKHOLM, WARSAW, ZURICH

ASIA
PACIFIC

BANGKOK, BEIJING, GUANGZHOU, HONG KONG, MANILA, MELBOURNE, SHANGHAI, SINGAPORE, SYDNEY, TAIPEI, TOKYO

ONE PRUDENTIAL PLAZA
130 EAST RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
TELEPHONE (312) 861-8000
CABLE ABOGADO · TELEX 254425
FACSIMILE (312) 861-2899

NORTH AND
SOUTH AMERICA

BOGOTA, BUENOS AIRES, CARACAS, CHICAGO, DALLAS, JUAREZ, LOS ANGELES, MEXICO CITY, MIAMI, MONTERREY, NEW YORK, PALO ALTO, RIO DE JANEIRO, SAN DIEGO, SAN FRANCISCO, SAO PAULO, TIJUANA, TORONTO, VALENCIA, WASHINGTON, D.C.

January 4, 1994

JIA ZHAO
(312) 861-7596

President and Mrs. William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-9900

Dear President and Mrs. Clinton:

It was truly an honor and privilege to meet you both at the Renaissance Weekend. As I watched you move among the Renaissance participants and as I listened to your heart-felt remarks, I could not help but envy the American people for their great fortune to be blessed with such young, energetic, and inspiring leadership.

As you already know, I am the first Chinese citizen from the People's Republic of China to receive a Juris Doctor degree from an American law school and the first to be admitted to a U.S. bar (Illinois and Washington, D.C.). Before I went to Harvard Law School in 1980, I served in the Chinese Ministry of Foreign Affairs as a United States desk officer from 1972 to 1980. During that period I witnessed the normalization of diplomatic relations between the United States and China. I also served as interpreter for visiting senior U.S. officials. I was President Nixon's chief interpreter in 1975 during his second visit to China. In 1988, I left the Chinese Foreign Ministry and am now a partner at Baker & McKenzie, Chicago.

China's late Chairman Mao Zedong, referring to the two party system in the U.S., once remarked that he liked Republicans. It was true that given the world situation over twenty years ago, it was easier for a Republican President to break the barrier between China and the United States. Since then China has been dealing with Republican administrations except for a brief period with President Carter. Based on my own limited knowledge, I think that the current Chinese leadership has little experience in dealing with a Democratic President and is thus apprehensive. To a certain extent, it is a victim of stereotyped views of Republicans, Democrats and the United States. In the United States too, certain stereotypes have guided policy towards China in the past.

Now your Democratic administration can lead relations between the two countries to a new era. We all agree that a sensible China policy is essential, but if we cannot make a clean break with current stereotypes, success will escape us. A break through approach is needed.

I believe that leadership is exercised not so much in the rhetoric of imposing one's values on another, but by quiet examples. Imagine you both visit China. Your young, energetic, caring and accessible style and your image and vision for the world and for America would touch every soul in China. People or nations may be offended if they are told what to do, but they will never fail to respond to positive example. Dear Mr. President and Mrs. Clinton, you yourselves will be America's best asset and the best representatives for what the United States stands for.

It is high time the United States look at its China policy and work out a creative approach. Although I am only now a permanent resident in this country, I would be honored to do whatever I can to assist. China has raised me and imbued me with traditional Chinese values; the United States has enhanced my sense of my own worth and brought out my potential. I love both countries dearly.

President Nixon summed up his strategic initiative towards China at the welcoming banquet in his honor on February 21, 1972, by quoting Mao Zedong's poem that "Ten thousands years are too long; seize the time, seize the day". These words can also serve as the touchstone for a strategic initiative towards China by a Democratic administration.

With my very best wishes.

Yours sincerely,

Jia Zhao

Jia Zhao

P.S. On a personal note, I have had the good fortune in the past ten years to enjoy great friendship with Justice Ruth Bader Ginsburg, Larry Schneider, Susan Ness and Ricki Tigert.

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 1/10/94

TO: BRUCE LINDSEY
JIM DORSKIND

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

[redacted]

JIM: CALL TODD STERN
WHEN YOU RECEIVE THIS.

[redacted]

THE PRESIDENT HAS SEEN 12/22

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

Mr. President

December 9, 1993

Mary Jo
Gene
B—

President William Clinton
The White House
Washington, DC

Dear Mr. President,

This letter is written to inform you that I will be returning to my farm in Utica, Ohio and therefore will resign my position as Assistant Secretary of Agriculture for Marketing and Inspection Services effective December 31, 1993.

It was an honor to have your confidence in appointing me and it was also an honor to work with your effort in Ohio during the 1992 Presidential campaign. I am proud of the job you are doing as President and I believe you are gaining support and respect from the people as you lead this nation.

Mary Jo and I wish you the very best in fulfilling your awesome responsibilities in these most challenging of times. We look forward to helping in any way we can for the campaign in 1996.

Sincerely,

Eugene Branstool

Eugene Branstool
Assistant Secreatary of Agriculture
Marketing and Inspection Services

Chron

Gerald Ford ltr.

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 1/10/94

TO: RICKI SEIDMAN

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

[redacted]

[redacted]

12/23
TO JOHN PODESTA
FOR APPROPRIATE
DISTRIBUTION - I
BELIEVE BILL BURTON
ALREADY GAVE YOU
THE 12/13 LETTER.
Patty McHugh

CHIEF OF STAFF TO THE PRESIDENT
THE WHITE HOUSE

December 18, 1993

The Honorable Gerald R. Ford
P.O. Box 927
Rancho Mirage, CA 92270

Dear Mr. President:

Your letters of December 8th and 13th have been received, and I was pleased to forward them directly to the President, as you requested.

You may be sure that your kind invitation to the President and other members of the Administration to participate in the 13th Annual World Forum will receive every consideration. I agree that the Forum could present an excellent opportunity for our Administration, and I appreciate your thoughtfulness.

Your letter on the Vietnamese Refugee crisis is insightful and deeply appreciated.

Personally,

Mack McLarty

Mack McLarty

Mr. President - please convey my warm regards to Betty. We look forward to working with you in the future.

GERALD R. FORD

December 8, 1993

Dear Mr. President:

I write to invite you to participate in the 13th Annual World Forum which I host in Beaver Creek, Colorado. Co-sponsors are the Vail Valley Foundation and the American Enterprise Institute.

Enclosed is the brochure for the 1994 World Forum scheduled for June 15-18. The agenda includes plenary sessions on U.S. Domestic Policy and Politics, International Security Issues and International Trade and Finance. Smaller "break-out" sessions will cover a number of current foreign and domestic issues.

Each year former foreign leaders - Valery Giscard d'Estaing, Helmut Schmidt, Lord James Callaghan and others participate.

In the past, Alan Greenspan, Arthur Burns, plus other international recognized economists and financiers have participated. In 1993 Alan Blinder from your Council on Economic Advisors was an excellent representative from your Administration.

We expect, in 1994, approximately 55 top business Chairmen and CEOs from major United States and world wide firms. Each year we have outstanding business executives from ten or more foreign countries, including Japan, Australia, China, Taiwan, Germany, Belgium, and the Middle Eastern nations.

During the Reagan and Bush Administrations there were top Cabinet officers who participated regularly.

(Continued on Page Two)

Betty and I would very much like Hillary and you to be our special guests and stay with us in our residence in Beaver Creek. If you cannot join us for the three days, we would welcome you for whatever time is possible.

I am also writing to suggest strongly that top officials from your Administration accept the invitation to join us. I tried very hard to get some for the 1993 World Forum, but only Alan Blinder joined us. He did a very fine job and we hope he will return.

Attached is the priority list from your Administration who I hope will come for the 1994 World Forum. They have all been invited personally by me on behalf of the co-hosts, the American Enterprise Institute and the Vail Valley Foundation.

I reiterate - Betty and I hope Hillary and you can join us at the 1994 World Forum.

We wish you and the family a wonderful Holiday Season.

Sincerely,

Jerry Ford

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

Hillary Rodham Clinton
Al Gore
Les Aspin
Donna Shalala
Warren Christopher
Lloyd Bentsen
David Gergen
Robert Rubin
Laura D'Andrea Tyson
Leon Panetta
Mickey Kantor
Roger Altman
Alan Blinder

AEI WORLD FORUM

JUNE 15-18, 1994, BEAVER CREEK, COLORADO

THE WALL STREET JOURNAL WEDNESDAY, DECEMBER 15, 1993

THE PRESIDENT HAS SEEN 1/8/94

Mack - me
To retain for my return

Send back to the President

No Single Regulator for Banks

By Alan Greenspan

The federal bank regulatory system has not been functioning efficiently in recent years. The banking community is understandably concerned about duplicative examinations and overlapping regulations.

One suspects that, in legislative and regulatory reaction to banking system problems that became evident in the later 1980s, we may have overdosed the system. We now have more examiners and greater complexity in rule-making than needed, with the prospect of inconsistency in oversight and persisting demands on management time and energy to satisfy multitudes of examiners. We need to address these problems.

The administration has proposed a single federal bank regulator that would take over the current regulatory roles of the Federal Reserve, the Comptroller of the Currency, the Federal Deposit Insurance Corp. and the Office of Thrift Supervision. But there is a serious question of whether this is the appropriate solution. While a single regulator would deal with duplication, inconsistency and overlap, it would also have important and exceptionally serious drawbacks:

- First, it would remove the Federal Reserve from direct, hands-on involvement in supervision and regulation, with bad effects on public policy in a number of areas, most especially in our ability to anticipate and cope with potential systemic financial problems.
- Second, a monolithic regulator would be less effective than two or more regulators in providing a necessary set of checks and balances to the oversight of depository institutions.

Since its inception, the Federal Reserve has been at the nexus of monetary policy, the payments system, and bank supervision and regulation. To carry out its responsibilities, the Fed has been required over the decades to build up an unparalleled knowledge of the intricacies of the American, and indeed the world, financial system. Our expertise is the result of dealing constantly, and in detail, with changing financial markets and institutions and their relationship with each other and with the economy. It comes as well from continuing interactions with central banks and financial institutions abroad.

Our supervisory and regulatory activities have been an integral and indispensable aspect of this process. Continuing interactions with banking organizations, both large and small, are one of the key ways we have built detailed insights into how our system functions.

We appreciate the administration's endeavor to address some of our concerns, but its proposal misses a fundamental point. It is unrealistic and unduly hopeful to believe that the knowledge and expertise that the Federal Reserve needs to do its job properly can be gained from studying the exam reports of another agency, having narrow authority to examine the payments system, or having representation on the board of a monolithic regulatory institution. Under such a structure, the Federal Reserve's essential knowledge base would atrophy, with our deliberations becoming increasingly academic and our central bank resembling more an ivory tower than an institution necessarily involved with the day-to-day activities of our economic and financial system.

Without our hands-on bank supervisory activities, we might not have been aware of the seriousness of the "credit crunch" of the early 1990s until later.

Knowledge of exceptional depth and breadth has become increasingly important in dealing with the U.S. financial system. A narrow focus on depository institutions in the U.S. is not sufficient in a world in which markets are becoming more interconnected. Financial instruments are becoming more complex: Distinctions between banks and other financial intermediaries are blurring; integration of economies and financial markets internationally is increasing.

Our financial system—free market oriented and characterized by innovation and rapid change—imparts significant benefits to our economy. But one of the consequences of such a dynamic system is that it is subject to episodes of stress. In recent years we have experienced a substantial stock market crash, the default of the major player in the junk bond market, the S&L failures and other problems.

In these situations the Federal Reserve provides liquidity, if necessary, and consults continually with depository institutions to contain the secondary consequences of the problem. Most of our efforts to safeguard financial stability, however, are directed not at crisis management but at fending off financial sector problems before they erupt into full-blown crisis.

Financial crises are rarely predictable. The Fed's ability to respond expeditiously to any particular crisis depends on the experience and expertise that we have accumulated over the years about the specifics of our system, and our authority to act on that knowledge. In responding to crises or heading off potential crises, we continually relate our supervisor-based knowledge of how individual banks work to our understanding of the financial system as a whole. We gain insight by having a broad sample of banks subject to our supervision and through our authority over bank holding companies.

We employ our accumulated experience and expertise in large measure to work with other regulators here and abroad and with private parties to build strong institutional structures resilient to the inevitable strains that hit financial systems. We also draw on our base of knowledge and insights when systemic breakdown threatens. Such a situation invariably creates fear and uncertainty in the financial markets. Fear of counterparty risk escalates, and originators of payments become hesitant and delay transfers.

It is important that a regulatory authority fully familiar with the dynamic international economic and financial forces be available to counsel and urge rational responses—and, as a last resort, provide liquidity. If regulatory authority is vested in a single agency and little in the central bank, our nation's ability to forestall or to respond efficiently and effectively to a crisis would surely be impaired.

While crises arise only sporadically, the Federal Reserve is involved in monetary policy continuously. In this area, too, the insights derived from our supervision and regulation are important inputs to the policy process. Certainly, a major factor in our decision to ease interest rates from 1989 on was our increasing awareness, importantly gained through the examination process, that banks were rapidly tightening their lending terms and standards. We were never able to offset fully the lending trauma that led to the "credit crunch" of the early 1990s, but we clearly contained its deleterious effects in a significant way. Without our hands-on bank supervisory activities, we might not have been aware of the seriousness of this problem until later.

The "credit crunch" experience also illustrates how Federal Reserve involvement in supervision and regulation can improve those functions as well. Our own experience in the banking system and the expertise of our in-house examiners were key elements in enabling us to analyze this phenomenon and work closely with other agencies to adjust supervisory policies to alleviate it while preserving safety and soundness. A central bank brings a unique and invaluable perspective to regulation; it is far better situated than a narrowly focused regulatory agency to see how bank regulation and supervision relate to the strength of the payments system, the stability of financial markets, and the health of the economy.

To summarize, the absence of hands-on experience in the activities and operations of banks will reduce significantly the Fed's effectiveness. We must know how the system works—in a practical detailed way—and where the vulnerabilities may lie. Reports from another agency—or Fed representation on the other agency's board—do not provide such experience. Access to written supervisory reports at another agency might be useful for assessing a specific problem in a specific bank. But it would add little to the Fed's capabilities in addressing financial crises.

These concerns, of course, would not exist if the Fed were the single regulator. But we at the Fed would oppose that solution as well. While a monopoly bank regulatory agency can enforce uniformity in bank examination and regulation, it would do so at great cost to the broader efficiency and flexibility of our financial system. Banking supervision and regulation can only benefit from the variety of viewpoints and checks and balances of a system of more than one regulatory authority. A system in which banks have choices and in which regulations result from the give and take involving more than one agency stands a better chance of avoiding the extremes of supervision.

Banking's Historic Purpose

The historic purpose of banking is to take prudent risks through the extension of loans to risk-taking businesses. Such loans are the indispensable source of financing for small business, an essential engine of job creation. A single regulator, charged with responsibility for safety and soundness, is likely to have a tendency to suppress risk taking. A system of multiple supervisors and regulators creates checks on this propensity.

Most important in this regard is the contribution of the dual banking system of federal and state charters to the pluralism of our current regulatory structure and its checks and balances. However, consolidation at the federal level is likely to rob the choice of charter of any real significance. No longer will the availability of a state charter carry with it the choice of federal regulator. A monolithic federal supervisor, which also issues federal charters, will have little incentive to accommodate diverse state standards or to maintain the value of state charters.

There are innumerable ways, short of the creation of a single agency, to address the problems in the current system. The crux of the issue is duplicative examinations of banks and regulatory overlap for a given multibank holding company organization, where no one regulator has full authority for the entire banking organization.

This problem could be eliminated by a regulatory system that maintained more than one federal regulator, but provided that in general only one of those regulators examined each banking organization from top to bottom. In the process of simplifying examination, we would also establish mechanisms to rationalize regulation across organizations and minimize any remaining problems from overlap. Undoubtedly there are other approaches that preserve choice and retain a major role for the central bank.

The current system of bank regulation and supervision does need adjusting. But it is essential that proposals to eliminate overlap and promote "efficiency" do not endanger national economic objectives of far more importance. Our bank regulatory structure must find an appropriate and consistent balance over time between risk-taking and safety and soundness, and it must be structured to help maintain the stable financial system indispensable to a prosperous future. The proposed single federal regulator falls short in both of these key areas.

Mr. Greenspan is chairman of the Federal Reserve.

THE PRESIDENT HAS SEEN 1/8/94

The Yale Law Journal

To Bernie Nussbaum
Fyi - B

Justice White and the Yale Legal Realists

by
Louis F. Oberdorfer

103 YALE L.J. 5

1-10
orig. went
to Nussbaum
FW

Volume 103 **October 1993** **Number 1**

Rubin Fyl - B

THE PRESIDENT HAS SEEN 1/8/94

The Fed Can't Control Interest Rates

By Martin Mayer

Speaking from Europe, the economists of the Organization for Economic Cooperation and Development have suggested that the Federal Reserve should start raising interest rates in the U.S. Speaking from their sanctuaries in Congress and the White House, political leaders have warned the Fed not to raise interest rates. Higher rates—making it more expensive for people to buy homes and cars and for businesses to finance their inventories—might trample the emerging flowers of economic revival.

But if that revival should spark an increase in bank lending to business, interest rates will indeed rise, whether or not the Fed wants them to rise. The Fed will not have the power to determine whether rates will rise, or even when they will rise, if the banks resume lending. The only decision that will be available to the Open Market Committee will be a decision as to which rates should rise.

What hobbles the Fed is the consequence of its own generosity in bailing the big banks out of their big troubles. From late 1990 until well into this year, the Fed worked to make interest rates very low for short-term borrowings and rather high for longer-term borrowings. The purpose of the pattern was to generate profits for the banks, which typically borrow most of the funds they need through very short-term instruments and lend or invest on somewhat longer terms.

What the policy meant in practice was that banks could make money absolutely safely by investing in Treasury and government-guaranteed paper, and didn't have to make loans at all. By 1992, for the first time since the years right after World War II, the banking system's portfolio of Treasury paper was larger than its portfolio of commercial and industrial loans.

The neat thing about Treasury paper is that you can always sell it. Regulators don't make banks allocate capital against their holdings of government securities, because these securities are in effect the liquidity reserve of the system. If a bank has Treasury paper and wants to fund a loan, it doesn't have to take the time and trouble to lure money from depositors; it can and will sell its excess Treasury paper. Today, however, there's so much of the stuff around that one must ask the classic Wall Street question: To whom do you sell? The biggest and best customer for government bills and notes has been the banking system itself, now presumably out there as a seller rather than as a buyer.

In the market for government paper, as in any other market, prices go down when there are more sellers than buyers. A declining price for government bills and notes means a rising interest rate on government paper, and interest rates for private borrowers are inevitably at least a little higher than they are for the government.

The only way for the Fed to keep interest rates down on the short-to-medium paper the banks would sell to finance lending is to buy the paper for its own account. But this sort of open market activity creates new bank reserves—Milton Friedman's "high-powered money"—which guns the money supply when the banks are making loans. Inflation is a monetary phenomenon, and despite all the good news about oil and aluminum prices and labor docility, large increases in the amount of money outstanding will sooner or later do nasty things to the price indexes, both wholesale and retail. Rapidly rising money-supply figures therefore spook the bond market, and push up long-term interest rates.

Reaching for better yield than they can get from bank certificates of deposit and money-market funds, people have poured hundreds of billions of dollars into bond funds. Rising rates, however, mean declining bond prices. In the past three months, as the economy has begun to improve, rates have edged up, and the total return from bond funds has declined to something like zero.

The evolution of the mutual fund industry has made it a cinch for customers to switch out of bond funds for the price of a telephone call. When the customer wants out, the bond fund must sell bonds; indeed, if there is reason to believe the customer may be about to run, the manager of a bond fund will shift some fraction of its assets to cash equivalents, to make sure the tidal wave doesn't engulf him. What the trade calls dynamic hedging ("portfolio insurance" having acquired a bad name in the 1987 crash) will then exacerbate a downtrend.

Should bond prices really tank—should the yield rise over, say, 7%—investors in bond funds could flee. In the worst case scenario, cascading bond prices could drag down stock prices, creating a panic more dangerous than that of 1987, when bonds rose as stocks fell.

Thus the Fed keeps jawboning about the need to fight inflation in a time when there's virtually no inflation. If people believe the central bank is vigilant, they're more likely to hold their bonds. And if the banks become more confident lenders, the Fed despite its current political troubles will probably let shorter term rates rise as evidence to the nation's bondholders that it's serious about keeping the money supply in check.

But in today's circumstances, the Fed can't simply "hold down rates." The decision that the government should make what is still a sick banking system look healthy may or may not have been wise, but in either case it wasn't a free lunch. Part of the price to be paid, whether the president, Congress and the Fed's own board of governors like it or not, is a reduction in the central bank's power to control the price of money.

Secular trends in banking may yet rescue the Fed from its dilemma. The steady reduction of the banks' dependence on commercial and industrial lending as a source of income may mean that banking has become disconnected from the real economy. But the first sign that this recovery, like all its predecessors, has restored the animal high spirits of bankers will put the Fed in a box with no exit, except a dim hope that Congress and the president understand the dilemma.

Mr. Mayer, a guest scholar at the Brookings Institution, is at work on the 20th anniversary revision of his book "The Bankers" (Viking Penguin).

15

THE PRESIDENT HAS SEEN 1/8/94

CRecord
cc Gergen/Gearan
wants to visit w/
SS — Do memo to Rick

DEPARTMENT OF THE TREASURY
UNITED STATES SECRET SERVICE

December 16, 1993

Dear Mr. President and Mrs. Clinton,

On behalf of the Presidential Protection Division, I would like to thank you for the wonderful Christmas reception on December 9, 1993. It meant <u>so</u> much to all the personnel and their families. Everyone had a great time!

Each year the Presidential Protective Division has presented the President and First Lady with a Christmas gift. The gifts have been very traditional ranging from items for one's home to donations to a favorite charity. This year we wanted to be unique and "get with the program". We decided that the program to which we should be giving our attention has to do with guns, drugs and opportunity for the inner city youth. We hear much about these problems in the media and in your speeches, and God knows we hear enough of your speeches!

With all this in mind, the division has decided to adopt an inner city school, Kramer Jr. High School, in the Anacostia section of Washington, D.C. We have contacted the school and have been received with a great deal of enthusiasm. That enthusiasm is only matched by the enthusiasm exhibited by our detail. Everyone is excited and willing to volunteer their time and talents to prove that there are people who care. We plan to speak to all the classes, assist at sporting events, have them tour our training facility at Beltsville, MD, assist with tutoring after school and any other need that we can fulfill.

Further, members of your White House Staff have shown a great deal of interest in assisting with this program and we gladly welcome the help.

This past year has been an interesting and challenging time for the members of this division. It has also been very rewarding to us and we all have much for which to be thankful. We look forward to taking your lead and giving something back to our communities.

We hope that you and your family have a wonderful and happy Holiday.

Sincerely,

Rick Miller
and all of the men
and women of PPD

[redacted]

C. Rasco -

Do you want to draft thanks or do you want us to draft one? [redacted]

N.H.

[redacted]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	To POTUS re: Pilot Qualification [partial] (1 page)	12/27/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 2244

FOLDER TITLE:

January 9-15, 1994

2018-0662-S
rs3084

RESTRICTION CODES

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

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

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

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

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

THE PRESIDENT HAS SEEN 1/8/94

27 Dec 1993

Honorable William Jefferson Clinton
President of the United States

Dear Mr. President,

My junior year at the United States Air Force Academy I was denied pilot qualification due to "scoliosis" which was found during my graduation physical. Prior to the physical I had been recorded as being pilot qualified. The current regulation dictates that "scoliosis" beyond a curvature of 20 degrees disqualifies one from being considered for pilot training. What the regulation fails to address is that scoliosis beyond 20 degrees can be asymptomatic, as is my case. I am in perfect health and have absolutely no physical problems. In my opinion and in the opinion of doctors in the civilian sector, there is no reason why my medical condition should disqualify me from a pilot qualification. This regulation is outdated, and contrary to more recent medical opinion.

While a cadet at the United States Air Force Academy, I was a varsity wrestler for the entire four years. During these four years I never missed a varsity match due to any reason. To this date, I believe that very few of man's endeavors place a level of stress, both mentally and physically upon a being as intense as that of NCAA division I wrestling. While such other endeavors may exist, recent medical opinion, and myself do not believe that flying an aircraft is one of them.

From the first time that I was introduced to the United States Air Force, it has been my dream to someday be an United States Air Force pilot. Like yourself, and many of the most successful people in history, I knew at a very young age what goal I was to pursue. It was my belief that the United States Air Force Academy was the best place to begin this pursuit. I am asking of you Sir, that I be given a chance to pursue this life long dream.

Thank you for your kind consideration of this matter.

Sincerely,

[redacted] (b)(6)

2Lt United States Air Force
[redacted]
Alamogordo, NM 88311
[redacted]

Boris Brunton
P.S. Look into this & see if we can help
BC

WARREN COWAN

John yes ✓* no —
Maggie yes — no —

John
Maggie:
Honorary chair request.
Dan

December 6, 1993

President and Mrs. Clinton
The White House
Washington, DC 20500

Fax 202 456-2461

Dear President and Mrs. Clinton:

As a member of the advisory board of American Friends of the Hebrew University, I have been asked to invite you to serve as Honorary Chairs at a gala event at which Larry King will receive the 1994 Scopus Award. And - if it were possible for one or both of you to be in California on January 29, 1994, the Scopus Award committee would be thrilled if you would present the award to Larry.

*maybe too late probably should to a message forward to maggie cc Jim Dorskind

The Scopus Award, the highest honor conferred upon an individual by the American Friends of Hebrew University, will be presented to Larry on January 29, 1994, at a dinner at The Beverly Hilton. It recognizes him for his humanitarian work and his use of the communications media to help clarify complex issues.

Larry will join a prestigious list of honorees recognized by American Friends of Hebrew University for their positive impact on society. Among the past recipients are Elizabeth Taylor, Gerald R. Ford, Barbra Streisand, Gregor Piatigorsky, Steven Spielberg, Merv Griffin, Johnny Carson, Elie Wiesel, Quincy Jones, Frank Sinatra, and Aaron Spelling.

The Hebrew University of Jerusalem is the oldest Jewish university in the world and the first university established in Israel. It has achieved international recognition for its pioneering work in a variety of disciplines including the humanities, medical research, public health, agriculture, and archaeology. Among its prestigious institutes is the Harry S Truman Institute for the Advancement of Peace, which has brought Arab scholars from countries with no formal ties with Israel together with their Israeli counterparts to further the peace process.

We hope that you and Mrs. Clinton will be able to be a part of this special evening honoring Larry King and we look forward to your response.

Sincerely,

Warren Cowan

cc Dee Dee Myers

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: January 7, 1994
94 JAN 7 P4:05

Date of Request: 12/30/1993

Request for: POTUS

Type of Request: Honorary Chair

Requestor Name: Ms. Diane Paton

Title: Vice Chairman

Organization: Institute of International Education
809 United Nations Plaza
New York, New York 10017-3580

Contact Tel. #: 212/984-5425

Event Date:

Event Description:

Notes: Established in 1919, the Institute is the nation's largest nonprofit educational and cultural exchange agency. Over the years, it has helped the USIA to administer the Fulbright, Hubert H. Humphrey, and International Visitor programs.

Recommendations:

JP Yes

1/7/94

John -
The Institute seeks a response by 1/15/94.
Thanks,
Dan