

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	John Podesta and Todd Stern to POTUS (3 pages)	01/21/1994	b(6)
002. resume	[Personally Identifiable Information] [partial] (2 pages)	01/00/1994	b(6)

COLLECTION:

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

FOLDER TITLE:

January 23-29, 1994 [1]

2018-0662-S

rs3086

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]

Casey's New Life as Governor

After Transplants, Pennsylvanian Draws Strength From Politics

By Dale Russakoff
Washington Post Staff Writer

A1

HARRISBURG, Pa.—It is only natural to wonder how a man confronted daily with the meaning of life and death can savor something as earthbound as state politics.

But this is not politics that Pennsylvania Gov. Robert P. Casey is practicing as he plods through the tedium of writing another budget. This is life. Seven months ago he was on his deathbed. "I'd run out of time," he says simply. Now he is alive and gaining strength, bearing the transplanted heart and liver of a 34-year-old Pennsylvania beating victim. No one can tell the 61-year-old Democrat whether he will live a normal life or succumb in weeks to infection or organ rejection.

Casey's prime asset in his battle to live is the cast-iron will of a political survivor. In his most extensive interview since resuming office in December—his "return from the dead," as politicians here say—Casey earlier this month mingled the metaphors of physical and political survival, as if one picked up where the other left off.

"I am much more conscious of the fleeting nature of time," he said. "I have a greater sense of urgency. You know, I have only one year left." It took a moment to realize that he was referring to the year left in his second term.

He dubs his transplant surgeon, the flamboyant

CASEY, From A1

and trailblazing Thomas Starzl, "the James Carville of the surgical suite," a reference to the political consultant who made his name—and Casey's—in their 1986 gubernatorial upset of Republican William W. Scranton III. At the time, Casey had lost three races for governor, and was everyone's bet to lose a fourth.

"I needed someone who cleared the holster fast, who took the gun and fired before you knew it," said Casey, who until last June was dying of familial amyloidosis, a rare and reputedly untreatable liver disease that was destroying his other vital organs, most of all his heart. "This guy [Starzl] said, 'Never mind the odds. Let's go. Let's do it.' He's a gunslinger."

Learning His Donor's Story

Casey said he believes he is governing differently because of his ordeal, particularly since learning the story of William Michael Lucas, the young black man whose organs saved him. Lucas, who had spent much of his life looking in vain for work, was killed by a gang that moved into his town after steel moved out.

Physicians say it is not uncommon for transplant patients to want to complete the unfinished work of their donors. Casey said he thinks often of Lucas, and sees his murder as one of the human tolls of economic dislocation. He said he has told authorities to pursue the murder probe "to the ends of the earth." He also said Lucas's story has made him even more committed to his goal of "tearing racism out by the roots." He said he hopes one day to have the money to endow a Mike Lucas scholarship for a black medical student interested in becoming a transplant surgeon.

His basic values are unchanged, he said, only stronger. A Roman

Catholic, father of eight and grandfather of 16, he remains a zealous opponent of abortion rights, and he recently wrote President Clinton a stern letter protesting new Medicaid rules that would preempt parts of Pennsylvania's more restrictive abortion law.

"I certainly have a keener appreciation of life now," he said. "It's one thing to talk about it in the abstract, but now I've been there personally."

Casey is a quirky politician. He is shy and guarded, a righteous loner never embraced by party regulars. His strong record on human services, the environment and health care has gone largely unapplauded, overshadowed by his antiabortion crusade.

Known to some foes as "mean-spirited," he moved many adversaries to tears when he resumed office Dec. 21, saying to those who wondered why he did so: "I came back because it was my duty to come back."

Starzl, Casey's doctor, said he believes the stamina and bullheadedness that revived him politically in the 1980s are keeping him alive. "He has to be fighting every minute of the day and he has to fight all by himself," said Starzl.

In this, as in his political campaigns, Casey sees himself as the essence of Pennsylvania, a state anchored by ethnic, working-class communities that have weathered many hard times. Casey's father, a mule boy in a coal mine at age 10, was orphaned at age 15 and became a successful lawyer at 40. Casey, who invokes his father often, is an unbending populist. He dedicated his 1986 campaign and much of his governorship to communities ravaged by the collapse of coal and steel.

"All the smart guys said I would lose," Casey said. "I was 17 points down in August and the other guy [Scranton] was the son of a former governor, son of an ambassador. He had \$1 million. I didn't have a penny. But I never doubted I would win. I was more of a Pennsylvanian than he was!"

"That's My Constituency"

Casey said he was stunned when he learned that Lucas was from one of the towns he highlighted in that campaign—Monessen, Pa. "When I heard Monessen, I said, 'My God, that's my constituency,'" Casey said. "I was so concerned about them, and here one of them saves my life."

Although he mentions Lucas in most interviews, and expresses gratitude to his mother, Frances Lucas, for donating his organs, Casey has not contacted the family. He said he is waiting until he can do so without publicity. Frances Lucas said in an interview that she also wants to meet Casey, but has felt hesitant: "He was a sick man," she said, "and I'd just lost my son." She said she sent Casey a card at Christmas to say she feels that a part of her son lives on in the governor.

When the rare liver disease was diagnosed three years ago, Casey said, he was told there was "no treatment, no cure" to avert death. He said he called around the country in search of a maverick willing to try something new. "He was always thinking there would be a cure," said his wife, Ellen Casey. "I wasn't as optimistic. The picture was so bleak." Then last May Casey read a book by Starzl about liver transplants. "I called him up and said, 'What do you know about familial amyloidosis?'" Casey recalled. "He said, 'I'll call you back in five minutes.'" Five minutes later Starzl was back with this response: "We can cure it with a liver transplant."

"I Was Deluding Myself"

Until then, Casey said, he had denied to himself how weak his heart had become. "I was deluding myself," he said. In May, he was working 12-hour days. In June, when he called a news conference to say he was going to have tests to determine whether he could undergo a liver transplant, his aides arranged the microphones so he would have to walk no more than 50 feet. Even so, said Starzl, Casey became winded halfway and stopped, pretending to review his speech text, in order to catch his breath.

The next day, cardiologists at the University of Pittsburgh tested Casey's heart and reported that he would need both a heart and a liver. His heart was twice the weight it should have been, encrusted with abnormal proteins from his diseased liver. Starzl said Casey's legs were blue from failing circulation. "I don't see how he was even able to breathe," Starzl said.

Starzl had overseen four heart-liver transplants at the University of Pittsburgh Medical Center. None of the patients was still alive, but new drugs to fight organ rejection made the outlook more promising. Recently a handful of patients half Casey's age with different strains of amyloidosis had undergone similar surgery with success in Boston and Norway.

"He didn't tell me the odds, but it wouldn't have mattered," Casey said. "I ran for governor three times and lost; I ran a fourth time and won." The night before his surgery, he said, "Starzl came into my room and he said, 'This will be the biggest fight of your life. But you'll win it.'"

Casey walks stiffly from his radical surgery, but considerably less so than last month when he resumed office. At 6 feet 2, he weighs a gaunt 160, up from 155 several weeks ago. He is still fighting two viruses that came with Lucas's organs and that required him to be hospitalized twice since his surgery. He says his throat is sore, and he has mononucleosis-like symptoms of feeling knocked flat. He also has little appetite because his digestive system remains damaged by the amyloidosis—he lost 60 pounds in

about six years—but said this seems to be improving.

His first big public events come today, when he is to address a joint session of the legislature on the state of the state and later meet with newspaper publishers. Until then, he has mostly eliminated his public schedule, spending mornings on the phone or in staff meetings, and afternoons closeted with his budget director, making decisions such as how to manage Medicaid overruns. He is working from the governor's mansion rather than the Capitol, and regularly takes a late-afternoon nap or rest.

Ellen Casey said it never occurred to her to suggest that her husband resign, take it easy and simply relish his second chance to live. "Some men are content taking vacations and playing golf," she said. "But he's not like that. The day he went back to work, he got stronger."

This was evident as Casey described one of his first acts after resuming power. On New Year's Eve, as the temperature plunged, he picked up the phone and ordered an emergency allocation of heating oil assistance to poor Pennsylvanians.

"That's what being governor is all about," he said. "You don't have to call a committee. You don't have to go to the legislature. You don't have to have a focus group. You just do it!"

"It sounds strange," said Casey, "but I really don't feel the stress of the job. What could be worse than where I was before? So you have a decision that has a political impact. You just make it and say, 'The hell with it!' and don't look back. Because measured against life and death—what did Jackie Gleason used to say?—it's a mere bag of shells."

WEDNESDAY, JANUARY 26, 1994 THE WASHINGTON POST

THE PRESIDENT HAS SEEN 1/28

~~NY~~
I need a nice
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THE WHITE HOUSE

WASHINGTON

January 27, 1994

94 JAN 27 P3:18

INFORMATION MEMORANDUM FOR THE PRESIDENTFROM: MARCIA L. HALE *MHL*

SUBJECT: MAYOR JOE RILEY (D-CHARLESTON, SC)

I. SUMMARY

You should be aware that the Defense Department has awarded \$1.3 million to Charleston for additional reuse planning at its Naval Station and Shipyard. Mayor Riley has been informed of the grant award and is very appreciative.

II. BACKGROUND

The BRAC III decision to close Charleston's shipyard and naval station will result in significant job loss in the area -- nearly 15,000 direct military and civilian jobs and an estimated 12,000 indirect jobs. You made a commitment to Mayor Riley to give Charleston special consideration; White House and DOD staff have monitored Charleston's progress closely.

A significant portion of this award (\$455,000) will fund the creation of a Business Development Center on the Naval Complex. The Center will provide support to existing manufacturing facilities or "shops" on the base, to help determine the viability as private enterprises. For those operations that demonstrate the basis for a viable business, the Center will provide assistance with financing, marketing, organizational and legal matters.

[Handwritten mark] You should note that this initiative is extremely important to the bases's shipyard workers, many of whom have operated these industrial manufacturing facilities for nearly two decades. DOD and White House staff felt it important to respond to the shipyard workers' entrepreneurial interests.

cc: Andre Oliver
Loretta Avent



From the Office of the Chief of Staff

Bill Burton, Policy Director

Phone: 202/456-6798 Fax: 202/456-2271

Date: 26 Jan '94

Response needed by: 94 JAN 27 AIO : 25

	Action	FYI		Action	FYI
Joan Baggett			DeeDee Myers		
Lee Brown			Bernie Nussbaum		
Rahm Emanuel			Leon Panetta		
Mark Gearan			John Podesta	✓	
David Gergen			Jack Quinn		
Jack Gibbons			Carol Rasco		
Pat Griffin			Bob Rubin		
Marcia Hale			Ricki Seidman	✓	
Alexis Herman			George Stephanopoulos		
Nancy Hernreich			Laura D'Andrea Tyson		
Harold Ickes	✓		Christine Varney		
Mickey Kantor			David Watkins		
Phil Lader			Maggie Williams	✓	
Tony Lake			Annadley	✓	
Bruce Lindsey			Erinda Moore	✓	
Ira Magaziner					
Katie McGinty					

Remarks: ① This is a great idea for a location for a Houston Health Care event ② The President runs far stronger in the 3rd Ward than anywhere else in Houston ③ Rufus is an longtime friend of the First Family. Let me know what you think. Bill

Response:

1-28 went to copy to Ricki Seidman per TS

THE BOARD OF REGENTS
TEXAS SOUTHERN UNIVERSITY
HOUSTON, TEXAS 77004
(713) 529-8911

January 25, 1994

President and Mrs. William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC

VIA FACSIMILE

Dear Mr. President and Hillary:

I understand that you will be conducting a forum on health care in Houston prior to your appearance at the Texas Presidential Dinner and Gala on February 6, 1994. I am writing to invite you to hold the forum at Texas Southern University, where I serve as Chairman of the Board of Regents.

Texas Southern, with an enrollment of slightly less than 11,000 students, is the largest single-campus, historically black university in the country. Because of its urban programming designation by the Texas legislature, Texas Southern has emphasized solutions to urban problems. We allocate substantial resources to health care issues through our School of Pharmacy and Allied Health and to our health related outreach programs focusing on awareness and prevention through the Mickey Leland Center On the Family.

Texas Southern is located in the center of the Third Ward, one of the largest and most ethnically and economically diverse neighborhoods in Houston. The health care problems of the population of the area surrounding Texas Southern are emblematic of the numerous problems of health care currently facing our country. Your appearance at Texas Southern would highlight the magnitude of the health care crisis in the heart of the country's fourth largest urban area.

We hope you will accept our invitation. It would be an honor for Texas Southern to host you and your forum.

We are so proud of the wonderful job that you all are doing and look forward to seeing you on February 6.

-2-

January 25, 1994

Our family had a fantastic time at the White House Christmas Party. Thanks again for including us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rufus', with a large, sweeping flourish extending from the end of the name.

Rufus P. Cormier

cc: Mr. Bill Burton
Mr. Mark Doyle
Dr. Joann Horton

THE PRESIDENT HAS SEEN 1/28

THE WHITE HOUSE
WASHINGTON

January 26, 1994 94 JAN 26 P5:36

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN *mg*

SUBJECT: State of the Union Talking Points

The attached card was provided to every Democratic Member of Congress, Cabinet Members, White House Senior Staff, Democratic Mayors and Governors, and a wide group of additional political leaders and supporters.

It was provided early yesterday evening, so it was available for use immediately after the speech.

Handwritten:
J. Edgar Hoover
Thane



THE STATE OF THE UNION

In a speech before a Joint Session of Congress, the President laid out his plans for the year ahead, and described the broad themes at the core of his Presidency. In 1994, we will push ahead, fighting to create more and better jobs, guarantee health security for all, reward work over welfare, and reclaim our streets from violent crime.

HEALTH CARE: We will make history, face down the special interests, and reform our health care system this year.

- * The President will fight for a plan that guarantees every American private health insurance that can never be taken away.
- * His approach builds on what works today in the private sector by expanding the employer-based system to guarantee private insurance for every American. Health insurance with comprehensive benefits covering preventive care and prescription drugs; one simple form for patients; the freedom to choose a health plan and your own doctor.
- * The President told people in Washington who say there is no health care crisis to get in touch with America: 58 million Americans have no coverage at some time each year; there are 81 million Americans with pre-existing conditions; businesses are weighed down by skyrocketing insurance costs; and 76% of insured Americans have policies with lifetime limits.



CRIME: The President urged Congress to pass the crime bill, the toughest anti-crime and violence effort ever proposed by the federal government.

- * Three strikes and you're out, a new law to sentence criminals convicted of a third violent crime to life without parole.
- * Hire 100,000 new community police officers to patrol beats all over America and move retiring military personnel into police forces.
- * Banish assault weapons.
- * And while we demand tougher penalties for criminals, we must also restore work and opportunity to America's toughest neighborhoods and poorest areas: Empowerment Zones, CRA reform, and community development financial institutions.



EDUCATION, TRAINING, AND SKILLS: The only ticket to a real job with a growing income is real skills and the ability to learn new ones.

- * Goals 2000 -- tough, world-class standards for our students, linked to grass roots reforms.
- * School-to-work links schools to workplaces, and provides at least a year of apprenticeship after high school.
- * Transform the unemployment system into a reemployment system, and streamline today's training programs, making them a source of new skills to help move people into new jobs.

WELFARE: We must revolutionize a welfare system that makes welfare more attractive than work and we must do it even as we tackle health reform.

- * States must have more power to innovate.
- * Families must stay together; teenage parents must no longer be able to set up separate households.
- * After two years, anyone who can work must work -- in the private sector if possible, in community service if necessary.

THE BUDGET: It will be one of the toughest budgets ever presented to Congress.

- * Cuts spending in over 300 programs; it lives within the hard ceilings set last year.
- * If we stick with it, we will post 3 consecutive years of declining deficits -- without choking the recovery, punishing seniors or the middle class, or risking national security.



ACCOMPLISHMENTS: In 1993 we put our economic house in order, expanded trade, and invested in the American people.

- * Cut the deficit by \$500 Billion. The FY1995 deficit, originally projected to be \$300 Billion, is now going to be less than \$180 Billion.
- * The economy created 1.6 Million private sector jobs; more than in the previous 4 years combined.
- * Lowest interest rates in 20 years.
- * Passing NAFTA.
- * Tax cuts for millions of low-income workers to reward work over welfare.
- * Tax cuts to help 9 out of 10 small businesses create jobs.
- * National Service; more affordable college loans; Family and Medical Leave; the Brady Law; Motor Voter.

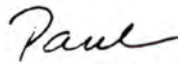
THE PRESIDENT HAS SEEN 1/28

THE WHITE HOUSE
WASHINGTON

January 27, 1994

MR. PRESIDENT:

Enclosed is a *Washington Post* op-ed co-authored by Mayor Abramson, and a letter from Mayor Rendell to the Vice President. Marcia Hale thought that you should see them prior to your meeting with the Mayors Conference tomorrow.

A handwritten signature in cursive script that reads "Paul".

R. Paul Richard

THE WHITE HOUSE

WASHINGTON

94 JAN 26 P6:53
January 27, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Marcia L. Hale *MLH*
Loretta T. Avent *LA*

SUBJECT: Mayor Abramson Editorial on Urban Revitalization

I thought you would like to see the attached editorial on inner city revitalization written by Mayor Jerry Abramson (D- Louisville, KY). It appeared in this morning's edition of *The Washington Post*. You will see the Mayor this Friday when you host the U.S. Conference of Mayors. I will also include this article in the briefing materials for your speech on Friday.

THE PRESIDENT HAS SEEN 1/28



CITY OF PHILADELPHIA

OFFICE OF THE MAYOR
ROOM 215 CITY HALL
PHILADELPHIA, PENNSYLVANIA 19107-3295
(215) 686-2181
FAX (215) 686-2170

EDWARD G. RENDELL
MAYOR

January 25, 1994

Via Facsimile Transmission

Honorable Al Gore
Vice President
The White House
Washington, D.C.

Dear Mr. Vice President:

The enclosed are a few bullets outlining what I believe should be key ingredients of a new urban agenda which will allow hard hit American cities to resuscitate themselves without causing a significant impact on the federal budget. We are working on fleshing this all out, and it is my hope that I will get the chance to spend thirty minutes with you and the President together talking about why this is a must if American cities are going to survive into the next century. Subsequent to that, I intend to release the agenda in a speech outlining this major policy initiative for the cities. Obviously, I would not want to speak publicly about this without having had a chance to go over it with you and the President.

I am available to you or your staff to go over any questions which you might have.

Sincerely yours,

EDWARD G. RENDELL

EGR/dmc
Enclosure
cc: Marcia Hale

THE NEW URBAN AGENDA

Across the nation, mayors and city managers are bringing innovation to government. Privatization, competitive contracting, total quality management and streamlined bureaucracies are just a few of the changes that are moving forward at record pace. Many cities like Philadelphia, once on the edge of being rated a junk bond city, are now floating debt that is sought after.

Yet, despite this progress, long-held antiquated federal policies institutionalize municipal inefficiency and failure. Federal initiatives often unintentionally undercut efforts to expand or maintain local tax bases. Unfunded mandates require expenditures for items not previously included in municipal budgets. Some federal policies are designed in a way to have the potential for increasing the cost of doing business in cities or for discouraging urban business location, even though that is not their intention.

Hard hit cities have faced the combined forces of the loss of federal funds due to the elimination of revenue sharing and federal cutbacks, the nationwide recession, a shrinking tax base, job loss due to business and military base closures and relocation and greater demands on municipal services have wreaked havoc in all sectors of the local economy.

Philadelphia is just one example of a hard hit city which has made remarkable progress over the last two years. Nevertheless, Philadelphia's fiscal solvency and ability to address the concerns of its citizenry have improved. These accomplishments are a result of innovation and the development of new strategic alliances. Yet, despite Philadelphia's most aggressive efforts to effect economic recovery, the federal government recently relocated of the Internal Revenue Services Center to Utah resulting in the loss of 3,200 high wage jobs from a city with one of the highest unemployment rates and poverty levels in the nation.

Through a **New Urban Agenda** federal and municipal leaders from especially distressed urban centers* would work together to address federal legislative and regulatory changes necessary to revitalize hard hit cities including the following:

I. Promoting Urban-based Businesses

- Expanding, retaining and attracting businesses to Empowerment and Enterprise Zones by requiring that 15% of all federal and foreign aid purchases come from businesses which operate within their Enterprise or Empowerment Zones;

- Specifying incentives in the current technology proposals for locating technology research, development and manufacturing concerns in Enterprise/Empowerment Zones and directing federal efforts to develop Manufacturing Technology Centers and State Technology Extension Program toward these Zones.

II. Creating an Urban Impact Statement

- Assuring a more rational and urban sensitive policy regarding federal facilities by creating an Urban Impact Statement process which would require that each and every department or agency of the federal government demonstrate a minimal effect on the direct and indirect local employment opportunities as a result of federal relocation, downsizing or closure decisions for both civilian and military facilities. In 1976 President Carter initiated a similar effort through an Executive Order which mandated special consideration for distressed cities. A renewed and more clearly defined initiative is necessary.

III. Addressing Unfunded Mandates

- Resolving the fiscal problems presented by unfunded mandates by supporting the swift passage of the Kempthorne-Condit bills which address future mandates and by subsequently establishing a White House-sponsored Joint Federal/Municipal Task Force on Unfunded Mandates, which within one year will develop mechanisms to enable cities to meet the obligations of any existing mandates in reasonable and realistic fashion. The Task Force's jurisdiction would encompass regulatory agencies as well as executive departments and agencies.

V. Stimulating Infrastructure Repair and Urban Development

- Enabling cities to invest wisely and reap the greatest return all public dollars by reinstating the ability of local government to retain the investment earnings on bonds and other instruments used to support public works and infrastructure programs (ultimately decreasing the costs/local tax burden of these improvements);

- Spawning new commercial development by addressing restrictions on private activity bonds for commercial enterprises which most directly effect the economic development demands of urban centers. For instance, the small issue exemption of these bonds is \$10 million. By raising this exemption to \$50 million, a more realistic limit, vitally needed commercial development could be stimulated.

- Fostering the clean-up of polluted industrial sites by offering tax credits to restore these sites for useful purposes. For instance, the Reynolds bill currently in the House would provide \$75 million in tax credits for this purpose and thereby stimulate \$1.5 billion in private resources which are targeted for environmental clean-up paving the way for much needed industrial development.

V. Refining Health Care Reform

- Amending the President's national health care package to make sure that State Health Care Alliances do not exclude the health services provided by cities which are contiguous to, but outside of the state. For instance, the health care services of Philadelphia can be dramatically undermined by the imposition of strict state boundaries which undercut local practitioner ability to be reimbursed for services offered to residents just over the bridge in southern New Jersey. New York, Chicago, St. Louis and Washington D.C. are among the other cities which could be deleteriously effected by state alliances that do not adjust for adjoining urban areas.

VI. Re-inventing Education

- Stimulating education reform and new youth programs by establishing a 21st Century Investment Fund which offers highly visible rewards to urban efforts which expeditiously re-invent their education systems and which serve as a catalyst for innovative youth programming.

VII. Fostering Affordable Housing Development

- Generating new jobs and housing by augmenting local efforts to rehabilitate affordable housing by restoring the Historic Tax Credit, expanding the use of federal government housing loan guarantees, and by exempting private activity bonds which are floated for low and moderate income housing development from the Alternative Minimum Tax.
- Spawning more housing development by non-profit community development corporations by waiving Davis-Bacon regulations on projects which rehabilitate fewer than 26 contiguous or non-contiguous structures under in all existing housing regulations.

Defining "A Distressed Urban Area"

The New Urban Agenda should include a definition of "a distressed urban area" which would minimally be based on the following critical indicators:

- increasing and high* unemployment rate
- increasing and extensive* level of poverty
- growing dispersion* of blight and abandonment
- increasing rate* of early school failure and youth adjudication
- increasing rate* of business relocation out of the urban core
- closure of a federal facility over the last five years, or pending closure in the next five years

*quantitative measures of each of these factors are to be determined for recommendation

Jerry E. Abramson and John I. Gilderbloom

Ending a Pattern of Failure in the Cities

A wide spectrum of political leaders and policy experts argues that revitalizing inner-city neighborhoods is an almost impossible task. They cite a long list of failed federal programs that have done little to improve the conditions of the impoverished. Their policy prescription is simple: Since nothing works, nothing should be done.

Abandoning inner cities would be disastrous. Neglect of inner-city residents was a major factor in the burning, looting and killing in South Central Los Angeles. Many American inner cities are already at a boiling point. Neglect and abandonment will only intensify the problem. People without a future, hope or a life become dangerous; citizens with jobs, housing and education realize a full life and the American dream.

Learning from the mistakes of the past, such cities as Baltimore, Minneapolis, Louisville, Atlanta, Indianapolis and San Francisco are designing programs that *can* revitalize inner-city neighborhoods. A common thread that links these bold and innovative programs is the creation of local partnerships that unite business, community and government to create jobs, housing and educational opportunities.

When Louisville organized a partnership to help revitalize one of the nation's most impover-

ished neighborhoods, many observers thought it was an impossible job. In Louisville's Russell neighborhood, 79 percent of the 10,000 residents had incomes below the poverty level in 1990. The vast majority of the families (90 percent) were female-headed. Yearly household income averaged \$4,800. Half the residents were on some form of public assistance. Unemployment hovered around 65 percent.

Despair, anger and contempt were omnipresent. Prostitution, crime and drugs were widespread problems. These conditions contributed to abandonment and neglect of housing. Pawn shops, funeral homes and liquor stores had become some of the leading neighborhood businesses.

Given these problems, most commentators thought it would be all but impossible to build even one house or create one job. Today, Russell is on the verge of a miracle. The neighborhood is undergoing a dramatic rebirth. Jobs and housing opportunities are being created. The crime rate has been cut almost in half.

Developers and nonprofit organizations have been given the necessary encouragement to build in the Russell neighborhood. Some 350 affordable housing units will either be built or rehabbed in the area. These activities will create 400 jobs, bringing an estimated \$18

million in new investment to Russell. Commercial businesses have announced plans to expand or relocate into Russell. Residents are also taking advantage of educational and leadership opportunities. Roughly one out of every 10 residents will be assisted by this partnership.

How could this happen when so many other efforts seem to be failing? The Russell partnership is a unique team effort that involves government, business, community organizations and higher education institutions working together. This partnership uses teams that address human, economic and physical development through case management, job training, education, homeownership, community leadership and community design services. The federal government has helped by providing funding from the U.S. Department of Housing and Urban Development and the Department of Education and by matching local support.

City government has provided millions of dollars in infrastructure improvements, favorable loans to encourage development and community policing. The business community has stepped forward by providing low-interest housing loans, and established developers have agreed to build attractive single-family cottage style houses meant for moderate-income families. Higher education has provided planning

and design services to builders and nonprofits, along with social workers, tutors and job training for those wanting assistance. Community groups have provided a broad array of services, including leadership, outreach, organizing and consensus building.

The Russell revitalization effort is unique so far, but it is quickly gaining national attention as a model for revitalizing our country's inner cities.

On Martin Luther King's birthday, President Clinton unveiled his empowerment program encouraging cities to compete for inner-city revitalization funds. Both liberal and conservative commentators have been quick to denounce the program as wasteful and ineffective? Yet the key principles of the president's empowerment program mirror those of the Russell partnership. In a time of "doom and gloom" we need models that are proven. The Russell partnership and others like it can provide them.

Jerry E. Abramson is mayor of Louisville and president of the U.S. Conference of Mayors. John I. Gilderbloom is director of the Housing and Neighborhood Development Strategies program (HANDS) at the University of Louisville.

Mark *GS/Gugen/Gearan* - *I wish to see*
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January 20, 1994

VIA - TELECOPIER - 212-522-0601

Editor
 Time Magazine Letters
 Time & Life Building
 Rockefeller Center
 New York, New York 10020-1393

Dear Editor:

In the words of Ronald Reagan, "There you go again". In April, 1992, I wrote my first letter to the editor because of your coverage of Bill Clinton's Arkansas record. Your story, "The Tangled Web" in the January 24, 1994 issue compels another response. Your reporter indicates in the first paragraph that Time has somehow uncovered "evidence" in which the same land was sold and resold at rapidly escalating prices for "reasons that cannot quickly be pinned down".

I am forced to ask whether your reporter or any other member of the editorial board of Time has ever purchased land. Anyone with experience in land acquisition would tell you that the price per acre of land increases as the number of acres purchased decreases. Obviously, a smaller portion of a large tract of land when separated from the whole tract, will sell for more money. That is particularly true when the smaller tract sold is the more desirable property. Why is that so hard for you to figure out? As we say here in Arkansas, "We may be country, but we ain't stupid".

Despite the media's uneven treatment of the "character" questions during the campaign, Bill Clinton was elected by the people of this country. It is interesting to note that now, one year into his presidency, the post-Watergate era journalists who thrive on scandal are forced to dig into ancient history because of the good job this administration is doing in moving the country forward.

Times Magazine Editor
January 20, 1994
Page 2

For over half a century, your magazine has reported on the news and news makers. There have been many instances when your efforts on important subjects have helped frame the national debate. I have been a regular reader of Time magazine since my high schools days over twenty-five years ago. It is disappointing to see you fall victim to the journalistic preoccupation with "scandal" whether perceived or real.

I have known Bill and Hillary Clinton for over twenty years. They are good and decent people who for their entire adult lives have placed their emphasis on making the world a better place. It would have been easy for them to have accumulated great wealth, given their educations and obvious skills. Even the President and First Lady's worst critics acknowledge that there is no evidence of any wrongdoing on their part.

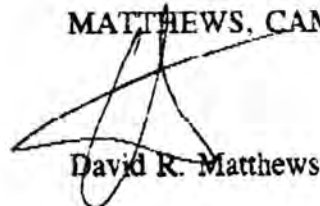
The mere fact that they were business partners with a man who experienced financial difficulty does not make them guilty of poor judgment or of being bad persons. I remember when Time magazine ran a cover story picture of prostitution in Europe. It turns out the story and picture were doctored. You would not have liked it if people had assumed that the persons in charge of your organization were guilty of wrongdoing and knowingly perpetuating a fraud on the American people. Sometimes folks we do business with do things we don't like or condone. That does not make us guilty merely by association. Of all the news organizations, I would think you would know and appreciate that given last year's prostitution story debacle.

There are so many important issues facing this country. You have had and can continue to have a very positive impact on our country's future. May I suggest that you go back to the fundamentals on which you were founded. Time magazine is better than the pack journalism you have displayed in recent issues.

In my 1992 letter I suggested that if you wanted to know the real Bill Clinton, you have Messrs. Church, Barrett, Riley and Ms. Carlson interview some other knowledgeable Arkansans rather than the President's few enemies. That suggestion still holds. If your reporters were willing to listen with an open mind, they would find that the clear majority of Arkansans like, respect, and honor President Clinton. I, for one, am very proud to call him my friend.

Sincerely yours,

MATTHEWS, CAMPBELL & RHOADS, P.A.



David R. Matthews

DRM:sah

DNC Chairman Restructures Senior Staff

Wilhelm Responds to Criticism After Democrats Lose 3 Key Races

By Dan Balz
Washington Post Staff Writer

Democratic National Committee Chairman David Wilhelm has restructured the senior staff at party headquarters to prepare for this year's midterm elections and to respond to criticism of weakness in his operation.

Wilhelm, according to several Democrats, is expected to tap Terrence McAuliffe to shore up the party's finances and plans to name Don Sweitzer as assistant for political affairs, Ed Lazarus as assistant for strategic communications and Minyon Moore as head of voter education and public liaison.

The changes complete a virtual clean sweep of senior-level positions at the DNC, beginning late last year with the decision to hire as executive director Debra DeLee, who had been director of govern-

ment affairs at the National Education Association.

"This is a strong and capable and experienced campaign team and puts us in good shape for the '94 election cycle," Wilhelm said.

Wilhelm acted after the Democrats lost three key elections in November—the Virginia and New Jersey gubernatorial races and the New York mayoral race—and congressional Democrats expressed fears that the DNC was not ready for this year's midterm elections.

Sweitzer is a former DNC finance director with strong ties to organized labor. In 1992 he was an adviser to the presidential campaign of Sen. Tom Harkin (D-Iowa). Lazarus is a partner in the Democratic polling firm Mellman-Lazarus-Lake. Moore will expand her current DNC role.

Wilhelm also intends to recommend that McAuliffe, a Washington businessman, be named as finance

chairman, an elected position. That cannot happen officially until the March meeting of the DNC in Cleveland. Currently head of the party's business council, McAuliffe was finance chairman for the 1988 presidential campaign of Rep. Richard A. Gephardt (D-Mo.).

Democratic sources said that despite the DNC's success in raising money in 1993, the party is several million dollars in debt, and one Democrat described "turmoil in the donor community" because of hard feelings among major contributors, who have complained that they have been ignored by the Clinton White House.

Other appointments will include Bobby Watson, a former aide to Sen. Charles S. Robb (D-Va.), and Martha Phipps, a veteran of the Clinton presidential campaign, as deputy executive directors. Craig Smith, who has been political director, is expected to move to a job at the White House.

BIG SPENDERS

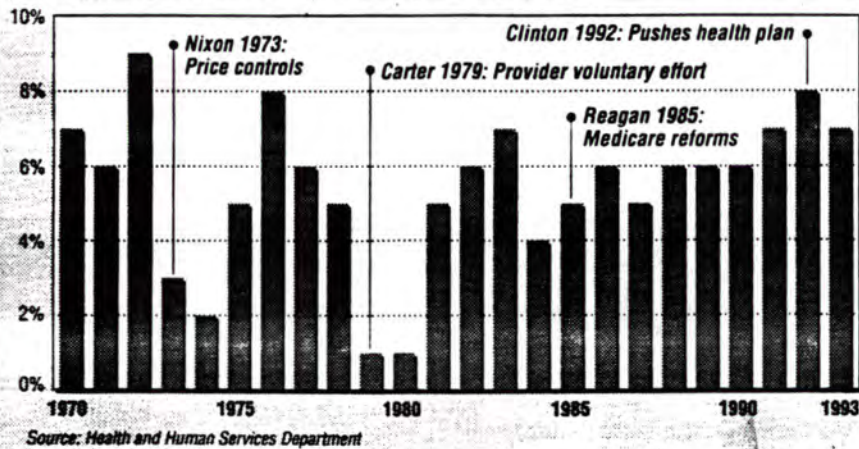
The Center for Responsive Politics has cited 64 individuals with violating the \$25,000 annual cap on political contributions. The following individuals contributed more than \$50,000 in 1992.

Name	City	Company and Title	Amount
Angelo Parisi	New Rochelle, N.Y.	Retired	\$66,242
William C. Mow	Los Angeles	Chairman and CEO, Bugle Boy Industries	\$66,100
Charles A. Intrigato	Miami	Attorney, publisher, Alert International Inc.	\$52,500
D. Lloyd Wilson	Cozad, Neb.	Retired rancher	\$52,000
Edmund A. Stanley Jr.	Oxford, Md.	Retired	\$51,700
William R. Hambrecht	San Francisco	Chairman, Hambrecht & Quist, investment banking	\$51,250
John D. Murchison	Dallas	CEO, J.D. Murchison Interests investments; chairman, Murchison Oil and Gas	\$51,000
David Packard	Los Altos, Calif.	Chairman, Hewlett-Packard	\$50,450
John A. Gabriel	Santa Fe Springs, Calif.	President, chairman, Gabriel Enterprises Inc.	\$50,340
Abe Pollin	Landover, Md.	Owner, Washington Bullets and Capitals	\$50,250

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Reform Fever Slows Health-Cost Increases

Percentage increases in inflation-adjusted national health spending



Past Health-Care Reform Campaigns Brought Only Brief Relief From Costs

By HILARY STOUT

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Is the widely noted moderation in health-care costs and spending here to stay?

It wasn't before.

Over the past two decades, whenever the government moved against health-care costs—or even threatened to act in a major way—the growth in national health spending has slowed, only to accelerate sharply once the threat of government controls was passed.

In the early 1970s, when President Nixon imposed wage and price controls and proposed requiring all employers to pay part of their workers' health insurance premiums, the annual rise in inflation-adjusted health spending shrank from 9% in 1972 to 3% in 1973 and 2% in 1974. When the controls were eased and the president's health proposal died in Congress, the increase climbed back to 5% in 1975 and soared to 8% in 1976.

The most graphic example came during the Carter administration, when the White House was pushing a bill to cap hospital charges and crafting a proposal to extend health coverage to all Americans. The annual increase in inflation-adjusted national health spending slowed from 5% in 1978 to 1% in both 1979 and 1980—only to catapult back up to 5% in 1981, once President Carter's proposals had died and Ronald Reagan had replaced him in the Oval Office. By 1983, inflation-adjusted

health spending was growing at 7% a year.

The health-spending statistics were compiled recently by Kenneth Thorpe, the top economist at the Department of Health and Human Services. The Clinton administration is currently engaged in an all-out effort to keep people from being lulled by a recent spate of good news on the health-cost front. The White House fears the rosy outlook will sap some of the momentum for overhauling the health-care system. "If we don't have a plan for cost containment, we'll be back in the stew again," Mr. Thorpe admonished a business audience earlier this week.

There are experts who think that this time could be different. The health-care market has gone through vast change in recent years, with large employers insisting on discounts from doctors and hospitals, a huge increase in the use of health maintenance organizations and other managed-care networks, and a recent spate of mergers among hospitals and other health-care providers.

"In the past we didn't have the wholesale, widespread consolidations and mergers" in the health industry, says Fred Graefe, a Washington lobbyist, whose clients include hospitals, pharmaceutical companies and manufacturers of home medical equipment. "The marketplace has changed. Insurance companies and employers are saying, 'Unh, unh. We're going to get a handle on this because this is our bottom line.'"

The recent news on health costs has been bright. In 1993, medical costs rose 5.4%, the smallest annual increase since 1973, the Labor Department says. And after complaining of being stifled by rising employee health costs, businesses have recently reported a moderation in medical expenses.

Some economists, such as Uwe Reinhardt of Princeton, cite the "Hillary fac-

Please Turn to Page A16, Column 4

Threats to Alter Health-Care Costs Bring Brief Relief

Continued From Page A2

tor," referring to Hillary Rodham Clinton, who is leading the administration's health-care reform efforts. Drug companies, for example, fearing the prospect of government price controls, have said they will hold down prices voluntarily—and so far this year, they have kept their word.

But Mark Pauly, chairman of the health systems department at the University of Pennsylvania's Wharton School, says he believes part of the current moderation simply reflects a slowing of the overall inflation rate. "For some of it, we shouldn't be looking for any cause other than the Federal Reserve and macroeconomic policy," he says.

If Congress fails to pass a major health-care cost-control bill, Mr. Pauly predicts that health-care costs may reaccelerate a bit.

Nevertheless, suspicion of the industry will pervade the political debate on Capitol Hill this time around. House Majority Leader Richard Gephardt, a supporter of the Clinton health plan, opposed President Carter in the 1970s fight over health costs, and offers his experience now as a lesson to those who believe that the problem will solve itself.

"This industry said then it could control costs voluntarily, and costs did slow down," the Missouri Democrat says. But the minute Congress voted to make the proposed controls voluntary, he says, costs escalated.

—David Rogers and Maru Annes Carey contributed to this article

THE PRESIDENT HAS SEEN 1/28

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of interest groups

Clinton's Winning Invasion of GOP Turf ✓

There was more than a little Ronald Reagan in President Clinton's speech Tuesday night. Notwithstanding the programmatic litany, the president artfully played on effective symbols, while seizing a moral and substantive high ground.

But he also did a pretty good imitation of another famous Republican: Gen. Douglas MacArthur, when he scored his legendary success at Inchon by boldly striking behind enemy lines. Like the North Koreans four decades ago, Bob Dole and the GOP this week were surprised; they re-

Politics & People

By Albert R. Hunt



sponded more to what they anticipated than to what actually transpired.

From crime to welfare to personal responsibilities, Bill Clinton occupied what Republicans thought was their turf. Much of the section on values—"governments don't raise children, parents do"—could have been delivered by Bill Bennett. At the same time he skillfully mixed in enough populism—"we need to give every hard-working, tax-paying American the same health care security that they already give us"—to keep critics off guard. Republicans complained he was stealing their thunder. Sure he was; that's a lot smarter than ceding those issues, which is what Democrats used to do.

The 63-minute speech was too long—an endemic Clinton affliction—but the president nevertheless masterfully accomplished exactly what a State of the Union is supposed to achieve: It set the agenda for the political battles ahead.

Mr. Clinton probably did, as critics complain, claim more credit for the improving economy than he deserved. But

these born-again virgins have a short memory. Did Ronald Reagan credit the oil sheiks for falling oil prices or Paul Volcker for taming inflation, or did George Bush say it was merely coincidence that the fall of the Berlin Wall happened on his watch? Moreover, last year's Clinton-engineered budget deal was a factor in lower interest rates and the rise in consumer confidence.

Then there's the carping that the president's emphasis on individual responsibility and values was mere rhetoric. The presidency, Franklin Roosevelt taught us, is "pre-eminently a place of moral leadership."

Also encouraging is the way this speech was stitched together. In contrast to last February—when a grumbling president, with a magic marker, was ripping up his first State of the Union address in the Roosevelt Room only hours before delivery—this time the structure and content were similar to the initial draft completed Jan. 8 by speechwriter David Dreyer. As well as touching the usual political bases, the White House also reached out for ideas from a handful of "big thinkers," such as Yale Law School Prof. Stephen Carter and Michael Sandel, a professor of government at Harvard.

Now it remains to be seen whether the administration will retreat and allow the opposition to dominate the dialogue the way it did last year or instead will follow through. The president, for example, was smart to declare that health care and welfare legislation both should be acted on this year. But it will take considerable skill to have them reinforce one another and not threaten the necessary coalition for either. The administration contends that the health care issues now are mere details. Yet even many of the administration's own economists worry whether the economics are realistic.

There are political problems. Privately administration strategists clearly are

worried that Hillary Clinton, whose leadership is critical, could be sidetracked or even crippled by the Whitewater investigation. Equally troubling would be an indictment of Dan Rostenkowski, the influential Ways and Means Committee chairman. Even with Mr. Rostenkowski, the administration has to do a much better job of winning support from the two-thirds of small businesses that already provide health coverage.

But the president brings chips to the table too. Support for the Clinton proposal is tepid. But the public shows even less appetite for the alternatives, all of which have their own problems. One example: The conservative Democratic plan, the Cooper-Breaux bill, is a favorite of large insurance and health care interests, but it actually would limit consumers' ability to choose their own doctor far more than the Clinton plan would.

Further, the Inside-the-Beltway conventional wisdom today that the clamor for a sweeping health care measure is subsiding doesn't square with the facts. By an overwhelming 68% to 27%, the public, in last week's Wall Street Journal/NBC News poll, declared it's not possible to address health care problems "without a complete overhaul" of the current system. "Gee, I sure hope that more Republicans don't pick up on the argument that there's no health care crisis," Vice President Albert Gore cracked in one of Tuesday's briefings to "spin" the press on the State of the Union. Charges that the president wants to "socialize" health care will work about as well as the same argument did against Medicare in 1965.



Bill Clinton

On the economy, the president mainly hopes to keep riding the good times. Yet here, too, there are tough challenges and decisions. Pushing an overhaul of welfare is good politics; figuring out how to pay for it may not be, as it's clearly going to cost more in the short run. And Mr. Clinton still hasn't developed a convincing alternative to the balanced-budget constitutional amendment Congress considers next month or really addressed the issue of curbing the continuing growth in entitlement spending.

On foreign policy, Mr. Clinton finally seems focused on the big issues—Russia, China, Japan, the Middle East, the future of NATO and expanding commerce with Latin America—instead of the Somalias and Haitis. The president's insistence Tuesday night that defense couldn't be cut any further seemed to signal a new seriousness about national security to at least one careful Republican observer.

Vice President Gore will have to play a more visible role in foreign policy, but the president also has to level more with the public. For starters, he should quit misleading people on how successful his Russian policy has been. Likewise, while most voters have little interest in foreign policy these days, they think it's not too much to expect competence. In 1993 the Clinton foreign policy decision-making too often resembled a cross between a graduate school seminar and a fraternity house bull session. That has to change.

After a year in office, Bill Clinton faces a situation almost the exact opposite of Ronald Reagan's after one year: Much of the public is pretty satisfied with his policies but harbors reservations about him personally. That problem won't subside easily. But at the start of Year Two Tuesday night, the president clearly connected with the American people—and that's a good start.

*I sure think
he should
develop our
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THE PRESIDENT HAS SEEN $\frac{1}{2}$ 8

Charles

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JACK ANDERSON and MICHAEL BINSTEIN

Bradley's Misgivings on Russia Policy

The Republican National Committee spent the better part of its winter meeting bashing President Clinton on everything from taxes to health care reform. But it fell silent on an issue that could one day overshadow Clinton's domestic initiatives: the future of Russia.

Clinton has put the full power and prestige of his office behind the presidency of Boris Yeltsin. He has backed up his rhetoric by spearheading an aid package from the West that promises \$43 billion to Russia, though much of it has yet to be delivered. Most of the aid—\$2.5 billion from the United States this year alone—is going directly to the Yeltsin government.

The task of second-guessing Clinton's Russia policy has fallen on a man who was a runner-up in the process of choosing a secretary of state last year, Sen. Bill Bradley (D-N.J.). While many Democrats are voicing support for a new Marshall Plan, Bradley is venting misgivings. A decade ago the Cold War was an inter-party debate, but now it's a source of intra-party bickering.

"Given the present disarray in the Russian bureaucracy, pumping money into Russia is like pumping money into a black hole," Bradley told our associate Andrew Conte.

Bradley worries that the Clinton administration has been too quick to accept Yeltsin's reformist rhetoric at face value. Yeltsin may talk like a reformer, but lately he walks like an autocrat.

"I don't think we should put all our eggs in the Yeltsin basket," Bradley said. "And I do not think we should hesitate to criticize Yeltsin when he takes anti-democratic steps, such as in the recent election campaign, when he denied certain people who were opposed to his view from having access to the media."

This is not the first time Bradley has been a lone voice on U.S.-Russian relations. When U.S. officials embraced Mikhail Gorbachev's initial reforms of the Soviet Union in the 1980s, Bradley was the one who reminded his American colleagues that Gorbachev was still a communist, warning them not to put too much faith in his sincerity or survival.

Just as Bradley's warnings about Gorbachev proved prophetic, his suspicions about Yeltsin are validated by the events that followed Clinton's

Moscow visit earlier this month. Clinton had barely touched down on American soil when word came that two of Yeltsin's most committed reformers had left the cabinet. The departure of the two reformers, deputy premier Yegor Gaidar and finance minister Boris Fyodorov, threatens democratic reforms in Russia.

In their places, Yeltsin has infused his new cabinet with apparatchiks from the old Soviet regime. Conservatives now outnumber reformers in the Yeltsin camp, and indications are that Russia will now move to prop up the antiquated industrial base that reforms were supposed to obliterate. Though some view Yeltsin's actions as a necessary political step to halt the ascendancy of ultranationalists like Vladimir Zhirinovsky, others believe Yeltsin is already losing his stomach for systemic reform.

"Many of the people who are now democrats in Russia, such as Yeltsin, were just a few years ago communists," Bradley said. "Many of the leaders who were party apparatchiks . . . are now spouting a strongly nationalistic line."

Bradley does not dispute the need for the United States to help foster democracy in Russia. The difference between himself and Clinton lies in the ways and means. Clinton favors the trickle-down approach, in which money is given to the Yeltsin government to be filtered down to the masses. In Bradley's view, democracy can succeed only if it percolates up from the grass roots. There is an element of the quixotic in both approaches.

Bradley points to the success of a student exchange program he sponsors that will bring a projected 6,500 students from Russia and the newly independent states to the United States for a year of high school study. The program is being expanded after the smashing success it has enjoyed since being launched last year.

In Kiev, Ukraine, 1,200 prospective exchange students and their parents lined up in one day to apply for a limited number of program slots. In two Armenian cities, students taking the entrance exam for the program did so in winter coats and hats because the testing quarters lacked heat or electricity.

For Bradley, these students are the real leaders in the post-Cold War world.

THE PRESIDENT HAS SEEN 1/28

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Battle Lines Form as House Lawmakers Take Up Bill to Widen Baby Bells' Role

By DANIEL PEARL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Battle lines began forming in the House yesterday over how quickly and easily Baby Bells should be allowed to provide long-distance service.

During the first subcommittee hearing on a bill to open competition in the telecommunications industry, Rep. Mike Synar (D., Okla.) and other congressional supporters of long-distance carriers said federal regulators should help to decide whether a Baby Bell can offer long-distance service within a state; the bill currently leaves that decision to the states.

For their part, the regional phone companies are seeking to shorten the waiting period for entry into long-distance from the five years designated in the bill, co-sponsored by Reps. Jack Brooks (D., Texas) and John Dingell (D., Mich.). And their backers on the Judiciary Committee, including Republican Hamilton Fish of New York and Democrat Rick Boucher of Virginia, said the bill should impose a tougher legal standard on outsiders striving to block a Bell company's application to provide long-distance service.

In addition, the Baby Bell supporters said the bill should be changed to allow the regional phone companies to offer "incidental long-distance" services, such as collecting television programming sent by satellite, without any federal review. Under a 1982 consent decree, Baby Bells are barred from providing these and other long-distance services. Bell Atlantic Corp. had to apply for a waiver from the Justice Department for its planned acquisition of Tele-Communications Inc., because TCI has cable-programming interests. Long-distance companies want to keep that restriction on Baby Bells intact.

Anne Bingaman, the Justice Department's top antitrust official, said in testimony yesterday that it makes sense for Bell companies to be able to provide such incidental long-distance service, as well as certain cellular-phone transmissions, without seeking federal approval.

Still, she and Larry Irving, assistant commerce secretary, made clear that they wouldn't recommend any change that would upset a compromise worked out last year by Mr. Dingell, chairman of the House Energy and Commerce Committee, and Mr. Brooks, chairman of the Judiciary Committee. Ms. Bingaman, referring to a "delicate balance," said she thinks the bill's division of regulatory powers is "just exactly right." The bill requires a Baby Bell to apply to the Federal Communications Commission and the Justice Department before entering long-distance or

manufacturing — another business they are barred from by the 1982 decree.

Bell companies don't want to upset the balance, either, since they'll have to fight the consent decree in court if the Brooks-Dingell bill doesn't replace it. "We're supporting the bill, and we want to work with the two chairmen to make it better, unlike some parties in the debate," said Aubrey Sarvis, a Bell Atlantic lobbyist. He said American Telephone & Telegraph Co. is trying to kill the bill, but an AT&T spokesman denied that, saying, "We're going to work to improve it."

AT&T and other long-distance carriers are scheduled to testify next week. Sprint Corp. yesterday said it would propose amendments to the bill, but wasn't specific.

Letters to the Editor

Stephens Responds to Editorial

How speculative does something have to be before you fail to mention it in your editorials? Your Jan. 18 attempt to somehow link BCCI, Whitewater and James McDougal to Stephens is absurd. Since no one has bothered to ask, I thought I would give you the time frame in which these events occurred.

The stock purchases in First American Bank, by what we (and everyone else) thought were four individuals acting on their own behalf, occurred in 1977. That was the last we heard from them. Apparently, in 1982 and 1983 Worthen Bank loaned James McDougal a total of \$250,000 to first buy into and then acquire control in Madison Guaranty. These loans occurred before our investment in Worthen in November 1983. I am informed that Worthen subsequently charged off \$100,000 of these loans in 1987, closing its books on the subject. The Worthen loan to the Clinton campaign, which as I have explained before, was secured by receivables from the Federal Election Commission, was made in 1992. We first learned of this loan from local newspaper accounts.

How you can possibly suggest there is a connection between these totally unrelated events is beyond me. Linking them together in one paragraph (as you have now done twice) is truly a modern journalistic

feat. You are deliberately compressing this time line to suit your views. We expected that you would try, but we never dreamed you would ignore the total time frame and the elapsed time between these events. Your deliberate creation of the false impression that these events overlap, and are connected, just continues the malicious pattern of The Wall Street Journal toward our firm and family.

WARREN A. STEPHENS
President
Stephens Inc.

Little Rock, Ark.

THE PRESIDENT HAS SEEN ¹/₂₈

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Warren

David S. Broder

Crime Scare

Lincoln Steffens should be writing this column—not me.

The great muckraking journalist of the Progressive Era at the start of this century is the man to warn citizens to be wary when the press pumps up a crime scare and Washington politicians jump on the bandwagon.

In his autobiography, Steffens confessed that, as a young newspaperman in New York, he had participated in creating several "crime waves." All that was required to send spasms of alarm through the citizenry (and boost newspaper circulation), Steffens said, was taking routine items off the police blotters and laying out the gory details of cases that normally would have gone unpublicized.

Had Steffens lived to see U.S. News & World Report do a giant takeout on "Violence in America" and NBC News devote a full week of programming to "America the Violent," I think he would have known what was up.

At a moment when the economic news is relatively good, the international scene relatively quiet and the preferred issues of political leaders (such as health care and welfare reform) disarmingly complex, America and its media are ripe for another crime wave.

Crime is real. But there is no rational reason to be panicked by it. Last November, the Justice Department reported that overall crime rates have continued to decline from their 1981 peak and violent crime is also down from 1981. The percentage of households victimized by crime was the lowest since that measure was introduced in 1975.

But a crisis atmosphere is being used to rush through dubious federal remedies. It's an old pattern. For more than 20 years now, ever since Richard Nixon discovered the potency of "law and order" as a slogan, Washington has indulged in crime faddism. From indeterminate sentences to boot camps, it has legislated the anti-crime fix of the month, attempted to impose it on the nation but sent little money to pay for the supposed cure.

It is doing that again. The Senate passed what it advertised as a "\$22 billion anti-crime bill" last November, promising to spend money the federal government does not have to fight crime, often in ways that have only the slightest connection to the kind of crime that rightfully worries people.

The bill would, among other things, direct scarce Justice Department resources to combat the introduction of "non-indigenous plant and animal species" into Hawaii and report on the feasibility of recruiting former Royal Hong Kong police officers into U.S. law enforcement work.

It creates scores of new federal crimes, many of them punishable by the death penalty, further burdening an all-but-overwhelmed federal judiciary.

Its main promises—to help finance an additional 100,000 police officers in the next five years and build more jails to hold the people they arrest—are contingent on finding savings in other programs. Once the Washington politicians have grabbed their election-year headlines, the cities and states expecting help may find they have been handed a rubber check.

Fighting crime is and ought to be primarily a local and state responsibility. But presidents and members of Congress love to flex their muscles and pretend they're tough. As John Felde and Donna Huzeker, staff members of the National Conference of State Legislatures, noted in a recent article, less than a month after "a Maryland mother was dragged to her death in a gruesome carjacking that jolted the nation . . . Congress had passed legislation making carjacking a federal offense punishable by up to life in prison." No matter that practically all states already had laws covering that crime and that Maryland had sent the culprits to jail for life.

Thanks to our vigilant Congress, there are now more than 3,000 crimes classified as federal offenses. Does that make you feel safer?

What Congress and the president could do about crime is simpler, less headline-grabbing but far more productive:

- Stop writing new criminal laws or fiddling with the criminal justice system, and focus on getting more money into the hands of local law enforcement agencies. If fresh federal funds are available, get them to the police departments. Alternatively, curb the unfunded federal mandates, which the U.S. Conference of Mayors says now cost cities more than \$54 billion—money that otherwise would be available for preventing and fighting crime.

- Reduce the supply of guns. This is an area where federal laws are needed, because interstate trade makes local gun control efforts largely ineffective.

- Get serious about redeeming President Clinton's campaign promise to make drug treatment available to everyone who needs it. Crime and drugs are closely linked, and few communities have the resources even to treat the drug addicts they jail. Drug policy director Lee Brown now says it is unlikely the Clinton promise will be achieved in the next five years. That is not acceptable.

- Fill the more than 100 vacant federal judgeships and provide the support staff federal judges and prosecutors need. The federal government is a major force against organized crime, but it's being hampered by all these vacancies.

Finally, Washington politicians could stop beating their chests about how tough they are, when others are doing all the hard work in the anti-crime effort.

THE FEDERAL DIARY

The Take on Days Off

By Mike Causey
Washington Post Staff Writer

To the media, last week was the Blizzard of '94. For most folks, it was time lost from school or work, frozen pipes, dead batteries and too much daytime TV. But reduced to bureaucratic reality, Tuesday was "liberal leave," Wednesday was "early dismissal," Thursday was a "nonworkday" and Friday was late arrival.

For some the big chill was a red-tape nightmare that spawned complaints from those who didn't work but wanted the day off anyway. It will linger—as grievances, appeals and office squabbles—long after the Potomac has thawed.

Whenever the government varies from a 40-hour week, whatever the cause, it's a federal case. Giving people time off isn't just a matter of sending them home. Using an incorrect word (like "holiday") in a directive can put Uncle Sam into the legal bind of possibly having to pay millions of bucks for overtime or holiday pay.

Shutdowns always prompt complaints from some workers who want full credit for half-days, or from those on sick leave or vacation who don't want to be charged leave time because they would have been off if they hadn't been off. The government agrees, sort of.

To handle shutdown-related queries, the Office of Personnel Management offered the following guide to those fielding phone calls:

"Wednesday: OPM announced that agencies should dismiss employees . . . at 3 p.m. The mechanism to pay employees for the remainder of the workday was excused absence. . . . There is no law or regulation governing excused absence. There are guidelines in the former Federal Personnel Management. . . . Each agency determines who is essential and nonessential.

"At 3 p.m., nonessential employees were allowed to leave . . . without charge to leave. If employees were not at work (e.g., already on

previously approved annual leave or sick leave) they would not benefit from the excused absence. They should be charged leave for the whole day.

"Thursday: Agencies were shut down all day. The mechanism to pay people was excused absence. Essential employees were required to work. However, no additional pay (i.e. overtime or any other form of premium pay) was authorized for employees who worked their normal schedule.

"Annual and sick leave may be charged only for days on which employees would otherwise work and receive pay, exclusive of 'nonworkdays' established by administrative order.' Since Thursday was a 'nonworkday' for nonessential employees, no such employees can be charged leave for that day—even if the leave was scheduled in advance.

"Friday: Agencies were shut down until 10 a.m. . . . an extension of the Thursday shutdown. All employees should receive pay for their normal working hours before 10 a.m., whether they actually worked or not. If employees are on previously approved leave, they should be charged only for the hours after 10 a.m."

Health Plan Changes

Most federal workers now pay 28 percent of their health insurance premiums, with the government paying the remaining 72 percent. Under President Clinton's health care proposal, they would pay 20 percent and the government 80 percent. The problem is that no one knows if that is a good deal, since the plans' premiums are unknown.

The Federal Employees News Digest has a comparison chart showing how the five largest federal health plans compare with the Clinton proposal in deductibles, inpatient care, doctor bills and catastrophic limits. For a free copy, send a self-addressed stamped envelope to FEND, 1850 Centennial Park Dr., Suite 520, Reston, Va. 22091.

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THE PRESIDENT HAS SEEN 1/28

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Jerry E. Abramson and John I. Gilderbloom

Ending a Pattern of Failure in the Cities ✓

A wide spectrum of political leaders and policy experts argues that revitalizing inner-city neighborhoods is an almost impossible task. They cite a long list of failed federal programs that have done little to improve the conditions of the impoverished. Their policy prescription is simple: Since nothing works, nothing should be done.

Abandoning inner cities would be disastrous. Neglect of inner-city residents was a major factor in the burning, looting and killing in South Central Los Angeles. Many American inner cities are already at a boiling point. Neglect and abandonment will only intensify the problem. People without a future, hope or a life become dangerous; citizens with jobs, housing and education realize a full life and the American dream.

Learning from the mistakes of the past, such cities as Baltimore, Minneapolis, Louisville, Atlanta, Indianapolis and San Francisco are designing programs that can revitalize inner-city neighborhoods. A common thread that links these bold and innovative programs is the creation of local partnerships that unite business, community and government to create jobs, housing and educational opportunities.

When Louisville organized a partnership to help revitalize one of the nation's most im-

perished neighborhoods, many observers thought it was an impossible job. In Louisville's Russell neighborhood, 79 percent of the 10,000 residents had incomes below the poverty level in 1990. The vast majority of the families (90 percent) were female-headed. Yearly household income averaged \$4,800. Half the residents were on some form of public assistance. Unemployment hovered around 65 percent.

Despair, anger and contempt were omnipresent. Prostitution, crime and drugs were widespread problems. These conditions contributed to abandonment and neglect of housing. Pawn shops, funeral homes and liquor stores had become some of the leading neighborhood businesses.

Given these problems, most commentators thought it would be all but impossible to build even one house or create one job. Today, Russell is on the verge of a miracle. The neighborhood is undergoing a dramatic rebirth. Jobs and housing opportunities are being created. The crime rate has been cut almost in half.

Developers and nonprofit organizations have been given the necessary encouragement to build in the Russell neighborhood. Some 350 affordable housing units will either be built or rehabbed in the area. These activities will create 400 jobs, bringing an estimated \$18

million in new investment to Russell. Commercial businesses have announced plans to expand or relocate into Russell. Residents are also taking advantage of educational and leadership opportunities. Roughly one out of every 10 residents will be assisted by this partnership.

How could this happen when so many other efforts seem to be failing? The Russell partnership is a unique team effort that involves government, business, community organizations and higher education institutions working together. This partnership uses teams that address human, economic and physical development through case management, job training, education, homeownership, community leadership and community design services. The federal government has helped by providing funding from the U.S. Department of Housing and Urban Development and the Department of Education and by matching local support.

City government has provided millions of dollars in infrastructure improvements, favorable loans to encourage development and community policing. The business community has stepped forward by providing low-interest housing loans, and established developers have agreed to build attractive single-family cottage style houses meant for moderate-income families. Higher education has provided planning

and design services to builders and nonprofits, along with social workers, tutors and job training for those wanting assistance. Community groups have provided a broad array of services, including leadership, outreach, organizing and consensus building.

The Russell revitalization effort is unique so far, but it is quickly gaining national attention as a model for revitalizing our country's inner cities.

On Martin Luther King's birthday, President Clinton unveiled his empowerment program encouraging cities to compete for inner-city revitalization funds. Both liberal and conservative commentators have been quick to denounce the program as wasteful and ineffective? Yet the key principles of the president's empowerment program mirror those of the Russell partnership. In a time of "doom and gloom" we need models that are proven. The Russell partnership and others like it can provide them.

Jerry E. Abramson is mayor of Louisville and president of the U.S. Conference of Mayors. John I. Gilderbloom is director of the Housing and Neighborhood Development Strategies program (HANDS) at the University of Louisville.

THE PRESIDENT HAS SEEN 1/28

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A16 THE WALL STREET JOURNAL

CAPITAL JOURNAL

By GERALD F. SEIB

A Libyan Saga: Dissident Voice Falls Silent

NOW THAT President Clinton has urged Congress and the nation to take on the big and important issues, take a moment to ponder the small and important issue of Mansour el Kikhia. At a time when Americans are increasingly inclined to turn inward, his story offers a poignant reminder that outlaw regimes are still prowling the world, and that the U.S. still has a special responsibility to stand up to them.

Mansour el Kikhia is an American resident and struggling businessman.



More important, he once was Libya's foreign minister and United Nations ambassador. A decade ago, he broke away from the mad-cap regime of Moammar Gadhafi and went into exile to oppose it.

Last month, a strange thing happened to Mr. Kikhia. While in Cairo to attend a human rights conference, he simply disappeared from his hotel. It's pretty clear he didn't leave voluntarily; though he's a diabetic, the insulin and syringes he depends on were left behind.

To anyone who has followed the Gadhafi regime, this doesn't look like much of a mystery. There seems little doubt that agents acting on behalf of Libya abducted Mr. Kikhia to silence him. Mr. Kikhia's family is convinced he was spirited out of Egypt and into neighboring Libya. A cousin living in Texas, who also is named Mansour el Kikhia, says he was told by a reliable source this week that the dissident was seen being led out of an airplane in the Libyan capital of Tripoli shortly after his capture.

LIBYA HAS a well-documented history of this kind of political terrorism. Since 1986, the State Department says, Libyan agents have murdered anti-Gadhafi exiles in Italy, Greece and France, and tried unsuccessfully in Austria. Two other dissidents disappeared in Egypt a few years ago. With that kind of record, Col. Gadhafi doesn't deserve the benefit of the doubt now.

By sheer coincidence, President Clinton's national security adviser, Anthony Lake, has a passing acquaintance with the Kikhia family, and that has helped put this case on the White House radar screen. President Clinton has written a personal letter to Egyptian President Hosni Mubarak, asking Egypt to help track down Mr. Kikhia.

Otherwise, the world has little noticed. Yet the Kikhia case shouldn't simply be forgotten.

For one thing, it arises just as Libya is conducting a concerted campaign to wriggle out of U.N. economic sanctions imposed because of its refusal to hand over two Libyan agents charged with blowing up the Pan Am 103 jetliner over Scotland five years ago. If the world community needed any new motivation to keep the screws turned on Libya, Mr. Kikhia should provide it. The U.S. can make it clear that, in addition to action on the Pan Am 103 front, it wants Mr. Kikhia accounted for before any easing of pressure.

Second, the Kikhia case is a reminder that the practice of simply rubbing out political opponents abroad is becoming distressingly common. Iran does it systematically. And now there is a "significant concern" in the American intelligence community "that if Gadhafi gets away with this one, he has other scores to settle as well," says Henry Schuler, a friend of the Kikhia family and a Libya analyst at the Center for Strategic and International Studies.

THE U.S. has a particular obligation to act when American residents are hurt by this kind of lawlessness, but it should be vocal even in cases that have nothing to do with Americans. Clinton administration foreign policy is based on the premise that the post-Cold War world will be more stable if the family of democracies is enlarged, but democracy won't expand if democratic voices can be snuffed out.

The Kikhia abduction also leaves a cloud hanging over Egypt. Some of Mr. Kikhia's friends suspect he couldn't have been abducted unless somebody in the Egyptian security service at least looked the other way. Egyptian officials passionately dispute that. They argue that Egyptians have no reason to tolerate terrorism at a time when terrorist attacks are scaring off millions of badly needed tourist dollars from Egypt. Egypt insists it is doing all it can to find Mr. Kikhia, including pressing Libya.

But the Kikhia case ought to prompt Egypt to reconsider the sympathetic stance it has taken toward Libya's actions in the Pan Am 103 standoff. Egypt's strategy is to prevent neighboring Libya from becoming even more isolated. It worries that harsher economic sanctions on Libya would send thousands of Egyptians who now work there streaming home jobless. And many Egyptians figure that, bad as the Gadhafi regime may be, it could be replaced by something worse — perhaps a radical Islamic government — if it is brought down. But understandable as those concerns may be, at some point there's a price to be paid for associating with outlaws.

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C.I.A. HEAD SURVEYS WORLD'S HOT SPOTS

Woolsey Tells a Senate Panel North Korea, Ukraine and Russia Are Worrisome

By TIM WEINER
Special to The New York Times

WASHINGTON, Jan. 25 — In a tour of the world's horizons from his perspective as Director of Central Intelligence, R. James Woolsey said today that his major concerns include the possibility of destructive hyperinflation in Russia, political and ethnic tensions that could fragment Ukraine and a military buildup in North Korea.

While none of these events pose an immediate danger to the United States, "the end of the cold war does not mean the end of conflict, nor the end to threats to our security and to that of our friends and allies," Mr. Woolsey said during testimony at a public session of the Senate Select Committee on Intelligence.

Mr. Woolsey said the C.I.A. is trying to sort out confusing and conflicting data on the Russian economy. He said the agency worries that "looser fiscal and monetary policies aimed at easing the pain of reform will unleash forces that could bring Russia again to the brink of destructive hyperinflation."

If that brink is crossed and inflation destroys Russian citizens' savings, he said, "it would be a very heavy blow at democracy and the political structure" that President Boris N. Yeltsin is trying to achieve.

In Ukraine, Mr. Woolsey said, independence celebrations have "given way to disillusionment as a result of economic mismanagement and political drift."

"Reform has been nonexistent," the C.I.A. chief said. "Energy shortages have become a way of life, the inflation rate for December was 90 percent, and nearly half of Ukraine's citizens are living below the poverty level."

Mr. Woolsey said a potential political crisis lies in a rising secession movement in Crimea, the only region of Ukraine where ethnic Russians are in the majority. Their clamor for reunification with Russia threatens to fragment the fledgling republic, he said.

North Korea, which has built one or two nuclear weapons, according to the C.I.A.'s most recent classified estimate, has vaulted to the top of the agency's agenda in recent months. Mr. Woolsey said the politically isolated Communist nation is likely to continue to produce, process and stockpile significant amounts of plutonium for use in building nuclear weapons.

North Korean Rockets at DMZ

Mr. Woolsey also warned of "what North Korea calls its war preparations program, including improvements in military capabilities and continuing efforts to bring their economy and society to a heightened state of military readiness" at the expense of its people's social and economic needs. He said North Korea has deployed rocket launchers and artillery to sites close to the demilitarized zone that borders South Korea.

The appearance of the Director of Central Intelligence has become a new tradition in Washington, a practice peculiar to the post-cold-war atmosphere of openness, in which he testifies publicly, albeit circumspcctly, and takes questions before his Congressional overseers. In exchange, his concerns about national security matters, including the threat of deeper intelli-

gence budget cuts, become the subject of public debate.

Appearing with Mr. Woolsey, the director of the Defense Intelligence Agency, Lieut. Gen. James R. Clapper Jr. of the Air Force called North Korea "the critical major military threat for the next few years." The general said North Korea was only one among several post-cold-war nations where military intelligence officers are confronted with "mysteries — things that are not predictable, not even knowable."

Sounding a grim note on the subject of the spread of weaponry, Mr. Woolsey said that in the 21st century chemical and biological weapons may pose the kind of threat that nuclear weapons once did. An estimated 25 countries, some hostile to the United States, are trying to build nuclear, chemical or biological weapons, he said.

Iran, Mr. Woolsey said, continues its "ambitious multibillion-dollar military modernization program" and seeks to buy nuclear material and ballistic missiles. North Korea continues to export missiles with a range of 625 miles or more, posing a potential threat to the Middle East. Tracking the intricate underground networks of buyers and suppliers of weapons materiel is a daunting task, he said.

THE NEW YORK TIMES, WEDNESDAY, JANUARY 26, 1994

*Chano
Woolsey's speech
was good on it*

U.S. Urged to Bar Narcotic Lollipop for Children

By PHILIP J. HILTS
Special to The New York Times

WASHINGTON, Jan. 25 — A group of doctors asked the Government today to block final approval of a narcotic lollipop intended to calm children before surgery.

The lollipop, made by Abbott Laboratories under the trade name Oralet, was given tentative approval by the Food and Drug Administration in October.

Doctors sometimes have trouble getting frightened children to calm down before surgery and so inject them with tranquilizers or opiates. Searching for a less painful way to calm children, a group of pediatricians from Utah came up with the idea of a lollipop loaded with fentanyl, a potent opiate.

But a handful of doctors, led by Dr. Sidney Wolfe of the Public Citizen Health Research Group, sent a petition to the Food and Drug Administration seeking to block final approval of the lollipop. They argued that fentanyl was too dangerous for children and that the lollipop could create new problems for doctors.

Drug Agents Object

The Drug Enforcement Administration has already stated its opposition to the lollipop, noting that fentanyl taken by injection is among the most popular drug of abuse among doctors. In August the drug agency said in a letter to the F.D.A. that the lollipop had a significant potential for abuse.

Dr. Allen J. Hinkle, a pediatric anesthesiologist at the Dartmouth Medical Center who was among the petitioners, said the lollipop was a "cute solution to a nonproblem." He said doctors should work more with parents to calm children or, at most, use a less dangerous drug like a tranquilizer.

When the narcotic lollipop was tentatively approved, the Food and Drug Administration, concerned about the issues being raised by critics, imposed

two conditions before Abbott Laboratories could market the lollipop, an agency spokesman said.

Resuscitation Gear Required

"We have taken steps aimed at preventing problems," said James O'Hara, deputy F.D.A. administrator for public affairs. The agency is requiring that Abbott limit the drug's distribution before final approval is given. The agency wants Abbott to submit a plan to make sure the lollipop is used only when the children can be monitored and with a complete set of resuscitation equipment, from oxygen to resuscitator paddles, on hand.

Vatican Cleric to Lead St. Louis Archdiocese

VATICAN CITY, Jan. 25 (Reuters) — Pope John Paul II today named one of the most prominent Americans in the Vatican to be head of the Archdiocese of St. Louis.

Archbishop Justin Rigali, 58, replaces Archbishop John L. May of St. Louis, who resigned in December 1992 because he has a brain tumor.

Bishop Rigali, originally of Los Angeles, has spent nearly 25 years working in the Vatican. He is the secretary for the Congregation of Bishops, where he helps name new bishops around the world.

He previously ran the school for Vatican diplomats, known as the Pontifical Ecclesiastical Academy.

A native of Los Angeles, Bishop Rigali was educated at St. John's Seminary in Camarillo, Calif., and was ordained a priest for the archdiocese of Los Angeles in 1961.

The agency is also asking Abbott to set up a training program to insure that anyone using the lollipop is trained in its dangers and its proper use.

In addition, the agency has scheduled a meeting of experts in March to consider all the problems in giving children anesthesia before surgery.

One F.D.A. official said the agency believed that doctors now made up their own, completely unregulated, sedatives to calm children. The official said the agency preferred to have a sedative on the market that can be given in controlled doses and under controlled distribution, rather than having doctors rely on their own recipes.

Backer of New Idea

Dr. Charles Cote of the Children's Memorial Hospital in Chicago, who favors the lollipop, said most of the drugs now used by doctors to calm children were not approved by the Government for that use. For instance, some doctors now use a combination of Demerol, Phenergan and Thorazine. The Government does not restrict how doctors use drugs once the drugs are approved for any purpose.

Dr. Cote estimated that half the children who are about to get anesthesia before surgery now get midazolam, a tranquilizer whose use has not been studied in children. "The children are left in a therapeutic limbo because drug companies don't want to test drugs on children in order to get them approved for use in children," he said.

He added that a lollipop with a tranquilizer would be an excellent idea but that the current product was created because its inventors could not get the manufacturer of midazolam, Roche Laboratories, to make a tranquilizing lollipop. They were, however, able to get permission from the makers of fentanyl to use that drug.

THE PRESIDENT HAS SEEN 1/28

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Private Operation of Public Schools Gains Idea Wins Support in Congress, State Legislatures, Education Dept.

By Mary Jordan
Washington Post Staff Writer

As a rising number of cities, including the District, turn to private firms to operate failing schools, the U.S. Education Department, state legislators and members of Congress are showing more support for private management of public schools.

"There is built-in resistance" to companies running public schools, John T. Golle, chairman of Education Alternatives Inc., yesterday told a Senate hearing that is exploring the growing movement. "But those walls are starting to come down."

Education Alternatives has evidence. It is expanding its operation of nine schools in Baltimore to 11 and yesterday continued to negotiate with the District for the operation of as many as 15 of its schools. In addition, Golle's company now has proposals to operate a few dozen more schools in Milwaukee, San Diego and Pinckney, Mich. Next month, it will be involved in Hawaii's statewide televised hearings on private management of some of its schools.

Golle said companies like his aim to do for public schools what Federal Express and United Parcel Service did for the U.S. Postal Service. "They introduced competition," he said, "and made it the best in the world."

Benno C. Schmidt Jr., president of the Edison Project, another for-profit venture aiming to manage public schools, said that this week alone, he would be traveling to six states, including Virginia, to talk to interested officials at public schools. "It's an idea whose time has come," he said, adding that the rush to try new experiments in schooling "provides hard evidence that our country is ready for at least some of its

schools to be significantly different."

Schmidt declined to name any schools he hoped to run, saying they would be announced later. Edison plans to open its first 10 to 30 public schools in 1995.

Although teachers' unions and others still oppose the concept, new state laws may make efforts like those of Golle and Schmidt easier.

In two years, at least nine states have enacted legislation that allows for "charter" schools, public schools

A teachers' union official said private contracting of public institutions has led to "financial scandals."

with special autonomy that in some cases could allow them to opt for private management. Massachusetts, for one, is vigorously pursuing private management of some of its charter schools. Applications are due Feb. 15.

Similar efforts, by various names, are spreading in other cities. Baltimore and Washington, for instance, are moving toward giving their schools new authority and independence. By this fall, Baltimore Superintendent Walter G. Amprey said, every school in Baltimore will be an "enterprise" school, which could decide on private management. Similarly, in the District, Superintendent Franklin L. Smith has announced that by this fall he hopes 50 District schools will be "enterprise" schools.

These regulations are so new it is

unclear how much power they actually will give to individual schools and how much opposition they will stir.

Bella Rosenberg, assistant to the president of the American Federation of Teachers, warned that these ventures "have no track record."

What is known, she told Sen. Arlen Specter (R-Pa.) and the Appropriations subcommittee on education, is that private contracting of public institutions has led to "financial scandals." She also questioned why parents and teachers would opt for this "experiment" when there were widely acclaimed and proven models of reform.

Both Education Alternatives and the Edison Project promise to operate public schools at the same cost, but with more teachers and technology in a cleaner, safer environment.

However, the two companies' approaches differ, with Edison calling for a more drastic change, including a 30-day increase in the length of the school year above the current 180-day year. Traditional "classrooms" would be turned into Edison "houses" of perhaps 100 students. They would have four or more teachers who would stay with the multi-age group for as long as three years, Schmidt said.

The Clinton administration's position on private management "is to give this approach a chance," said Thomas W. Payzant, an assistant education secretary.

Specter, citing deep parental dissatisfaction with public schools, said he, too, thought schools "should explore all options."

"We are in trouble," said Smith. Citing a backlog of \$500 million in capital improvements, he said that if a private business could create "clean, cheerful" schools, "that in itself would be a help."

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Yugoslav Army Reported Fighting In Bosnia to Help Serbian Forces

By JOHN KIFNER
Special to The New York Times

BELGRADE, Yugoslavia, Jan. 26 — Yugoslav Army units have been operating inside Bosnia in recent weeks in an apparent effort to counter recent advances by the forces of the Muslim-dominated Bosnian Government, United Nations officials and Yugoslav journalists say.

"We have seen troop movements of the Yugoslav Army in Bosnia, large numbers of troops and military vehicles," said a United Nations official who requested anonymity because of political sensitivities. "The general feeling is that there is a pre-emptive attack coming."

Despite repeated denials by the Belgrade Government, it has long been suspected that the rump Yugoslav federation, consisting of Serbia and Montenegro, has been giving direct support to the Serbian nationalists fighting in Bosnia. It was in an effort to pressure Belgrade into halting such assistance that the United Nations Security Council imposed a trade embargo on Yugoslavia in 1992.

But until now the evidence to support these accusations has not been conclusive.

The Yugoslav troops operating from Bosnian Serb-controlled territory include special forces commandos from the 63d Airborne Brigade, according to the United Nations officials and Yugoslav journalists. Some of them report having seen convoys moving on the roads, as well as anti-aircraft guns, artillery, tanks and specialized units like underwater demolition teams.

In addition to the direct military involvement, Yugoslav officials are rounding up Bosnian Serb refugees in Belgrade and other areas and handing them over to the Bosnian Serb army for impressment, the United Nations officials and Yugoslav journalists say.

The propping up of the Bosnian Serbs' army comes as the Bosnian Government, having strengthened its once-makeshift army, have scored advances in the three-way war, primarily against Croatian forces in central Bosnia. Success against the Croats could allow the Government forces to mount a new effort against the Serbs.

The Bosnian Army has numerical superiority over its rivals, although it

is equipped mainly with light infantry arms and very little heavy equipment.

Last week Serbia and Croatia, bitter enemies when the old Yugoslavia broke up in 1991, signed a mutual recognition agreement clearly aimed at uniting against their joint Muslim enemy and reflecting a growing rapprochement between President Slobodan Milosevic of Serbia and President Franjo Tudjman of Croatia.

Milos Vasic, defense analyst of the respected independent weekly Vreme, which has been investigating the increasing direct involvement of Yugoslav Government troops, said he believed Mr. Milosevic was risking the troop movements in hopes of forcing the Bosnian Muslims to agree to some kind of international settlement in order to lift the sanctions that have crippled his country.

Backbone of Serbs' Army

Soon after fighting broke out in Bosnia in April 1992, the Yugoslav Army formally discharged 80,000 ethnically Serbian troops who lived in Bosnia and were garrisoned there. These troops, who were allowed to leave with their heavy weapons, formed the backbone of the new army of the Bosnian Serbs.

The Bosnian Serbs receive food, fuel and weapons from Serbia, and their firepower has been augmented by volunteers from Serbia who join militias organized by militants dedicated to the

creation of a Greater Serbia incorporating all Serb-populated areas of Croatia, Bosnia, Serbia and Montenegro. These militias are widely held responsible for most of the atrocities attributed to Serbian fighters in Bosnia.

The Belgrade Government has made little effort to restrict the militias' operations, and freely allows supplies for Serbian forces to cross into Bosnia. But the Belgrade authorities have always maintained that no one now in the service of the Yugoslav Army has been sent to Bosnia.

One example of Yugoslav Army action that has drawn particular attention here is the case of Capt. Goran Galjak, commander of a special forces unit, whose obituary in the daily Politika on Jan. 18 said that he had been "killed by the enemy's bullets."

The declaration of the cause of Captain Galjak's death was extraordinary. Local journalists say there have been an unusually large number of recent obituaries of soldiers having died in training mishaps or traffic accidents.

The weekly Vreme, in an article documenting the circumstances of Captain Galjak's death, gave a glimpse into the larger Yugoslav military involvement when it quoted a senior military officer as saying what really bothered him was to read of soldiers who "got killed in a traffic accident when I know they got killed as heroes."

According to the accounts published here, Captain Galjak was killed along with six other special forces troopers fighting outside Olovo, a small town that is a crucial road junction between the Muslim-held cities of Tuzla and Zenica. Serbs have been mounting an offensive against Olovo and pounding it with artillery for weeks.

Captain Galjak's special forces unit, from the 63d Airborne Brigade based at Nis, fell into an ambush by Muslims, the published accounts said.

Convoys of Cannons

On Jan. 14, witnesses, including journalists, saw two convoys of 105-millimeter cannons being pulled by vehicles bearing Yugoslav Army markings that had crossed the Drina River in broad daylight from Serbia, traveling in the direction of Tuzla. That same day, a railroad convoy carrying tanks was seen outside Belgrade, heading for southeastern Bosnia, where Gorazde is a key conflict point between Serbs and Moslems.

United Nations military observers have also seen large troop movements, some in vehicles without identification, from the Serb-held town of Zvornik, on the Bosnian-Serbian border, toward the mountains surrounding Sarajevo, a United Nations official said, adding that observers have not been able to get near another important river crossing at Ljubovija, believed to be another major military route.

Yugoslav Army troops are widely believed to have mounted short operations inside Bosnia, often ostensibly while on leave from the regular army or in uniforms without their identifying patches. What seems different now is that there is no effort to disguise the Yugoslav Army insignia, and that some troops are even carrying their waterproof military identification papers in the special metal box that is the equivalent of American "dog tags."

Much of the Yugoslav involvement, a military expert here said, is being directed by the Special Operations Command, which includes the 72d Airborne Brigade as well as the 63d Airborne, and may involve 2,000 or more troops, both career soldiers and conscripts.

Refugees Sought for Army

In another effort to bolster the Bosnian Serbs, the Yugoslav authorities have been summoning refugees into the breakaway army. Men of military age who have fled the fighting to refugee camps here have begun receiving notices to report to local Yugoslav military districts, according to the United Nations High Commissioner for Refugees, which issued a protest after receiving more than 100 complaints.

At the Yugoslav military offices, they are handed a form, stamped by the Bosnian Serbs' ministry of defense, headed: "The Fatherland is calling you."

The notice orders the refugee to report to military centers in Serbia for duty in the Bosnian Serb army, adding that service is obligatory and that failure to appear will result in prosecution.



THE PRESIDENT HAS SEEN 1/28

Don't
let's discuss

Russia Policy: A U.S. Riddle

Washington Scrambles
As Reformers Retreat

By THOMAS L. FRIEDMAN

Special to The New York Times

WASHINGTON, Jan. 26 — The Clinton Administration's policy toward the former Soviet Union is being undermined, slowly but surely, by the take-over in Russia, Belarus and Ukraine by politicians advocating populist economics that American officials believe will lead to financial ruin and political turmoil.

News
Analysis

Only two weeks ago President Clinton traveled to Moscow and Minsk to deliver his message: more economic reform will lead to more Western aid. The leaders there nodded in agreement and the White House pronounced the Clinton visit a rousing success.

But no sooner did Mr. Clinton depart than one piece of bad news after another came rolling in from Moscow and Minsk — everything from the ouster of Russia's key economic reformers to the toppling today of the liberal President of neighboring Belarus.

A White House spokeswoman, Dee Dee Myers, tried to put the best face on these sharp reversals, responding with the mantra that "we're more interested in the policies than in the personalities" and that "President Yeltsin, as you know, reassured the President that he remains committed to reform."

No Reformers, No Reform

Yet the fact is that virtually all of the Cabinet members left standing in Russia, Belarus and the Ukraine are dedicated to policies that run completely counter to the economic advice President Clinton gave those countries just two weeks ago. It's hard to support reform without reformers.

"I think the news since the Presi-

Continued From Page A1

dent's Air Force One plane took off from Russia has been unremittingly bad," said Lee Hamilton, the Indiana Democrat who is chairman of the House Foreign Affairs Committee. "The reformers have been leaving, and the Government is being dominated by those people who are skeptical about free markets and want to go on supporting the big state industries. I for one will find it very difficult to support aid for Russia if the Central Bank there continues to pour money and credit into supporting these inefficient state-run industries."

Debate on Who Lost Russia

Behind its public facade of supporting policies not personalities, the Administration is also scrambling to figure out what to do, and bracing itself for what is already being whispered about in policy circles and political journals: a debate on who lost Russia.

What makes influencing events in Russia now so difficult, say Administration officials, is that the main problem there is not economics. It's politics. That is, President Boris N. Yeltsin understands the economic advice the

West is giving him, which goes like this: The only way for Russia to develop a market economy is if it has a currency that is convertible and stable — so that banks will be prepared to make loans at reasonable interest rates, so that Russian exporters will be willing to bring their profits back into the country without worrying that they will be eroded by inflation, and so foreigners will be ready to invest there.

The only way to get to that stage is for Russia's Central Bank to stop printing so many rubles. The only way to get to that point is if the Russian Government can close its budget deficit, now running about 9 percent of its gross domestic product. And the only way to accomplish that is if the Government stops subsidizing unprofitable state industries and farms, many of which produce products that sell for less on the world market than the cost of the raw materials that go into them.

This is where economics ends and politics begins. Because to close down such factories and farms would require laying off and relocating thousands and thousands of Russians, at least until new profitable businesses sprout up to re-employ them.

The new Government, dominated by

conservatives like Prime Minister Viktor S. Chernomyrdin, Central Bank Chairman Viktor V. Gerashchenko and Agriculture Minister Alexander K. Zavarukha, is not ready to risk the political reaction that such draconian policies would involve — especially in light of the last election. That was why key reformers, Finance Minister Boris Fyodorov and First Deputy Prime Minister Yegor I. Gaidar quit.

"The Russian voters have spoken," said Dimitri Simes, Russian affairs expert at the Carnegie Endowment for International Peace. "The Administration is, on the one hand, praising Russian democracy and Russian democratic elections. On the other hand, it is pressuring Yeltsin to adopt policies that were supported by less than 15 percent of the Russian people — who voted for the Russia's Choice party, led by Gaidar."

Senior Administration officials say they are trying to deal with this situation by holding to a two-track policy. One track is to keep shining a light on the path of real economic reform that President Clinton laid out in Moscow. American officials hope that after this new Russian Government dabbles in some populist economics, which will

not produce anything but hyperinflation, it will come back to its senses and bring back the ousted reformers.

The United States will keep its offer on the table to Mr. Yeltsin's Government: Adopt real economic reform and the United States will galvanize the Group of Seven industrialized democracies to come up with real money.

The other track is to continue pressing ahead with the \$4.1 billion in direct American assistance already approved by the Congress. That money is not going to the Russian Government but to support various projects on the ground, from small businesses, to housing for soldiers, to energy development, to technical advice on subjects ranging from democracy to accounting. These are the "ground-up" projects that the Administration hopes will plant the seeds of capitalism, no matter what the Government in Moscow does.

But this two-track approach may not be sustainable for long.

"I think that is a phoney distinction," Mr. Hamilton said. "If you have hyperinflation again in Russia, all bets are off. If you have hyperinflation it doesn't matter if you supply them \$10 billion or \$1 billion. You have to have the fundamentals in line."

This is the problem

Jim Hoagland

Bosnia: A War Spinning Out of Control

The world has become accustomed to looking upon the war in Bosnia as a total tragedy for that small nation's Muslim majority and an inconvenience for the great powers. That dichotomy is changing as the war spins beyond the ability of outsiders to influence its course in any meaningful way.

The Muslims have refused to die quickly or quietly. Against all odds and reason, they have survived Serbian conquest, starvation and cold. The Muslims are now on the offensive, taking the war to their Serb and Croat enemies.

The Muslims are no longer simply war's victims who need to be aided and protected. They now wage war not just for survival but for territory. This gravely complicates the involvement of European nations and America, which have used humanitarian intervention to keep some measure of control over conflict they were not prepared to stop when it could have been stopped without great losses.

Even that small degree of control is slipping away as war fatigue sets in across the rest of Europe. Defense ministries in Britain, France, Spain and elsewhere are alarmed by the money and manpower they have been forced to spend from shrinking military budgets to support their troops in Bosnia.

That alarm grows exponentially as extremists seem to gain ground in Russia and as Ukraine slides toward national breakup. The indirect challenges to international stability posed by the Balkan conflict sap will and resources that may be needed for more direct and ominous challenges in the near future.

The change in the dynamic on the Bosnian battlefield and within the international community validates a saying attributed to Leon Trotsky: You may not be interested in war, but war is interested in you.

War has its own terrible logic, which changes everything it touches, even glancingly.

Along with horrors and suffering, wars also create nations. Bosnia-Herzegovina was little more than an idea when a Muslim-dominated government proclaimed independence in April 1992. Out of two years of bloodshed and siege, the Muslims have created an army that today is reconquering territory taken by Croatian forces and holding against a better armed Serb force.

Military stalemate is probably the most the Muslims can attain. But they showed by pulling out of the Geneva peace talks earlier this month that they expect to fight on for months to come. This will drag Europe and America into altering policies that have been predicated on Muslim victimization and surrender.

The Muslims' war aims are now more important to the Sarajevo government than the humanitarian relief underwritten by the presence of large French and British troop contingents and U.S. airlifts. Will the West be willing to continue its humanitarian involvement in a conflict that is no longer a one-way slaughter but a real war?

If the Europeans pull out their troops in the spring, as they threaten to do with increasing frequency and persuasiveness, there will no longer be a serious barrier to President Clinton's promise to lift the arms embargo that has so handicapped the Muslims. Lifting the embargo at that point will increase the Muslims' ability and motivation to fight while increasing the motivation of the Serbs and Croats to go in for the kill.

Clinton's hand may also be forced on his long-standing threat to use air power against the Serbs. If the Serbs continue their siege of a Canadian peace-

keeping contingent in Srebrenica, U.S. fighters will fly close air support for a United Nations armored column that will go in to rescue the Canadians.

The possibility of American rockets striking Serb positions is no more than days away unless the Serbs relent and allow a rotation of U.N. troops in Srebrenica. Lifting the embargo and striking the Serbs at this late date would provide Western capitals emotional satisfaction and would fulfill Clinton's campaign promises to act against the Serb aggressors.

But the strategic environment has changed dramatically since Clinton made those promises. Direct intervention now does not tip the scale toward a peace accord but toward more war, with unpredictable consequences.

After two years of doing too little too late in Bosnia, the West now risks following a more disastrous course—doing too much too late.

This prospect explains the sudden, almost panicky flurry of activity by the French in recent days to get the Western powers and Russia to hold a Balkans conference and impose a settlement before events spin even more out of control. The United States has rejected this approach but has not put forward any new initiative of its own, leaving the outdated lift and strike approach on the table.

It is not pleasant to recognize that previous inaction and mistakes have led the United States and its allies into a dead end on Bosnia. But that is the reality. Waiting for the battlefield to change again and create conditions for a new peace effort, when the warriors exhaust themselves, is the least bad of all the bad options available in the new Bosnian quagmire.

THURSDAY, JANUARY 27, 1994 THE WASHINGTON POST

53

THE PRESIDENT HAS SEEN ^{1/28}

For Piece

By Alan Brinkley

Theodore Roosevelt once said that a good political speech is "a poster, not an etching." More important than fine details are broad, bold themes that stand out from a distance. But through most of American history, State of the Union Messages — even Theodore Rove almost always been more like etchings than posters, often dreary, seldom memorable.

In recent years, only Ronald Reagan — who, like Theodore Roosevelt, always claimed to prefer "banners of bold colors" to "pale pastels" — managed to transcend the genre. With "American heroes" seated prominently in the visitors' gallery, tearful references to acts of courage and sacrifice, evocations of families and neighborhoods and communities and buoyant descriptions of America as "once again alive with hope and opportunity," "a soaring eagle, proud and free," Mr. Reagan transformed his State of the Union addresses from lists of policy achievements and goals into evocations of national values and myths. They were an essential part of his effort to attach moral weight to his conservative agenda.

Bill Clinton, a man as enchanted with the details of policy as Mr. Reagan was bored with them, nevertheless delivered a State of the Union address Tuesday night more evocative of Mr. Reagan's bursts of symbolic oratory than the legislative re-

in which relatively few Americans seem to agree with him. For 40 years, the cold war not only imposed a coherent framework on American foreign policy, it also helped legitimize two generations of domestic initiatives, as part of the nation's effort to justify its position as leader of, and model to, the world. The cold war is over. In the 1950's and 1960's, the assumption of permanent affluence made it seem possible for the nation to undertake great tasks without having to absorb great sacrifices. That assumption is in a shambles.

The belief in progress — in the possibility, even desirability of social improvement — is probably as frail today as it has been at any moment in our history. On what, then, can an activist President base his hopes for a reinvigorated Government?

In a speech in Chapel Hill last fall, the President experimented with a framework for his programs reminiscent of the New Deal and the Great Society: the idea of security. The American people face a future of insecurity and instability, he said, and it is up to Government to make them feel that they can weather the inevitable changes that await them with some minimal confidence. His trade policies would contribute to economic security, his health care proposals to medical security, his anti-crime initiatives to personal security. Government would again be the protector of its citizens as they entered an age of uncertainty.

It was an intelligent speech, and in another time it might have generated real excitement. But amid the disenchantment and cynicism of the 1990's, the theme sounded somehow hollow. And the President, perhaps realizing that, made only oblique reference to it Tuesday night.

He turned instead, with what seemed genuine emotion, to things that were staples of Mr. Reagan's speeches. He spoke about social problems rooted in "the loss of values, in the disappearance of work and the breakdown of our families and our communities." He cited the role of "churches and other good citizens" in helping to solve social problems. He insisted that individual acts of heroism are still possible in the face of apparently overwhelming social forces. He spoke above all about family — and, in an apparently spontaneous moment, of his own mother, who died earlier this month.

Ronald Reagan, and many other conservatives, used such symbols as a rebuke to liberals. They cited the strength of communities, families and churches as evidence of the irrelevance of Government and the importance of unleashing individuals from its shackles.

Mr. Clinton has been trying, slowly and tentatively, to enlist the same symbols behind his own activist agenda. Americans, he said, have revealed the "better angels of our nature" in their responses to flood, earthquake, fire and storm. And they can do so as well in attacking our "deepest problems" — not by relying solely on individual acts of generosity and courage but by joining in an effort to make Government an ally of change and progress.

The President was, in other words, trying to do more Tuesday night than boast of his accomplishments and jump-start his health care plan. He did those things effectively, but he was also trying to reclaim from the right a moral language that liberals have — in recent years, at least — largely abdicated. He was continuing the effort he began with his speech on crime in Memphis last November to

rescue liberalism from the symbolically barren, socially fragmented world it has inhabited for a generation, and to link it to a popular yearning for values and community.

No recent President has been better than Bill Clinton at explaining policies; he can talk intelligently for hours about the details of legislation and programs. But on Tuesday night, he seemed to recognize that a firm grasp of policy is not enough. Without a poster, as Theodore Roosevelt understood, there will be little interest in his etchings. □

Can a speech jump-start a country?

port cards of other predecessors.

To be sure, Mr. Clinton boasted of economic and fiscal successes; he promoted his flagging health care proposals; he spoke at surprising length about welfare reform — an issue many had assumed would remain on the back burner until after the health care debate; he made modest (and only partly convincing) claims of diplomatic achievements.

But most striking was his effort to make those goals seem part of a coherent whole: to persuade the American public that he does not just have ideas, but also an idea — that in addition to specific policy proposals he has a vision of how the future can and should look.

There is good reason for him to do so. Mr. Clinton came into office with an exceptionally frail mandate in an exceptionally adversarial political climate. He was despised by the right, only tentatively embraced by the left and harried from all directions by Ross Perot. He stumbled through his first few months watching his already weak public support crumble in the face of a string of missteps and misfortunes. Even now, with some considerable successes behind him and his popularity much enhanced, he faces considerable public skepticism.

Unlike at least four of the last five Presidents, Mr. Clinton believes in the capacity of Government to do good. But he has inherited a political climate

Alan Brinkley is professor of American history at Columbia.

At Last, Maybe,
A Vision

THE PRESIDENT HAS SEEN 1/28

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Students' Faith Goes the Way of Clinton's Voice

At SE School, the Pain Is Loud and Clear When President's Throat Forces Him to Cancel Visit

By Sari Horwitz and Hamil R. Harris
Washington Post Staff Writers

The floors were waxed. The new red curtains with the presidential seal were hung. The bright yellow lockers were empty. The students were pumped.

But shortly after 11 a.m. yesterday, a Secret Service agent rushed into the principal's office at Kramer Junior High School and yanked the plug on the newly installed presidential phone.

"We've got a major change," he said. President Clinton would not be able to make it. He had lost his voice Tuesday night after delivering a 63-minute State of the Union address, one of his longest speeches.

As word leaked out, students' faces fell. In an instant, disappointment turned to anger.

"He just doesn't want to come to Southeast," said Shameka Wiley, 14. "All this work we did . . ."

While students ate spicy chicken wings in the cafeteria, White House aides huddled with Principal Raymond W. Poles for a strategy session on how to soften the blow. (First step: corral the media in the principal's office.)

They agreed to tell students that Clinton will come next Thursday to the D.C. school his Secret Service agents "adopted" for Christmas. But White House of-

ficials said later that a date has not been chosen.

"I think he cares more about the upper class than he does us," said Kenny Dawson, 15, a ninth-grader at Kramer. "For them, he would have shown up."

"I don't normally wear these kinds of clothes to school," said Ronica Skinner, 15, who wore a silky white blouse with a blue skirt.

White House officials said Clinton is looking forward to visiting Kramer, but yesterday he simply couldn't talk—a handicap since he was supposed to deliver a State of the Union address for kids.

"It's hard to give a speech when your

voice is not working," said Ginny Terzano, a White House spokeswoman.

Clinton whispered to Democratic congressional leaders yesterday morning, but his doctor advised him to cancel all of his public events yesterday and today, and keep quiet—"a challenge," spokeswoman Dee Dee Myers said.

The president's Secret Service detail adopted Kramer—much as many businesses have adopted other D.C. schools—as a Christmas gift to the Clintons. They chose Kramer, which sits between the Anacostia River and Minnesota Avenue, because agent Danny Spriggs went there

See KRAMER, B3, Col. 3

KRAMER, From B1

and agent Rich Miller grew up a few blocks away.

Many of Kramer's 368 students live in the web of despair Clinton described in his address Tuesday night. They are African Americans from impoverished, single-parent homes in neighborhoods where there is heavy drug trafficking. Kramer's attendance rate and math and reading test scores are among the lowest of the District's middle and junior high schools.

For all those reasons, Poles said, he was especially honored that Clinton chose Kramer as a school to visit and give children hope. Since Monday, he had worked nonstop to make the building—and the students—sparkle.

"We wanted everything to be as right as right could be," said Poles,

who arrived at 7:30 a.m. yesterday. Scores of D.C. police officers and dogs followed, saturating nearby streets and scouring the grounds. Students streamed in under the blue and gold WELCOME banner and past the paper snowflakes that teachers had cut out.

Fifteen students had been chosen to ask Clinton questions. Some said they wished they also had the chance to tell him a thing or two.

"He needs to get someone out here to get these guns and drugs off the streets," said Shuvetta Bullock, who turned 14 yesterday. "Two of my friends got killed this summer in the alley across the street."

"If they can draw this many police for this, why can't they have this many police around here all the time," said Jesse Wilson, 15, who added that he disagrees with Clinton's "three strikes and you're out"

crime proposal to imprison third-time violent offenders permanently.

"Many people would be locked up for life before age 19," Jesse said.

After Clinton canceled and the students went back to class and the Secret Service packed up their electrical equipment and the reporters dismantled their cameras and the police cruisers pulled away, Poles took a deep breath and shook his head.

"It's been a long day," he said.

But he was not disappointed. Really, he said. He would be thrilled to have the president of the United States visit his school. Any time, any day.

We must
reschedule
this
ASAP!

THURSDAY, JANUARY 27, 1994 THE WASHINGTON POST

THE PRESIDENT HAS SEEN 1/28

GS-1 agree
Let's talk about
how to do it
R.



THE DIRECTOR

THE PRESIDENT HAS SEEN
1-26-94
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 26, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta
Director

SUBJECT: Appointments to the Kerrey Commission

During the past week, after a number of conversations with Senator Kerrey and all potential members of the Commission, I would recommend, and the Senator would agree, to the following Presidential appointees:

FROM STATE AND LOCAL GOVERNMENT:

1. Governor Roy Roemer, Colorado (he would replace Governor Barbara Roberts who declined to serve because of reelection commitments).
2. Mayor Sandra Freedman, Tampa, Florida (she is willing and anxious to serve).

FROM FORMER STATE AND FEDERAL OFFICIALS:

3. Tom Kean - former Republican governor, NJ.
4. Tom Downey - former Congressman and Acting Chairman of the Ways and Means Subcommittee on Human Resources.
5. Bill Gray - former Congressman and Chairman of the Budget Committee; President and CEO of the United Negro College Fund.

FROM THE PRIVATE SECTOR:

6. Pete Peterson - former Secretary of Commerce, President of the Concord Coalition and Chairman of the Blackstone Group.
7. Bob Greenstein - Executive Director of The Center on Budget Priorities.
8. Bob Denham - Chairman and CEO of Salomon Brothers.
9. Richard Trumka - President of the United Mineworkers of America (approved by Lane Kirkland).

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1-26-94
26 P3715
downward
upward

10. Karen N. Horn - Chairman and CEO of Bank One
Cleveland; former president of Federal Reserve Bank,
Cleveland.

In addition, Senators Kerrey and Danforth would be
appointed, by you, as Chair and Vice-chair, respectively.

As you know, the Executive Order establishing the Commission
provides for the appointment of 10 members each from the House
and Senate, equally divided between Democrats and Republicans. I
have spoken to the Speaker, the Senate Majority Leader and the
House and Senate Minority Leaders. Their choices are as follows:

Foley:

- Sabo
- Dingell
- Rostenkowski
- de la Garza
- Clayton

Mitchell:

- Moynihan
- Sasser
- Moseley-Braun
- Bumpers
- Reid

Dole:

- Cochran
- Simpson
- Domenici
- Wallop
- Gregg

Michel:

- McMillan
 - Cox
 - Castle
- (two more to come).

ANNOUNCEMENT:

I recommend that you announce the appointments next Tuesday
in a press conference attended by a number of the Commission
appointees.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	John Podesta and Todd Stern to POTUS (3 pages)	01/21/1994	b(6)

COLLECTION:

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

FOLDER TITLE:

January 23-29, 1994 [1]

2018-0662-S
rs3086

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]

CONGRESSIONAL NOTCH COMMISSION APPOINTEES

House of Representatives Appointments

The Speaker:

- o **Mr. James C. Corman**, former Representative from California and Chair of the Ways and Means Subcommittee on Public Assistance and Unemployment Compensation;
- o **Ms. Carroll I. Estes**, Chair, Department of Social and Behavioral Sciences, University of California.

Minority Leader:

- o **Mr. Barber Conable**, former Representative from New York and Ranking Member, Ways and Means Committee;
- o **Mr. Arthur L. "Pete" Singleton**, former Minority Counsel, Ways and Means Committee.

Senate Appointments

Majority Leader, in consultation with the Chairman of the Finance Committee:

- o **Ms. Patricia M. Owens**, former Associate Commissioner for Disability, Social Security Administration;
- o **Mr. Robert J. Myers**, consulting actuary, former Deputy Commissioner of Social Security, and Chief Actuary, Social Security Administration, for many years.

Republican Leader, in consultation with Ranking Member of the Finance Committee:

- o **Ms. Carolyn L. Weaver**, American Enterprise Institute, former professional staff to Senate Finance Committee under Senator Robert Dole;
- o **Mr. John F. Cogan**, Senior Fellow, Hoover Institution, and former Deputy Director, Office of Management and Budget for the Reagan Administration.

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C. Vanev

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 13 1993

94 JAN 7 P6:47

MEMORANDUM FOR THE PRESIDENT

As you know, legislation enacted in 1992 created a 12-member Commission to study the Social Security notch issue and to report its findings to the Congress. You are responsible for selecting four members, one of whom you will designate as Chair of the Commission. Presidential appointees may be private citizens or Executive Branch employees, but no more than two may be from the same political party. A list of candidates for Presidential appointment to the Notch Commission is attached.

I believe that all of the candidates would make excellent appointees. Prior to your review, however, I have not discussed serving on the Commission with any of the candidates or requested verification of their political affiliation.

Recommendation for Commission Chair

I believe that there are advantages to asking one of your Republican Presidential appointees to chair the Commission and deliver the Commission's findings to the public. I would recommend Republicans Howard Baker or Melvin Laird to serve as Commission Chair. I would also heartily endorse Democrats Alan K. (Scotty) Campbell, former Chairman of the Civil Service Commission and the first Director of the Office of Personnel Management; or Rose Dobrof, Executive Director of Brookdale Center on Aging, Hunter College, New York, to chair the Commission. All four are senior citizens themselves.

Status of the Notch Commission

Congress selected its eight appointees earlier this year -- two members each by the House and Senate Majority and Minority leadership (list attached). The Commission will convene once the four Presidential appointees have been selected and the Commission Chair has been named.

Senator Moynihan recently raised the status of the Presidential appointments to the Commission with me, and also on the Senate floor. I have attached a copy of the letter I sent to the Senator on October 21 assuring him that the Presidential appointees would be named soon.

In addition, Representative Peter DeFazio (D-OR) wrote to both of us in October to request that you appoint him to the Commission. Although Members of Congress and other Legislative Branch employees could have been selected as Congressional appointees to the Commission, they are barred by statute from selection as Presidential appointees. Representative DeFazio has been advised of this statutory restriction.

Once the Commission is appointed and begins its study, Congressional pressure to "fix" the Notch issue will lessen substantially as long as the Commission appointees are viewed as open minded. It is likely that any attempt to move Notch legislation in 1994 can be postponed successfully, since it would be premature to act before the Commission presents its findings to Congress.

Background

The Fiscal Year (FY) 1993 Treasury, Postal Service, and General Government Appropriations Act (P.L. 102-393 created the Social Security Notch Commission to study the Notch issue and to report its findings to the Congress. However, Congress did not appropriate funds for its operation until last month. The FY 1994 Labor, HHS and Education appropriations bill (P.L. 103-112), enacted on October 21, includes \$1.8 million activity.

The Commission's final report was originally due by December 31, 1993, but the FY 1994 Treasury, Postal Service, and General Government appropriations bill (P.L. 103-123), enacted on October 28, includes a provision to extend the due date to December 31, 1994.



Donna E. Shalala

Attachments



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 21 1993

The Honorable Daniel Patrick Moynihan
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

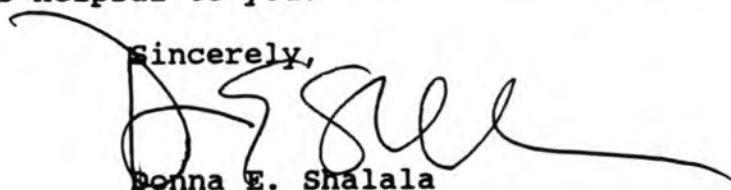
Dear Mr. Chairman:

As you know, Public Law 102-393 enacted last October authorized the establishment of the Commission on the Social Security "Notch" Issue, but did not provide funding for the Commission to fulfill its responsibilities. Now that funding for the Commission will become available with Senate passage of the fiscal year 1994 Labor, Health and Human Services, and Education Appropriations bill (H.R. 2518) earlier this week, I want to assure you that the Department is finalizing a list of nominees to be submitted to the President soon.

Further, it is important to note that transmission of the Commission's report to Congress has been delayed from December 31, 1993 until December 31, 1994 as part of the fiscal year 1994 Treasury, Postal Service and General Government Appropriations bill. With the funding for the Commission now assured, we see no reason that the report cannot be submitted by the new statutory deadline.

I appreciate your strong interest in the Commission, and hope this information is helpful to you.

Sincerely,



Donna E. Shalala

THE WHITE HOUSE
WASHINGTON

copy Phil Laser
1-26-94

94 JAN 26 P5:25

JLP

January 26, 1994

MEMORANDUM FOR JOHN PODESTA

FROM: JAMES DORSKIND *JJD*
DEPUTY DIRECTOR OF CORRESPONDENCE
AND PRESIDENTIAL MESSAGES

SUBJECT: Backlog Status

✓
COPY 1
Sent 1-26
S.

You asked me to prepare a memorandum regarding the backlog in the Correspondence Department.

The current backlog is 134,000 pieces, about 53,000 of which still need to be opened and stapled. The rest are in various stages of processing.

This backlog has developed over the last six or seven weeks. Before that time we had a total of 30-40,000 pieces throughout the Mail Analysis unit. As we discussed, there are several reasons for the backlog:

- * the ordinary slack-off during December as staff and volunteers alike took vacation and the volunteers attended to family affairs;
- * the break between intern sessions;
- * the unusual weather and related office closings;
- * the influx of holiday greetings and gifts; and
- * the thousands of condolence messages the President has received on the death of his mother.

You should know that we have already begun an aggressive campaign to eliminate the backlog. These efforts include:

- * Requiring each of our new interns to spend about fifty percent of his or her time in mail analysis, helping with data entry or reading and coding;
- * with the hard work and ingenuity of our Volunteer Department, we have made unprecedented efforts at outreach:

- * We have scheduled two "mailathons," one each for this and the following Saturdays (we hope to have between 150 and 200 volunteers each of those days to open and staple mail and to address envelopes for condolence card and general thank you responses);
- * we are bringing in extra groups on evenings; and
- * we are reaching out to our entire volunteer pool to encourage all of our volunteers to pitch in to reduce the backlog.

Although I cannot tell you for sure when the backlog will be eliminated, I do believe that we have already started to move in the right direction, even before this Saturday's first big special push. I do hope to be back to normal by the end of February.

For your information on the photograph front, I should note that, to reduce the burden on the calligraphers, we are attempting to convince staff throughout the White House to accept lithographed signatures except in the case of "official" requests.

I hope that this has been helpful. If you need anything else, please let me know.

cc: Marsha Scott

THE WHITE HOUSE
WASHINGTON

DATE: 01/26/94

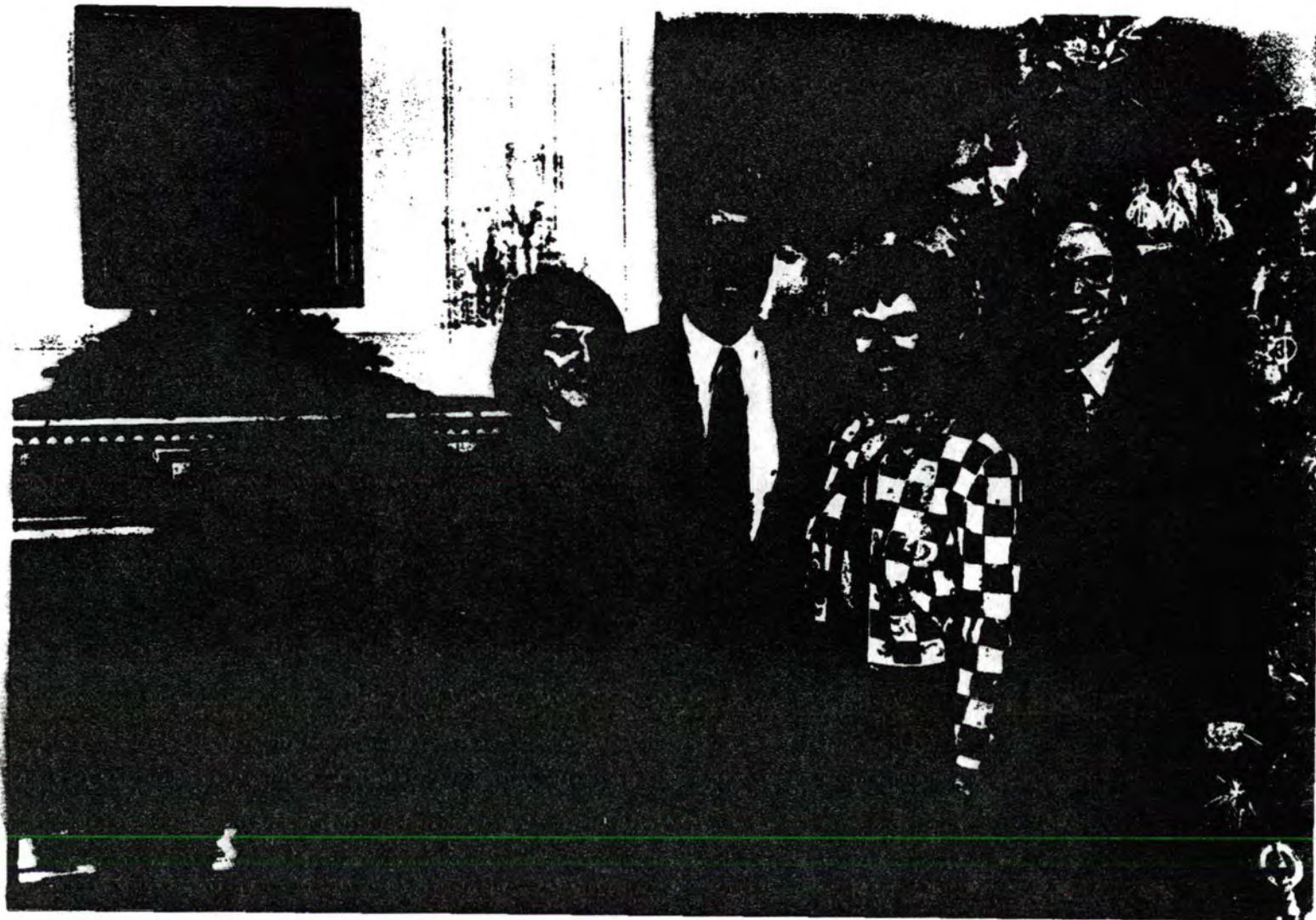
TO: PAM BARNETT

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

I would like to request the
First Lady's signature on
the attached photo.

Please return the photo to
my office.

Thanks.



To Bob and Rita
with best wishes,

Bin Untee

THE WHITE HOUSE
WASHINGTON

DATE: 01/26/94

NOTE FOR: LEEANN INADOMI

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

Information ☐

Action ☒

See the President's note--

"Should do note to Don Edwards"

Thank you.

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

cc:

1-26-94

2 Senior Democrats Plan To End Careers in House

Ford, Edwards, 2 Others Announce Retirements

By Kenneth J. Cooper
Washington Post Staff Writer

Two senior Democrats who never backed away from old-fashioned liberalism, Rep. William D. Ford (Mich.) and Rep. Don Edwards (Calif.), announced yesterday that they will retire from the House at the end of this year.

Ford, chairman of the House Education and Labor Committee, arrived in Congress in 1965 and cast some of his first votes for President Lyndon B. Johnson's Great Society programs. Ford remained an advocate of Johnson's vision of a caring, activist role for government for the next 30 years. Unlike some liberals, the Detroit-area Democrat did not waver during the 1980s in the face of President Ronald Reagan's conservative coalition.

"I began my congressional career with the presidency of Lyndon Johnson, and I am proud to have been here during the enactment of many ambitious Great Society programs," Ford said on the House floor.

Ford, 66, said he would not seek reelection because he wanted "to focus on my remaining years." His announcement was foreshadowed by recent departures of key aides at the education panel, which Ford took over in 1991.

With his close ties to organized labor, Ford championed legislation to require advance notice of plant closings, permit unpaid leave for workers in medical emergencies and to loosen Hatch Act restrictions on federal employees' participation in politics. Last year, he was an outspoken opponent of the North American Free Trade Agreement as a threat to U.S. jobs.

Ford has been known best for shaping education legislation, particularly financial aid for college students. He argued for federal help for as many students as possible and insisted that grants and subsidized loans be available to trade school students.

He participated in defining much of the federal role in education in his first term and reauthorizing those programs in subsequent years. "Virtually every piece of education legislation that's on the federal books has my fingerprints on it, someplace or other," Ford said.

His announcement could clear the way for Rep. William "Bill" Clay (D-Mo.) to follow the path Ford took and switch his chairmanship from the Post Office and Civil Service Committee to Education and Labor. A spokesman said Clay had not decided which committee to lead.

While Ford focused on programs,

Edwards, 79, concentrated on civil liberties to protect the rights of citizens. As chairman of the House Judiciary subcommittee on civil and constitutional rights since 1971, Edwards worked for civil rights and abortion rights legislation. He helped pass amendments to the Voting Rights Act in 1982 that made possible more predominantly minority districts and the 1991 civil rights bill that President George Bush once attacked as a "quota bill."

Edwards, who has represented the San Jose area since 1963, also was an early opponent of the Vietnam War and an uncompromising critic of conservative constitutional amendments to allow school prayer and require a balanced federal budget. He is dean of the 54-member California congressional delegation, the nation's largest.

In another retirement, Rep. William J. Hughes (D-N.J.), 61, announced Monday he would not run again in his Jersey Shore district so he could spend more time with his family. During the 1980s, as chairman of the House Judiciary subcommittee on crime, Hughes, a former prosecutor, was a leader on anti-crime and drug legislation. His more than 50 bills included ones that authorized "boot camps" for drug offenders and prohibited child pornography.

Ron de Lugo (D), the delegate from the U.S. Virgin Islands who has served since 1981, also told colleagues he would not run again.

So far 33 House members have announced they will retire or seek higher office, a total outpacing the last Congress when a postwar record 65 lawmakers left voluntarily.

Blanchard Says He Won't Run for Senate

By Dan Balz
Washington Post Staff Writer

James J. Blanchard, U.S. ambassador to Canada and former governor of Michigan, said he would not leave his post to become a candidate for the Senate in Michigan this year.

Blanchard, a close friend of President Clinton, had weighed the race since Sen. Donald W. Riegle Jr. (D-Mich.) announced his retirement last fall. Considered by many in Michigan the strongest potential Democratic candidate, Blanchard acknowledged in a statement issued Monday that "it almost breaks my heart not to say yes" to the race. But he said he felt

compelled to "finish what I have begun in Canada."

Blanchard's decision is likely to bring other Democrats into the contest. The Democratic field now includes state Sen. Lana Pollack, former representative Bill Brodhead and Wayne County prosecutor Carl Marlinga. Other possible candidates are Rep. Bob Carr and Joel Ferguson, a Lansing businessman who engineered Jesse L. Jackson's surprise victory in the 1988 Democratic caucuses there.

The Republican field includes former state party chairman Spencer Abraham, talk show host Ronna Romney, a former daughter-in-law of ex-governor George Romney, and

Judy Miller, a former state representative.

Blanchard said in an interview he felt "uncomfortable about leaving something I enjoy and that I think is really important. . . . To leave after four or five months, I don't think that's wise."

A leading Democrat said that while Blanchard's decision was largely personal, Blanchard also recognized much work needed to be done quickly if he wanted to run. "His particular candidacy would have required a kind of reintroduction of himself . . . and pulling together a staff that's not there right now," the Democrat said. "I'm not sure he felt he had the time to put all the pieces together."

The Washington Post Writers Group

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Chron
also
George S
+ Gergen

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THE PRESIDENT WAS SEEN

1-20-94

Handwritten: Hufschmidt

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(FOR IMMEDIATE RELEASE, Normally Advance for Monday, January 24, 1994)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--This city reacted to Adm. Bobby R. Inman's scorching exit as you would expect if what he said about Washington's journalistic habits were true: If he's that tetchy, we snidely said, he would have been miscast as defense secretary anyway. Next question.

An intelligence professional's sixth sense certainly ought to have alerted Inman to the fishiness of the Bob Dole-William Safire plot, one of the unlikelier conspiracies of the age. Still, the "character issue," the emphasis in his Austin press conference, has become a journalistic obsession. And it does threaten to make this city as nasty and ungovernable as McCarthyism did in the 1950s.

Inman's own minor flesh wounds illustrate the danger. His failure to pay a maid's Social Security taxes may be news. But when it mushrooms into the lead story in Washington's dominant newspaper, as it did shortly after Inman's nomination, perspective has fled. "Nannygate" shows how an affirmative action goal (appointing a female attorney general) developed, on its own, an idiotically trivializing standard. It joined such stories as Henry Kissinger's garbage, Bob Bork's video rentals, Douglas Ginsburg's pot-smoking, Richard Allen's Japanese wristwatches, Bill Clinton's sex life and, yes, Anita Hill's belated distress over Clarence Thomas' bawdy conversation, as another memorable example of the transformation of molehills into mountains.

Inman complained of a New York Times story on the fortunes of Tracor, the high-tech company he helped found and run after leaving government. Business acumen may or may not be helpful to a secretary of defense. But the admiral invited such scrutiny when he said on the White House lawn that he had learned a lot about business in the private sector. Well then?

(more)

His larger journalistic point should not be missed, however: If these matters are explored, journalists have an obligation to put them in perspective, not to be content with a single-shot story implying that the woes of Tracor make Inman a business failure.

Intelligence, Inman's profession, has a way of leaving even its best practitioners with an enlarged sense of the importance of secrecy. But least of all Bobby Inman. Before his retirement from the Navy, Inman was admired as a sophisticated and disciplined professional, not given to the usual suspicions of the press. He returned phone calls; he answered questions. His self-discipline was legendary. As deputy director of central intelligence, Inman disapproved of, and tried quietly to offset, the spins and deceptions of CIA Director William Casey. Inman correctly feared the contamination of intelligence by policy objectives. And when Casey's behavior became intolerable, Inman quietly resigned and slipped away to Texas without blowing the whistle. Discretion carried to a fault, perhaps.

His most revealing farewell shot at the Austin withdrawal press conference was a heartfelt recollection of how a peppery Boston lawyer, Joe Welch, doomed Joe McCarthy's character assassination with a single question: "Have you no decency, sir?" Welch asked McCarthy at a dramatic moment of the Army-McCarthy hearings in 1954, when McCarthy had slyly questioned the patriotism of a young associate in Welch's law firm.

A possibly relevant footnote:

When Bill Clinton was weighing the presidential race in early 1992, he asked me if I had any advice on understanding the press. I said: "Think of the worst story that could be told or written about you and assume that it will be, whether true or false. Then ask yourself if you can live with it."

That advice may have been useful for Clinton, as it would be, or would have been, for Bobby Inman, Vincent Foster and others who find the Washington climate so indecent as to discourage public service. A new McCarthyism? Not exactly; more a symptom of the hectic style of television and of the press' perennial immunity to public accountability. But a real and present danger too.

(more)

Over half a century ago British prime minister Stanley Baldwin said it best. Regarding the performance of the British press in the abdication crisis of 1936, he said it exhibited ``power without responsibility, the privilege of the harlot down through the ages.'' The comparison is unflattering. But we often ask for it and sometimes deserve it.

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WEDNESDAY, JANUARY 26, 1994 A21

Lynn Davis

Korea: No Capitulation ✓

Charles Krauthammer's column of Jan. 7 ["Capitulation in Korea"] is so full of flaws and distorts American policy so badly that the record must be set straight. The president has been steady and firm in his objectives: a nonnuclear Korean peninsula and a strong international nonproliferation regime.

The stakes in Korea are high. Nuclear weapons there could destabilize all of Northeast Asia and undermine the global nonproliferation regime. If the North launched military operations, it would be defeated, but we would be engaged alongside our South Korea allies in a major war that could leave destruction throughout much of the peninsula. So there is good reason to give diplomacy a responsible chance before turning to other alternatives.

Before outlining our diplomatic tasks let me correct four misconceptions contained in Krauthammer's article.

First, his views are based on the erroneous premise that we have agreed to "one-time" inspection by the International Atomic Energy

Taking Exception

Agency (IAEA) to maintain continuity of safeguards. The number and scope of inspections required is a matter for the IAEA, not the United States, to decide. And North Korea knows it must permit continuing, periodic inspections for the IAEA to be able to certify that the continuity of safeguards has been maintained.

Second, Krauthammer mistakes an interim step for final resolution of this problem. Our immediate task has been to ensure that no more fissile material is diverted. Maintaining IAEA safeguards does that. We will then press North Korea for inspection of suspect sites and dismantling of nuclear facilities.

Third, Krauthammer unjustifiably attacks the integrity of the IAEA. IAEA Director Hans Blix has been beyond reproach in his handling of this issue. The United States had insisted that North Korea deal directly with the IAEA so that the inspectors will be able to obtain the kind of access they need to maintain the continuity of safeguards. The IAEA's integrity remains fully intact.

Finally, Krauthammer called the suspension of the U.S.-South Korean Team Spirit exercise for 1994 a "huge payoff" for North Korea. He is wrong again. The United States and South Korea agree that Team Spirit '94 should be suspended only if progress on the nuclear issue reduces the threat faced by our allies. Even if Team Spirit '94 is not held, we plan to continue our other major joint exercises in South Korea. As the president told the South Korea National Assembly last July, our defense commitment to the Republic of Korea remains unshakable.

So how will we seek to achieve our goals?

Our immediate task has been to ensure no further diversion of plutonium. For that reason, in June we told the North Koreans we would meet with them only as long as they met certain conditions: no refueling of their nuclear reactor without IAEA inspectors present, and no breaks in the continuity of IAEA safeguards. Talks between the IAEA and North Korea in Vienna are now going on, and we urged rapid agreement on the IAEA inspections required to maintain continuity of safeguards at the seven sites in Yongbyon.

THE PRESIDENT HAS SEEN

WEDNESDAY, JANUARY 26, 1994 THE WASHINGTON POST

It is essential that North Koreans comply fully with the Non-Proliferation Treaty (NPT), including the safeguards agreement they signed. This includes inspection of the two suspect nuclear waste sites that triggered North Korea's withdrawal from the NPT in the first place.

During our first negotiating round, the North Koreans agreed to "suspend" their withdrawal from the NPT, but they are not now living up to all of the treaty's provisions. After the second round, the North agreed to begin consultations with the IAEA on "outstanding safeguards issues," but agreement was not reached on the IAEA's request for a special inspection at the suspect waste site. We will continue to press the North to comply with all the NPT's provisions, including access to the waste sites.

Further, North and South Korea must fully implement their Denuclearization Declaration, which includes a ban on uranium enrichment and plutonium reprocessing on the peninsula. The North has agreed to resume North-South talks that would include discussion of this agreement, but progress has been slow. We will proceed with further U.S.-North Korean negotiations only after North-South exchanges and IAEA inspections.

We also seek the decommissioning and dismantling of North Korea's graphite moderated nuclear reactors and its reprocessing facility. The North would then be unable to use these facilities to produce the plutonium needed for weapons. The reprocessing plant is prohibited by the North-South agreement, and North Korea has indicated its willingness to convert from graphite moderated reactors to a less dangerous type of light reactors for its energy needs.

North Korea must also address our concerns about other matters, including its support for terrorism, violation of human rights, export of ballistic missiles and hostile foreign policy. If it does, North Korea should understand that it can change from being a rogue state to an accepted member of the international community.

Krauthammer is right in asserting that we still have a long way to go, but he is wrong in claiming that the United States lacks resolve and a clear strategy. We are pursuing a course that gives North Korea a clear choice and tests its true intentions. We are prepared to take steps to help bring North Korea into the family of nations, but only as it meets our conditions.

North Korea also knows that the patience of the United States and the international community has its limits. We will not tolerate continued stalling or repeated instances of bad faith. If North Korea fails to comply with its international obligations, we will have to take other steps, including seeking a range of international sanctions. The firm diplomatic strategy that the United States has been pursuing will help ensure that the international community will endorse such sanctions if they were needed.

The United States has led the international community to a consensus that gives North Korea a clear choice between opening doors and increased international isolation. North Korea has no illusions about what it must do to remove concerns about its nuclear intentions. Mr. Krauthammer should have no illusions that there is an easy fix to a complex and dangerous dispute.

The writer is undersecretary of state for international security affairs.

Compensation in '93 Climbed a Slim 3.5%, Matching Rate in '92

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Faster wage increases and a slowdown in benefit costs produced a 3.5% increase in average worker compensation last year, matching the 1992 increase which was the lowest in a decade.

The Labor Department figures suggest that labor cost inflation is well under control. Increases in compensation costs have been slowing since 1988.

Wages and salaries, meantime, are finally picking up momentum after slowing in growth since 1989. Wages rose 3.1% last year following a rise of only 2.7% in 1992. The 1993 increase was still small, but topped last year's inflation rate of 2.7%. Service-producing and nonmanufacturing industries showed the biggest wage gains.

"We are past bottom in hourly wages," said Donald Ratajczak, head of the Economic Forecasting Center at Georgia State University.

Finally, the figures suggest that benefit costs, driven mainly by health care, are continuing to moderate. Companies are resisting benefit increases to hold down costs, while at the same time the health-care industry, under fire from the Clinton administration, is looking for ways to control prices.

Benefit costs were up 4.6% for the year after rising 5.3% in 1992. These costs have slowed the most at the state and local government level. The rise in private-sector benefit costs also slowed.

Analysts said yesterday that the news for employers in terms of compensation costs is probably about as good as it is going to get. The labor market is likely to continue getting better as the economy improves, and that will help keep wages firm. Also, while health-care costs have been moderating, analysts predict they will continue to rise faster than the inflation rate.

"Health care is a very labor-intensive sector and it's hard to hold costs down," said Washington economic consultant Joel Popkin.

U.S. Families' Net Worth Fell 12% From '88 to '91

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The last few years have indeed been tough financial times for U.S. families.

The median net worth of the nation's households tumbled 12% from 1988 to 1991, after adjustments for inflation, the Census Bureau said in a new report. The drop to \$36,623 from \$41,472 is mainly the result of declines in home equity, interest-earning assets at financial institutions, checking accounts, rental property and assets held in businesses.

The report found big ethnic differences. Black families had a median net worth of only \$4,604 in 1991 and Hispanic families had \$5,345, while white households had a median net worth of \$44,408.

However, whites were the only racial group with a statistically significant decline in their net worth during the period. It fell more than 13%.

The report also found that blacks tend to have a larger percentage of their net worth in homes and cars, while that of whites tends to be based in stocks, mutual funds and certificates of deposit.

Those Americans with annual incomes from \$12,852 to \$34,968 — about 20% of the population — experienced the largest drops in net worth. The poorest fifth of Americans saw their net worth rise more than 4%, while the richest fifth saw theirs drop 5%.

The distribution of net worth was basically unchanged during the four-year period. The richest 20% of Americans held about 45% of all the wealth, while the poorest 20% held only 7%.

The Washington Post Writers Group

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^EDWIN YODER COLUMN<

^(FOR IMMEDIATE RELEASE, Normally Advance for Wednesday, January 26, 1994)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

1150 15TH STREET, N. W., WASHINGTON, D. C. 20071-9200
TEL: (202) 334-6375 (BERNIE) (800) 879-9794

THE PRESIDENT HAS SEEN

1-26-94

Amey

Bernie N.

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*1. ce Howard
France
c. President*

WASHINGTON--Here, for the record, is a jaundiced thought or two about the highly praised appointment of a New York lawyer and former federal prosecutor, Robert Fiske Jr., to investigate the Whitewater/Madison Guaranty matter and the role in it of President and Mrs. Clinton.

Given a long, flexible leash by Attorney General Janet Reno, Fiske proclaimed at a Justice Department news conference that he expects to question the Clintons "under oath" about their business transactions in Arkansas, some of which go back more than 15 years to his term as attorney general of that state. Fiske, Reno further says, is answerable not to her or to settled legal standards but to the American people. It is all very high-minded and very dangerous--a bit like a people's court, perhaps?

The president is gambling that the Fiske inquiry is the best way to free himself from a paralyzing tissue of suspicion and insinuation which emerged in the 1992 presidential campaign, subsided, then resurfaced a month or so ago. But after long stalling he made the decision to yield to the clamor for a special prosecutor during his European journey, suggesting both haste and a certain lapse of perspective.

No one has ever conclusively settled, in the abstract, the underlying question: How "ethical" must a president be--and seem--to command public confidence? The standards are as shifty as quicksand. A president has larger concerns than bookkeeping and responding to subpoenas relating to his past financial life. But a president is also first citizen of the republic and his personal conduct is material to the rule of law.

What is unusual if not unprecedented about the Fiske inquiry is that it is the first instance, so far as I can recall, in which a special prosecutor has been launched, like a heat-seeking missile, squarely at the

(more)

person and authority of a president. Even in the Watergate affair, Special Counsel Leon Jaworski named President Nixon only as an ``unindicted co-conspirator,`` shying from exercising, in his own capacity, the power to indict a sitting president. The history and words of the Constitution's impeachment article suggest that Jaworski's self-restraint accorded with the thoughts of the framers about the unique situation of the chief executive.

Is that restraint now to end? Fiske's charter as independent counsel, which he wrote for himself on a yellow legal pad, gives him authority not only to investigate the Madison Guaranty and related matters but to seek indictments. His investigative authority stretches not only to the issues of the moment but to ``other allegations or evidence ... developed during the investigation ... and connected with or arising out of that investigation.`` Could a more sweeping license for a fishing expedition be written? I can't imagine how.

That is perhaps the way the White House and the Justice Department wanted it. But at what unforeseeable cost to presidential authority? And for what gain? That is the gamble.

Whatever its outcome, the Fiske probe is yet another disquieting symptom that the obsession with ``ethics`` in the picayune sense of the word, generated by Watergate and other nurseries of public cynicism, is now out of hand. The ethical tail now often wags the dog of government.

That is the way purists seem to like it these days, with governance sacrificed to a consuming concern with ethics. But it is not clear that this preoccupation has had the intended effect of reinforcing public confidence. A strong argument can be made to the contrary--that the more ethical inquiries we launch, the greater the cynicism we generate.

My own presumption is that Fiske's inquiry will exonerate the first family. But at what cost? The price in distraction and in the subordination of political authority to the cult of legalism will surely be high.

And even if the Fiske gamble pays off, future chief executives must live with a very bad precedent.

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THE WHITE HOUSE
WASHINGTON

copy Phil Lader

1 26-94

94 JAN 26 P5: 25

JLP

January 26, 1994

MEMORANDUM FOR JOHN PODESTA

FROM: JAMES DORSKIND *JD*
DEPUTY DIRECTOR OF CORRESPONDENCE
AND PRESIDENTIAL MESSAGES

SUBJECT: Backlog Status

You asked me to prepare a memorandum regarding the backlog in the Correspondence Department.

The current backlog is 134,000 pieces, about 53,000 of which still need to be opened and stapled. The rest are in various stages of processing.

This backlog has developed over the last six or seven weeks. Before that time we had a total of 30-40,000 pieces throughout the Mail Analysis unit. As we discussed, there are several reasons for the backlog:

- * the ordinary slack-off during December as staff and volunteers alike took vacation and the volunteers attended to family affairs;
- * the break between intern sessions;
- * the unusual weather and related office closings;
- * the influx of holiday greetings and gifts; and
- * the thousands of condolence messages the President has received on the death of his mother.

You should know that we have already begun an aggressive campaign to eliminate the backlog. These efforts include:

- * Requiring each of our new interns to spend about fifty percent of his or her time in mail analysis, helping with data entry or reading and coding;
- * with the hard work and ingenuity of our Volunteer Department, we have made unprecedented efforts at outreach:

- * We have scheduled two "mailathons," one each for this and the following Saturdays (we hope to have between 150 and 200 volunteers each of those days to open and staple mail and to address envelopes for condolence card and general thank you responses);
- * we are bringing in extra groups on evenings; and
- * we are reaching out to our entire volunteer pool to encourage all of our volunteers to pitch in to reduce the backlog.

Although I cannot tell you for sure when the backlog will be eliminated, I do believe that we have already started to move in the right direction, even before this Saturday's first big special push. I do hope to be back to normal by the end of February.

For your information on the photograph front, I should note that, to reduce the burden on the calligraphers, we are attempting to convince staff throughout the White House to accept lithographed signatures except in the case of "official" requests.

I hope that this has been helpful. If you need anything else, please let me know.

cc: Marsha Scott

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

*Short
1/26/94
fax*

TO: CAROL BROWNER

Fax Number: 260-0279

Phone Number: 260-4700

FROM: JOHN PODESTA

SUBJECT:

DATE: JANUARY 26, 1994

NUMBER OF PAGES (including cover sheet): Three (3)

MESSAGE:

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

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THE PRESIDENT HAS SEEN 1/25



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

94 JAN 24 1994 P 6:52

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: Carol Browner

SUBJECT: Automobile Refueling Emission Reduction Rule

Today I signed a Clean Air Act rule which will require automakers to phase in vapor recovery canisters on new cars and light-duty trucks starting in 1998, resulting in significant and inexpensive reductions in smog-forming compounds and toxics released during refueling. This rule is also noteworthy because it breaks gridlock -- ending seven years of litigation and representing what I believe to be a major turning point in the relationship between EPA and the automobile industry.

EPA has been attempting to develop a rule since 1987. Then the 1990 Amendments to the Clean Air Act required these controls, but the Bush Administration refused to implement them. EPA was sued and ordered by a court to require on-board canisters to be phased in for passenger cars from 1998 - 2000. After an intensive period of negotiations, we were able to convince the automakers to agree to phase-in controls on light-duty trucks (pick-up trucks, minivans and others) from 2001 - 2006. The automakers also agreed not to pursue any litigation, ending years of controversy and signalling a new era of cooperation, rather than conflict between the automakers and EPA (see attached AP story).

These on-board canisters, as they are called, are one of the most cost-effective means available for controlling air pollution. They cost roughly \$10 per car and therefore mean inexpensive emission controls for the consumer and polluted cities. They will also bring other economic benefits because the canister captures the gasoline vapors for use, thereby increasing gas mileage. In addition, once the rule is fully implemented, states will be able to phase out the special nozzles now required on gas pumps.



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AP-Gasoline Fumes, 6106
EPA Orders Fuse Collectors on New Cars
By H. JOSEF HEBERT=
Associated Press Writers=

WASHINGTON (AP) - The Environmental Protection Agency directed automakers Monday to equip new cars with canisters that capture toxic, smog-producing fumes during refueling.

The canisters will have to be phased in over three years beginning with 1998 models. Vans, specialty vehicles and small trucks will be given an additional three years to comply.

The EPA estimated the canisters will add \$10 to the price of a vehicle. But automakers have said costs could be closer to \$50 a car.

"Today's rule breaks years of gridlock," EPA Administrator Carol Browner said. She said that when the canisters are fully phased into the driving fleet - a process that likely will take a decade or more - they will capture 95 percent of refueling emissions.

The action, taken under court order, ends a seven-year battle with the auto industry, which had strongly opposed the canisters. Automakers contended it would be cheaper to equip gasoline pumps with pollution-control devices. Big Oil fought that idea.

During his re-election campaign in 1992, then-President Bush directed service stations in parts of the country with the worst air pollution to install pollution-control nozzles on gasoline pumps. Speaking four days before the Michigan primary election, Bush said he didn't want to burden the struggling auto industry with yet another environmental regulation.

But 18 months later in a lawsuit filed by environmentalists, a federal court said Bush's order had violated the 1990 Clean Air Act. The appeals court said the EPA must require the on-board vapor recovery system. The Clinton administration agreed to comply with the court order without an appeal.

Browner, in fact, went a step further Monday, also requiring that increasingly popular vans, utility vehicles and small trucks - not directly mentioned by the clean air law - also have the canisters. The phase-in for those vehicles begins in 2001.

"We are fully committed to work with EPA to get the job done," the American Automobile Manufacturers Association said in a statement. The industry group said the phase-in schedule will provide time to develop dependable and safe emission control systems.

The automakers for years had argued that the canisters potentially were unsafe because of a possible fire. They maintained a more economical and safer way to deal with refueling emissions was with the fuel pump nozzles.

After Bush's directive, thousands of service stations in urban areas with the worst smog pollution began installing the devices last year. Browner said those areas may begin to phase out use of the special nozzles once the on-board canisters are in widespread use.

Browner said in an interview that she considers the on-board canisters a much better system for controlling refueling emissions since it will cover automobiles in use nationwide and not just in urban areas with the worst smog.

"This is a huge step forward It's hard to point to another rule that will be as significant for as many people," said Browner. When the canisters are fully phased in, they are expected to capture 95 percent of the volatile organic compounds and 300,000 to 400,000 tons of toxic emissions emitted during refueling nationwide, she said.

Richard Wilson, director of the EPA office of mobile source pollution, said the cost of the canisters is expected to be reduced because manufacturers already will have to make many of the needed design adjustments to meet other pollution control requirements.

The special canisters are to be installed in 40 percent of the new car fleet beginning with 1998 models. In 80 percent the following year and in all cars beginning with the 2000 models. A similar phase-in will begin with light trucks, vans and specialty vehicles in 2001.

AP-LP-01-24-94 1637EST<

THE WHITE HOUSE
WASHINGTON

94 JAN 25 P5:13

January 25, 1994

Gearan
Hale
Copied

MEMORANDUM FOR THE PRESIDENT

FROM:

MARK GEARAN *mg*
MARCIA HALE *mh*

SUBJECT:

Communications Plan for Mayors' and Governors' Conferences

In the days immediately following the State of the Union, both the U.S. Conference of Mayors and the National Governors' Association are meeting in Washington. As you know, you will be speaking to both groups. These meetings offer a unique opportunity to build public support among state and local officials for the legislative agenda you lay out in the speech tonight. It allows us to show that this administration is addressing the real concerns of Americans who live beyond Beltway. The following memo outlines the Intergovernmental and Communications Departments' plans for those meetings. Our goals are simple:

- Highlight the first-year accomplishments and plans for the year ahead.
- Keep the meetings bi-partisan and cordial in tone.
- Focus on issues where state and federal government are working or will work together effectively, particularly crime, welfare reform and health care.
- Draw some attention to the Administration's substantial accomplishments at improving relations between the federal and state and local governments.

Below are some of the major communications' events during the two conferences:

I. Mayors' Press Conference on Wednesday, January 26, 1994

- The mayors will hold an opening press conference tomorrow morning that will inevitably respond to the State of the Union. We are working to ensure that Mayor Abramson and others are supportive. We have prepared talking points on the speech and accomplishments that will be distributed to the mayors for use during the conference.

II. White House Briefing on Federalism Record

- Later this week, we plan to hold a small, background briefing at the White House for reporters who will cover the NGA meeting. This briefing will highlight your federalism initiative, focusing on the following: the waivers for state welfare and health care programs; the stream-lined approach to disaster response that was practiced after the floods in the Midwest, the earthquake and the fires in California; the close cooperation with the Governors on NAFTA; the unprecedented inclusion on the Health Care Task Force; the executive order on unfunded mandates; and the recommendations of the National Performance Review. We will also use this briefing to head off possible criticisms from some Governors who may be posturing for re-election at home.

III. Cabinet Presentation to the Mayors on Urban Agenda --
Thursday, January 27

- Secretaries Reich, Riley, Cisneros, Pena and Shalala will appear together at a U.S. Conference of Mayors' session to lay out the administration's urban agenda.

IV. Address to the Mayors on Crime -- Friday, January 28

- You will be speaking to the U.S. Conference of Mayors at the White House on Friday. This event will give us a chance to add some detail to the crime agenda you outlined in the State of the Union.

V. DGA Strategy Session -- Saturday, January 29

- We will be meeting with the Democratic Governors who gather before the NGA meeting to strategize. This year, the DGA meeting will focus primarily on the upcoming elections, but we will have an opportunity to explain what the administration hopes to accomplish over the course of the NGA Conference.

VI. Op-Eds in the Weekend Papers

- We have been working with Governors Howard Dean and Evan Bayh, who have written op-eds on health care and welfare reform respectively that they will try to place in the weekend papers. Both pieces will highlight state initiatives and point to this administration's unprecedented willingness to give states flexibility to experiment in these crucial areas.

*DeVro
Broderick
about NGA
issues - esp. waivers
for state experiments*

Memo on Communications Plan
January 25, 1994
Page 3

VII. Talk Shows -- Sunday, January 31, 1994

- We are working with administration officials and Governors who will appear on the weekend talk shows to coordinate our message.

VIII. NGA Roundtable on Crime -- Monday, January 31, 1994

- The governors' event at the White House will allow us to add some substance and detail to the crime message in the State of the Union. It is open to the press only for the opening remarks. After that, the roundtable will also give you an opportunity to hear about successful crime-fighting programs in the states. You may hear some displeasure about cut-backs in drug task force money.

IX. DGA Dinner -- Monday, January 31, 1994

- The fund-raising dinner will be a tribute to the outgoing Democratic Governors: Wilder, Florio. It will be open press and may afford some opportunity to comment on the outlook for the 1994 gubernatorial races.

X. Address to NGA Plenary Session -- Tuesday, February 1, 1994

- This event will follow-up on the State of the Union message on health care and welfare. You should know that Senator Dole will be speaking before you do.

Please let me know if you have any suggestions or concerns about this plan.

THE WHITE HOUSE
WASHINGTON

94 JAN 25 P5:32

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: NANCY GRENESE

Fax Number:
637-5910

Phone Number:
637-5697

FROM:
JOHN PODESTA

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet):

2

MESSAGE:

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

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

JOHN D. PODESTA

John D. Podesta serves in the Clinton Administration as Assistant to the President and Staff Secretary.

Before joining the Administration he was Vice President and General Counsel of Podesta Associates, Inc., a Washington, D.C. government relations and public affairs firm.

He has had extensive Capitol Hill experience, serving as Chief Counsel to the Senate Committee on Agriculture, Nutrition, and Forestry and as Chief Minority Counsel to the Senate Judiciary Committee Subcommittees on Patents, Copyrights and Trademarks; Security and Terrorism; and Regulatory Reform.

He served as a trial attorney in the Department of Justice's Land and Natural Resources Division and as a Special Assistant to the Director of ACTION, the federal volunteer agency.

He has written and lectured extensively on intellectual property, privacy and technology issues. In the Spring of 1991, he chaired a Task Force on Privacy and Technology for the Senate Judiciary Subcommittee on Technology and the Law which made recommendations to the Senate on updating the Electronic Communications Privacy Act in light of new technological developments.

His publications include Protecting Electronic Messaging: A Guide to the Electronic Communications Privacy Act of 1986 and Access to and Use and Disclosure of Electronic Mail Company Computer Systems: A Tool Kit for Formulating Your Company's Policy, with David Johnson.

He is a 1976 graduate of Georgetown University Law Center and a 1971 graduate of Knox College.

1125

Sent
Nussbaum
Klain db

THE WHITE HOUSE
WASHINGTON

January 25, 1994

Charles R. Stack
High, Stack, Lazenby, Palahach,
Goldsmith & Del Amo
3929 Ponce de Leon Boulevard
Coral Gables, Florida 33134

Dear Bud:

Thank you for your letter of January 13.

I deeply appreciate your interest in serving on the United States Court of Appeals for the Eleventh Circuit. I know that you have much to offer the nation, and I have shared your letter with my counsel, Bernie Nussbaum, to let him know of your interest.

Sincerely,

Brian

CC Counsel
Can I do this?
His my ~~good~~
friend

HIGH, STACK, LAZENBY, PALAHACH, GOLDSMITH & DEL AMO

ATTORNEYS AT LAW

525 STRAWBRIDGE AVENUE
MELBOURNE, FLORIDA 32901

3929 PONCE DE LEON BOULEVARD
CORAL GABLES, FLORIDA 33134

115 SOUTH 2ND STREET
FORT PIERCE, FLORIDA 34950

ROBERT KING HIGH (1924-1967)
CHARLES R. STACK, P.A.
ROBERT A. LAZENBY, P.A.
MICHAEL PALAHACH, P.A.
GLEN R. GOLDSMITH
GEORGE W. MAXWELL III
CLAY D. MORGAN
CARLOS C. DEL AMO
GREGORY S. MARTIN
ARTHUR GARCIA, JR.
JAMES M. ADAMS, JR.
ALVIN S. CAWN (OF COUNSEL)

(305) 443-3329 FAX (305) 443-0850

MELBOURNE TELEPHONE

(407) 725-5525

FAX (407) 984-2411

FT. PIERCE TELEPHONE

(407) 461-6161

FAX (407) 464-6740

PLEASE REPLY TO:

P.O. BOX 143940

CORAL GABLES, FL 33114-3940

January 13, 1994

President William J. Clinton
The White House
Washington, D.C. 205-00-2000

Dear Mr. President:

The Honorable Peter T. Fay, United States Eleventh Circuit Court of Appeals judge, will have assumed senior status on January 18, 1994. This action causes a vacancy on the Eleventh Circuit and as I have advised in earlier correspondence, I would be honored to fill this position.

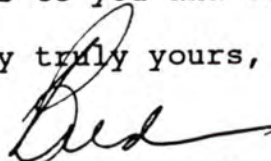
My thirty-three years of constant and dedicated application to the practice of law combined with my good health and interest in people more than qualify me for this position, I humbly submit. Practically all of the local and federal bench and indeed the retiring judge are extremely favorable to my appointment. I have mentioned earlier that the American Bar Association screening should produce a most favorable recommendation.

I have always thought there would come a time in my life when I would hear the call to public service. Through your leadership and God willing, the time has come for me to make my contribution.

A copy of my earlier letter, resume and endorsement list are enclosed.

Warmest personal regards to you and the First Family.

Very truly yours,



CHARLES R. STACK

CRS/mn
Enclosures

HIGH, STACK, LAZENBY, PALAHACH, GOLDSMITH & DEL AMO

ATTORNEYS AT LAW

525 STRAWBRIDGE AVENUE

MELBOURNE, FLORIDA 32901

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PLEASE REPLY TO:

P.O. BOX 143940

CORAL GABLES, FL 33114-3940

July 7, 1993

President William J. Clinton
The White House
Washington, D.C. 205-00-2000

Dear Mr. President:

As always, Barbara and I very much enjoyed seeing you and the First Lady briefly at the Presidential Dinner. Also, we hope that you have recovered from any jet lag you might have occasioned from the Japan trip.

In January, 1994, a vacancy will occur on the U.S. 11th Circuit Court of Appeals when Honorable Peter Fay of Miami takes "senior status", which he is certain to do. I would like to use this letter to apprise you of my profound interest to serve our nation as your appointee to that judgeship.

I commenced my legal career at age 24 and have dedicated the past thirty-three years of my life to acquiring what I hope is a high level of excellence as a courtroom and appellate lawyer; Martindale-Hubbell rated me in their highest category at an early age; I was one of the very first Floridians to be nationally board certified and am a charter board certified trial lawyer under the Florida plan. For 25 years, I have been the senior managing partner of a prominent AV rated trial law firm which handles a healthy variety of legal causes.

Bruce is in possession of my resume and list of supporter-endorsers and he has been aware of my goal for several weeks. I declined to seek appointment to the presently pending 11th Circuit vacancy in order to use the valuable interim time to put my law firm affairs and substantial pending cases in order.

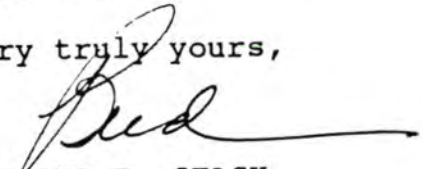
President William J. Clinton
July 7, 1993
Page Two

I am confident that the customary American Bar Association screening will result in high marks regarding my qualifications.

My family and I would be most grateful for the chance to serve, and more than that, most honored by your confidence in me.

Warmest regards and best wishes.

Very truly yours,



CHARLES R. STACK

CRS/mn

cc: Honorable Bruce R. Lindsey

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. resume	[Personally Identifiable Information] [partial] (2 pages)	01/00/1994	b(6)

COLLECTION:

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

FOLDER TITLE:

January 23-29, 1994 [1]

2018-0662-S
rs3086

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]

CHARLES RICKMAN STACK
11900 S.W. 67th Court
Miami, Florida 33156
(305) 661-1025
(305) 443-3329

CURRICULUM VITAE

PERSONAL

Born [REDACTED] (b)(6)
Wife BARBARA A. LEVINE, 3 children - Caroline, age 27; Kevin, age 26; and Constance, age 24. St. Thomas Episcopal Church, Usher, 5690 S.W. 88th Street, Miami, Florida

EDUCATIONAL BACKGROUND

Melbourne High School (1953); University of Florida, B.S.B.A. (1957); University of Florida LLB (1960); converted to Juris Doctor (1967)

OCCUPATION AND OFFICE ADDRESSES

Lawyer, 3929 Ponce de Leon Boulevard, Coral Gables, Florida;
525 Strawbridge Avenue, Melbourne, Florida;
115 South Second Street, Ft. Pierce, Florida

LEGAL EXPERIENCE

Upon graduation from the University of Florida College of Law 1960, employed as an associate lawyer with the law firm of McFarlane, Ferguson, Allison & Kelly, Tampa, Florida. Assisted senior partner, Chester Ferguson, and chief of the trial section, T. Payne Kelly. Two years later accepted a law partnership with Mayor of Miami Robert King High and developed a litigation law firm which has served South Florida for 31 years. The firm now has branch offices in both Melbourne, Brevard County, Florida and Ft. Pierce, St. Lucie County, Florida at the addresses indicated above.

MEMBERSHIPS, CERTIFICATIONS AND HONORS (Past and Present)

Diplomate, National Board of Trial Advocacy*; Florida Bar Board Certified Trial Lawyer*; Committee of 100, Academy of Florida Trial Lawyers; Association of Trial Lawyers of America, Diplomate; Academy of Florida Trial Lawyers, Diplomate; American Board of Trial Advocacy, Diplomate; Chairman, Florida Bar Legislative Committee, 11th Circuit; Chairman, Dade County Legislative Committee; Chairman, Florida Bar Judicial Tenure Committee; "M" Club, Association of Trial Lawyers of America; Member, American Bar Association Tort and Insurance Practice Section, Committee on Products, General Liability and Consumer Law; Life, Health, Public Regulation and Employee Benefits Committee; Trial Techniques Committee - American Bar Association; Phi Delta Phi Legal Fraternity; Florida Bar; American Bar Association; Hillsborough Bar Association; Dade County Bar Association; Brevard County Bar Association; American Trial Lawyers Association; Academy of Florida Trial Lawyers; Texas Trial Lawyers Association; American Judicature Society; American Arbitration Association; Florida Lawyers Action Committee; Florida Law Pac; Member U.S. Supreme Court Historical Society

PUBLIC SERVICE

Founder Member, National Lawyers for Public Justice;
Roscoe Pound Foundation, Fellow;
President's Club, Florida State University;
President's Council, University of Florida;
Advocate, University of Florida, Trusler Society;
75th Anniversary Club, University of Florida, College of Law;
Life Member, University of Florida Law School Foundation;
Chairman, 11th Judicial Circuit Nominating Commission**;
City of Miami Downtown Development Authority; Board Member
Chairman, Dade County Corporate Income Tax Committee;
U.S. District Court Peer Review Commission, Secretary, Southern District of Florida;
A Better Constitution Committee (ABC)

* Received national certification as a trial lawyer before the Florida Bar initiated such a program. Charter recipient of Florida Bar certification. Received an Av rating by Martindale-Hubbell while in mid-30s.

** Served as chairman for 6 years; chaired the selection process for screening applicants for circuit and county judgeships for appointment by the governor.

ADMITTED TO PRACTICE

All Florida Courts and Administrative Boards;
District Courts of Florida;
U.S. 5th Circuit Court of Appeal;
U.S. 11th Circuit Court of Appeal;
U.S. Supreme Court

INSTRUCTOR/LECTURER

Business Law, University of South Florida, Tampa, Florida;
Commercial Law, American Institute of Banking, Tampa, Florida;
Florida Bar Continuing Legal Education;
Academy of Florida Trial Lawyers

LISTINGS AND RECOGNITIONS

Who's Who in Florida;
Outstanding Floridians;
Who's Who in the South and Southwest;
Who's Who Among American Lawyers;
Who's Who in America

LEGAL ARTICLES AND PUBLICATIONS

Has written and had published over 200 articles dealing with various legal and constitutional issues. A list of such publications will be provided upon request.

POLITICAL ACTIVITIES

Assistant Campaign Manager, Robert King High for Governor, 1964
Florida Finance Chairman, Robert King High for Governor, 1966
Area Coordinator, Robert F. Kennedy Campaign for President, 1968
South Florida Campaign Chairman, Reubin O'D. Askew for Governor, 1970
Dade County Chairman, Corporate Income Tax, 1971
Campaign Chairman, Dade County Mayor Steven P. Clark, 1972
Florida Finance Committee, Bob Graham for Governor, 1978
Florida Finance Committee, Reubin O'D. Askew for U.S. Senate, 1988
Florida Finance Committee, Lawton Chiles for Governor, 1990
Florida Finance Chairman, Clinton-Gore Presidential Campaign, 1992

MOST RECENT POLITICAL INVOLVEMENTS

Clinton-Gore Florida Finance Chairman
Clinton-Gore National Finance Co-Chairman
National Democratic Party Finance Co-Chairman
National Democratic Party Managing Trustee
Democratic Senatorial Campaign Committee Majority Trustee

11/30/93

LIST OF REFERENCES

Honorable Bob Graham
United States Senate
Senate Office Building
Washington, D.C.

Honorable Lawton Chiles
Governor
State of Florida
The Capitol
Tallahassee, Florida

Honorable Buddy MacKay
Lt. Governor
State of Florida
The Capitol
Tallahassee, Florida

Honorable Peter Fay
Judge, United States Eleventh Circuit Court of Appeals
U.S. Federal Courthouse
Miami, Florida

Honorable James Lawrence King
Former Chief Judge
United States District Court
United States Federal Courthouse
Miami, Florida

Honorable James Kehoe
Judge, United States District Court
U.S. Federal Courthouse
Miami, Florida

Honorable Edward B. Davis
Judge, United States District Court
U.S. Federal Courthouse
Miami, Florida

Honorable Philip A. Hubbart
Third District Court of Appeal
Miami, Florida

Honorable Natalie Baskin
Third District Court of Appeal
Miami, Florida

Honorable Gerald Wetherington
Former Chief Judge
Eleventh Judicial Circuit
State of Florida
Dade County Courthouse
Miami, Florida

List of References - Continued

Honorable Leonard Rivkind
Chief Judge
Eleventh Judicial Circuit
State of Florida
Dade County Courthouse
Miami, Florida

Honorable Herbert Klein
Circuit Judge
Eleventh Judicial Circuit
State of Florida
Dade County Courthouse
Miami, Florida

Honorable Reubin Askew
Former Governor of Florida and
Former United States Trade Representative
Post Office Box 231
Orlando, Florida

Honorable Chesterfield Smith
Former President, American Bar Association
1200 Brickell Avenue
Miami, Florida

Honorable Sandy D'Alemberte
Former President, American Bar Association
215 South Monroe Street
Suite 601
Tallahassee, Florida

Honorable David Shear
Former President, Florida Bar Association
201 East Kennedy Boulevard
Suite 1000
Tampa, Florida

Honorable Ray Ferraro
Former President, Florida Bar Association
707 Southeast Third Avenue
Ft. Lauderdale, Florida

Honorable Steven Zack
Former President, Florida Bar Association
100 S.E. 2nd Street
Suite 330
Miami, Florida 33131

THE WHITE HOUSE
WASHINGTON

Sent to
Andy Burchfield
Rm 151

January 25, 1994

The Honorable Lloyd Bentsen
Secretary of the Treasury
Washington, D.C. 20220

Dear Lloyd:

Thank you for your letter and for your recommendation of Bill Hobby for appointment to the Board for International Broadcasting.

I appreciate, as always, your insight, and I will carefully consider your suggestion.
Thanks.

Sincerely,

Bar

cc Veronica
Biggs
Can (do this?)
Arvalley
Wepulust

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

January 14, 1994

94 JAN 19 P2:53

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

Dear Mr. President:

As you consider selections for the Board for International Broadcasting, I would like to let you know of my high esteem for former Texas Lieutenant Governor Bill Hobby. I believe his intelligence, integrity, and background make him a uniquely strong choice for the Board.

Bill Hobby has years of experience in virtually every aspect of the communications business. He guided KPRC Radio and Channel Two Television in Houston for seventeen years, serving as Director of both for fourteen years and Chairman and CEO for three. As you will see from his enclosed resume, he has operated a host of other stations in the south, midwest, and west. From 1965 to 1983, Bill was also President and Executive Editor of The Houston Post. He remains active in the communications industry, and he has chaired H & C Communications since 1983.

In addition to his extensive communications background, Bill Hobby has an admirable record of public service. He served from 1973 to 1991 as Texas Lieutenant Governor, and he remains one of the Texas Democratic Party's most respected voices. He is currently a member of both the Education Commission of the States and the Texas Parks and Wildlife Commission.

Bill Hobby is also an educator, holding professorships at Rice, the University of Texas Health Science Center, and the LBJ School of Public Affairs.

With comprehensive knowledge of the communications business, a long and accomplished record of public service, and proven dedication to the education of tomorrow's leaders, I can think of no person better suited to help ensure that the U.S. international broadcasting program remains a strong and useful voice in the post-Cold War world. I have known Bill for many years, have worked with him professionally and enjoyed many memorable social occasions. I believe he would be an ideal selection to the Board for International Broadcasting, and I hope that you will give him close consideration.

Sincerely,



Lloyd Bentsen

Enclosure

cc: Philip Lader

WILLIAM P. HOBBY

PERSONAL

Born: [REDACTED] (b)(6)
Wife: Diana Poteat Stallings
Children: Laura (Mrs. John) Beckworth, Paul, Andrew,
Katherine (Mrs. Steve) Gibson.
Seven grandchildren.
Church: Episcopal

EDUCATION

St. Albans School, 1949
Bachelor of Arts, (American History),
Rice University, 1953

MILITARY

United States Navy, served to Lt.(jg), 1953-57

COMMUNICATIONS

H & C Communications, Inc., Houston, TX
Chairman (1983-)

The Houston Post, Houston, TX
President, Executive Editor (1965-1983)

Channel Two Television, Houston, TX
Vice-Chairman and Director (1969-1983)
Chairman, CEO and Director (1983-1986)

KPRC Radio Company, Houston, TX
Vice-Chairman and Director (1969-1983)
Chairman, CEO and Director (1983-1986)

Channel Five Television, Nashville, TN
Chairman, CEO and Director (1976-1986).

Channel Eleven Television, Meridian, MS
Chairman, CEO and Director (1981-1984)

Channel Four Television, Tucson, AZ
Chairman, CEO and Director (1982-1986)

KCCI-TV Broadcasting, Inc., Des Moines, IA
Chairman, CEO and Director (1985-1986)

WESH-TV Broadcasting, Inc., Daytona Beach, FL
Chairman, CEO and Director (1985-1986)

PUBLIC SERVICE

Lieutenant Governor, Texas (1973-1991)

Commissioner, Education Commission of the
States (1991-)

Member, Governor's Task Force on Revenue (1991)

Commissioner, Texas Parks & Wildlife (1993-)

PROFESSIONAL ASSOCIATIONS

Fellow, National Academy of Public Administration
(1991-)

President, Philosophical Society of Texas (1986)

American Newspaper Publisher's Association (1960-1983)

American Society of Newspaper Editors (1960-1972)

President, Texas Daily Newspaper Association (1971)

Chairman, National Conference of Lieutenant Governors
(1976-1977)

ACADEMIC

Radoslav Tsanoff Professor, Rice University (1989-)

Sid Richardson Professor, LBJ School of Public Affairs,
University of Texas (1990-)

Adjunct Professor, University of Texas Health Science
Center, Houston (1990-)

Rice University Board of Governors (1989-1993)

Regent, University of Houston (1965-1969)

Trustee, St. Edward's University (1990-)

HONORARY DEGREES

Doctor of Humanities in Medicine, Baylor College of
Medicine, (1986)

Doctor of Humane Letters, St. Edward's University
(1986)

Doctor of Laws, Austin College (1989)



copy to will
Itoh
9647 1/25

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
1-24 94

93 DEC 20 19:49

December 20, 1993

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ✓

SUBJECT: Response to Americans for a New Irish Agenda

Purpose

To outline recent Administration actions to help promote peace and reconciliation in Northern Ireland.

Background

Bruce Morrison, Chair of Americans for a New Irish Agenda, has written you to criticize the Administration's record -- in light of promises made during the campaign -- on the Irish question. A draft reply for your signature is attached at Tab A.

RECOMMENDATION

That you sign the letter

Attachments

- Tab A Letter of Res
- Tab B Incoming Corr

Tony - must re-visit
after we make Adams
decision - must copy/consult
H. Ickes - B

Tony must re-visit
after we make (Adams?)
decision
- must copy/consult
H. Ickes

THE WHITE HOUSE

WASHINGTON

Dear Mr. Morrison:

Thank you for your recent letter sharing your views on Northern Ireland and the Administration's record on this issue. Like you, I take a strong and active interest in the search for peace and reconciliation in Northern Ireland.

With momentum building in recent weeks for dramatic progress in the search for peace, the most important thing the United States can do at this sensitive stage is to encourage the resumption of political talks involving the Irish and British governments and the constitutional parties of Northern Ireland. We have been active in this regard. On October 30, I strongly endorsed the efforts of Irish and British governments to reinvigorate the negotiations for peace in Northern Ireland and I affirmed my readiness to support this process in any appropriate way. On November 16, I again underscored our interest in promoting peace and reconciliation in a meeting with Irish Deputy Prime Minister Richard Spring.

As you know, Prime Minister Reynolds and Prime Minister Major met several times this month. I followed the progress of these talks very closely. I strongly welcomed the joint declaration issued by the two Prime Ministers on December 15 setting up a framework for progress to end the tragic violence and bring a lasting peace to Northern Ireland. I stand ready to lend support to these efforts in any appropriate way. Enclosed for your information is a copy of the statement I released in support of the

Downing Street declaration. We will continue to look for meaningful ways to support the courageous search for peace. In this respect, the idea of a special U.S. representative remains very much alive.

With regard to Sinn Fein leader Gerry Adams, as you know, he was refused a U.S. visa earlier this year. That decision followed a careful review of Mr. Adams' involvement in terrorist activity and to date there has been no change in his activities to warrant a change in that decision. We will, of course, keep the issue under review as circumstances warrant. Regarding your comments on the dialogue with John Hume and Gerry Adams, as I have said previously, I welcome all serious efforts to advance the cause of peace. I believe all parties must now take advantage of the opportunity for peace before us and pursue peaceful dialogue over the path of violence.

I welcome the interest and insights you bring to this issue. The ties of friendship and history the American people enjoy with the peoples of both Ireland and Britain are deep, and I am committed to doing all I can to support their search for peace.

Sincerely,

Mr. Bruce Morrison
Chairman, Americans for a New Irish Agenda
Room 1109, 200 Park Avenue South
New York, New York 10003

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 15, 1993

Statement by the President

I warmly welcome today's joint declaration of Prime Ministers Albert Reynolds and John Major proposing a framework for peaceful resolution of the situation in Northern Ireland. I have followed with intense interest the British and Irish Prime Ministers' courageous search for peace. Their flexibility has led London and Dublin, for the first time, to acknowledge the other's deepest aspirations. The joint declaration reflects the yearning for peace that is shared by all traditions in Ireland and creates an historic opportunity to end the tragic cycle of bloodshed.

Difficult issues still remain to be resolved, including questions at the heart of national and cultural identity, and majority and minority rights. But as Prime Minister Reynolds said, the framework recognizes that differences can be fully and satisfactorily addressed and solved through the political process, on the basis of fundamental principles of agreement and consent. It reflects the belief of both governments that the way forward lies through dialogue and cooperation without compromising the beliefs of either tradition. I am especially heartened that, in the words of Prime Minister Major, the framework "closes no doors, except the door to violence." We hope that all parties will be inspired by the vision Mr. Reynolds and Mr. Major have shown.

I reaffirm the readiness of the United States to contribute in any appropriate way to the new opportunities which lie ahead in Northern Ireland. Our support for renewed political dialogue remains steadfast.

In this season of hope, the call for peace on earth has a special resonance in Northern Ireland. No side which claims a legitimate stake in the future of Northern Ireland can justify continued violence on any grounds. I call on those who would still seek to embrace or justify violence to heed the words of Paul and cast off the works of darkness and put on the armor of light.

#

Americans For a New Irish Agenda

Bruce Morrison,
Chair

December 7, 1993

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

Dear Mr. President:

Americans for a New Irish Agenda (ANIA) is a broad coalition of Irish-Americans and others deeply committed to the United States' playing an active and constructive role in helping secure a just, lasting and peaceful resolution of the troubles in Northern Ireland. ANIA was formed in order to promote the implementation of the agenda which you presented to the Irish-American community while campaigning for President in 1992. Our group is limited in its scope to the advocacy of the specific commitments which you made - commitments we believe were wise and appropriate when made and equally needing implementation now that you are President.

We have watched with dismay as your support for our common agenda has waned during your first year in office. Our dismay was heightened to feelings of anger and betrayal as we read your October 30, 1993 letter to Mayor David Dinkins. How could it be that a person who "would be totally harmless to let in..." in April 1992, now must be excluded in the inflammatory language of the Dinkins letter? Frankly, the expressed basis of your denial of a visa to Gerry Adams suggests a failure of those advising you on these matters to understand the enormous changes in the situation in Northern Ireland.

When Gerry Adams was denied a visa for the first time during your Administration in April, 1993, many of us were hopeful that this decision was more a reaction to other immigration crises rather than a renunciation of the common sense position you took on the campaign trail. We looked forward to a new opportunity for a new visa application in a less volatile context. Despite the rhetoric of the Dinkins letter, we are still hopeful of doing so.

The last several months have revealed the absolutely critical role of Gerry Adams and Sinn Fein in any constructive process for peace and reconciliation in Northern Ireland. The decision by John Hume to engage Gerry Adams, in substantive discussions about a

President William J. Clinton
December 7, 1993
Page Two

framework for the cessation of violence and the beginning of a broader peace initiative, demonstrates that the views of Mr. Adams and the people he represents are an integral part of any settlement. Further, the discussions show that John Hume believes that achieving an end to violence requires affirmatively engaging the leaders of Sinn Fein in order to define the elements which will be required for that cessation to occur. Since the conclusion of the first round of the Hume-Adams talks, Mr. Hume has aggressively asserted his belief that an initiative based on the results of his discussions with Adams can lead directly to a cease-fire and broader political dialogue than any that has occurred in the past twenty-five years.

Similarly, despite their rhetoric disavowing any willingness to talk to Sinn Fein or the IRA, the British Government has now admitted that such contacts have been going on regularly, at least since last February, and probably for much longer. Once again, the record of these conversations released by the British makes clear that the British Government believes that such contacts are essential to promoting the steps which will lead to peace.

In this context, the Dinkins letter recitation of tired State Department rhetoric is curiously out of date. Permitting Gerry Adams to come to the United States and articulate his vision of the steps needed to bring about peace in Northern Ireland no more signals a support for terrorism and violence than does John Hume's discussions with Adams or the ongoing British contacts with Sinn Fein and the IRA. A visa for Mr. Adams, like these contacts, would signal an active interest in understanding the full scope of what would be required to achieve the "freedom, democracy and human rights...in Northern Ireland" which you called for at the Irish-American Forum in April, 1992.

Your Administration's continuing application of visa denial policies exercised by the Reagan and Bush State Departments is contrary to the spirit of the Immigration Act of 1990. It ignores the dramatic movement of Sinn Fein to new political positions and the initiation of explicit contacts between Sinn Fein and the SDLP, the Irish Government and the British Government. It also lacks the good sense which you exhibited when a candidate in promising a visa to Gerry Adams. The fact that he was a member of Parliament at that time was not the key issue. Then, as now, he leads a constituency which must be brought to the negotiating table if there is to be a just and peaceful resolution of the troubles.

We believe that recent events have created a unique window of opportunity for progress toward peace in Northern Ireland. This belief renews our concern regarding the Administration's position on an Adams visa. It also increases the urgency of moving on the appointment of a special envoy.

President William J. Clinton
December 7, 1993
Page Three

As you said in April, 1992, in the past the U.S. has been "a little to reluctant to relay our interest in a positive way" on the issues in Northern Ireland. This same reluctance continues. There is no doubt that there are many in Ireland and Britain, including many governmental leaders, who are wary of an affirmative U.S. role. However, anyone familiar with the past twenty-five years of history in Northern Ireland can be assured that it will take help from outside of Britain and Ireland to assist the parties in reaching a politically viable agreement. A special envoy need not be charged to accomplish too much too fast. A special envoy will make clear in a concrete fashion your personal willingness to be of help. The longstanding period of being "too reluctant" must end and a new period of active American interest in promoting a just and peaceful settlement in Northern Ireland should begin.

We took your campaign promises in the same serious way in which you made them. We have defended you against the charge that they were mere rhetoric to gather votes. The situation now demands that they be implemented, not to prove that you were sincere, but to achieve the beneficial effect of the actions which you promised to take. Please reaffirm our confidence in your leadership on this issue by signalling a willingness to grant a visa for Gerry Adams in the near future and by selecting a special envoy ready and willing to provide American assistance to the current opportunity for progress toward peace in Northern Ireland.

Sincerely,


Bruce A. Morrison
Chairman

BAM:cag

cc: Anthony Lake, NSC
Nancy Soderberg, NSC

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Cerde

1125

THE WHITE HOUSE

WASHINGTON

January 19, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
JOSE CERDASUBJECT: CRIME BILL CONFERENCE:
OUTSTANDING ISSUES AND RECOMMENDATIONS

I. BACKGROUND

The White House and the Justice Department have reached substantial agreement at the staff level on a series of recommended positions for the Administration to take going into conference on the crime bill. Webb Hubbell provided the attached summary from the Justice Department, and the key issues are summarized below. We are also working with the Department of Labor and the National Economic Council on the question of job creation and training as it relates to the crime bill. Secretary Reich will send you options within the next few days on behalf of Labor, HUD and Justice.

The Senate is eager for a quick conference on the crime bill. Chairman Brooks says he wants direction from the Administration, but needs to accommodate the demands of his committee members for additional votes on habeas reform, the death penalty, and other issues before going to conference. The House leadership wants Brooks to move quickly, and we should reinforce that message. The longer it takes to conference, the harder it will be to maintain bipartisan support and avoid the return of gridlock.

* The State of the Union address is an opportunity to urge quick passage of a crime bill, and define the upcoming crime debate. We hope that you will use it to stress the crime-fighting programs you favor (more cops, boot camps, and drug courts; an assault weapons ban; safe schools; etc.); challenge all Americans to set an example for their children by staying off drugs, work as partners with the police, and take personal responsibility for making their neighborhoods safe; and finally, promise Americans a criminal justice system that sends violent criminals to jail and keeps them there.

II. MAJOR ISSUES

A. "Three Strikes and You're Out" for Violent Offenders

White House and Justice recommend that you support some version of the "three-strikes-and-out" provision in the Senate crime bill, targeted to violent repeat offenders. The Senate provision would apply to individuals with three federal and/or state drug or violent crime felony convictions, which are punishable by a maximum prison term of 10 years or more, so long as the third conviction is in federal court. Justice believes this is a sound approach, and will work with conferees to ensure that the final version is well-targeted.

Governors across the spectrum from Mario Cuomo to George Allen have made three-strikes-and-out the central crime plank of their State of the State addresses. Voters in Washington approved it overwhelmingly in November, and legislatures in California, Virginia, New York, and elsewhere are expected to enact versions of it this spring. The idea is sweeping the country because Americans believe that keeping violent criminals behind bars is the single most effective step we can take to reduce violent crime -- and they're right: 6% of violent offenders commit 70% of all violent crimes.

We recommend that you support a version of three-strikes-and-out in the crime bill, and call for it in the State of the Union. It will send a clear signal that you want action on all fronts, from tough punishment as well as crime prevention.

B. Regional Prisons/Truth-In-Sentencing

The Senate crime bill authorizes \$3 billion for grants to states for boot camps and state prisons, and another \$3 billion for 10 federally-run regional prisons (2,500 inmates each) for violent state offenders and criminal aliens. The regional prison slots come with a catch: to qualify, states would have to certify that violent felons (those punishable by a maximum prison term of 5 or more years) are serving at least 85% of their sentences, and that state sentences for violent crimes are at least as rigorous as their federal counterparts.

It will be difficult to keep regional prisons out of the bill. They are a "must have" provision for Republicans, and attract enough support from Representative Schumer and other Democrats to have been included in the final 1992 crime bill conference report.

White House and Justice believe that the best way to preempt the current regional prisons proposal -- and help states deal with the legitimate problem of violent, repeat offenders -- is to add a truth-in-sentencing condition to the original Democratic proposal on grants to states for boot camps and state prisons. As with the "three-strikes-and-out" provision, Justice believes that they can craft legislative language that is sufficiently narrow to focus on only the most serious violent offenders. The broad Republican version of truth-in-sentencing is a massive unfunded mandate on the states; we can design a carefully targeted

alternative that will give the states a better deal, though they will still consider it an underfunded mandate.

C. Federalizing Gun and Other Crimes

The Senate crime bill creates a number of new federal crimes, most of which are primarily symbolic. Justice would like to oppose one in particular: a D'Amato amendment that federalizes most gun crimes by making a federal crime of all murders committed with a firearm, and of the use, possession, or carrying of a firearm during the commission of a state violent crime or drug offense. These provisions are excessively broad, and we recommend that you oppose their inclusion in the crime.

The Senate bill also creates new federal crimes in the area of criminal street gangs, parental accountability for juvenile crimes, and domestic violence. Justice does not recommend that you oppose these new federal crimes, but would like to modify the language to ensure that federal law enforcement efforts supplement -- not supplant -- local law enforcement efforts.

enforced

D. Mandatory Minimums

The Justice Department worked closely with Senator Biden's staff and others to try to keep new mandatory minimum sentences out of the crime bill replacing specific sentencing floors with language directing the Sentencing Commission to provide for an "appropriate enhancement" for a particular crime. They had little success.

But the Senate crime bill does include a "safety valve" that will allow non-violent, first-time offenders, who are being sentenced under three of the most popular federal drug-related mandatories, to be sentenced under the sentencing guidelines rather than receiving mandatory minimum sentences. This narrow provision represents a bipartisan compromise between Senators Simon, Kennedy, Hatch and Thurmond, as well as the Attorney General and the Sentencing Commission. Along with the Attorney General's recent loosening of the Justice Department's prosecutorial guidelines, this provision will give her more than enough flexibility in dealing with mandatory minimums. White House and Justice recommend that you support the safety valve provision.

Justice would like you to go further by categorically opposing new mandatory minimums, and directing the Sentencing Commission to enhance sentences instead. We disagree. We do not believe that mandatory minimums are as serious a problem at the federal level as they are at the state level. In July, 1993, GAO issued a report (based on a review of 900 cases in 8 judicial districts) showing that in 70 percent of drug cases carrying mandatory minimums, defendants were sentenced to stiffer sentences pursuant to the sentencing guidelines than they would have been under the mandatory minimum. The GAO's

review also revealed that in only about 5 percent of federal drug cases was a mandatory minimum sentence imposed that was longer than the punishment proscribed by the sentencing guidelines.

Moreover, the strategy Justice recommends will only draw attention to the Administration's forthcoming nominations to the Sentencing Commission, who are bound to be highly controversial in any case. Most of the prospective nominees interviewed by the Justice Department are outspoken critics of the sentencing guidelines. The combined effect of these steps -- prosecutorial guidelines from the Attorney General advising U.S. Attorneys not to seek tough sentences for certain crimes, Sentencing Commission nominees who want to give judges broad discretion, and an effort to take tough sentences out of the crime bill and leave them up to those same nominees instead -- will be to make this Administration look like it's easing up on crime at the very time it ought to be cracking down.

We recommend that rather than setting out to weaken tough sentences in the crime bill, the Justice Department focus its efforts on not federalizing crimes that don't belong in federal court. The most far reaching new mandatory minimums in the crime bill is part of the D'Amato amendment, which would set mandatory sentences for virtually all gun crimes. We believe the Administration should leave the other minimums to the conferees to decide. We can't take a principled stand against new minimums if we're going to support "three strikes and out."

E. Assault Weapons and Other Gun Issues

The Senate crime bill includes a tough assault weapons ban, a ban on the possession of handguns by minors, and several critical changes to strengthen the federal firearms licensing system, including requiring gun dealers to comply with all state and local laws and to report lost or stolen inventory to ATF.

White House and Justice recommend that you strongly support all of these provisions and insist on their inclusion. Dole said on Meet the Press this month that the Republicans would accept an assault weapons ban if we would accept their tough prison and sentencing provisions. Biden and Schumer have supported the same deal. We believe that is a good deal for us, especially if we can work something out with the Republicans on truth-in-sentencing and prisons.

An assault weapons ban will still be an uphill struggle in the House, but it's a fight well worth having. The crime bill conference debate shouldn't be about whether we're for prevention vs. punishment, or whether or not we support tough measures for repeat offenders. It should be about whether or not the Republicans will accept common-sense gun measures that are long overdue and have broad public support, and whether or not Republicans will block a \$22 billion crime bill to placate the NRA.

II. OTHER ISSUES

A. 100,000 Cops Title

The Senate crime bill authorizes a total of \$8.995 billion over the next five years to hire 100,000 new police officers and expand community policing. Eighty-five percent of these funds would be used to hire new police officers for deployment in community policing, and fifteen percent would be used for programs to help department re-orient their emphasis to more pro-active community policing (i.e., specialized training, new technologies that help keep cops on the beat, and community crime prevention programs).

14 White House and Justice recommend endorsing the Senate version and insisting on 100,000 cops. We will need to make a few minor changes, based on what we learned in developing and administering the \$150 million Police Hiring Supplement. After the phenomenal response to the \$150 million program (more than 4,000 applications), Justice wants to amend the policing title to turn grants for smaller jurisdictions (under 100,000) over to the states. We would like to try to reserve at least 60% of the program's resources for larger jurisdictions. (The House would set aside 60% of the program's funds for cities under 100,000; the Senate splits the police monies evenly between cities with populations over 150,000 and those under 150,000.) We also recommend giving the Attorney General increased flexibility in awarding the 15 percent of the funds that do not go toward the actual hiring of personnel.

14 Finally, we will seek some miscellaneous changes, such as: making sure we have the ability to give Empowerment Zones priority designation; allowing overtime costs during the first year of a grant, when new police personnel are in training; and allowing priority designations for projects that involve the recruiting of departing military personnel as police officers. We will also follow up on Rev. Jesse Jackson's suggestion that encouraging police (and other potential role models) to move into marginal neighborhoods can have the same kind of impact as putting more police on the street. We will seek to include a provision that allows us to give priority to cities that make a concerted effort to lure people back into the neighborhoods they serve.

14 Much like the gun provisions in the crime bill, the full burden of passing an effective policing title that put 100,000 more police on the street is on the Administration. It is quite likely that members will try to reduce the size of the police program in conference -- as Congress did with the supplemental appropriations bill. We recommend that you strongly support and insist on your version of the policing program.

B. Violent Crime Reduction Trust Fund

As you know, Senators Byrd, Mitchell, Sasser, Biden, Hatch, Dole, Gramm and others reached agreement on an amendment to codify your 252,000 federal workforce reduction,

transfer these savings into a newly-created Violent Crime Reduction Trust Fund (VCRTF), and reduce the discretionary caps by an equal amount. The total amount of money available for crime bill authorizations under the amendment would be \$22.268 billion over the next 5 years. Recognizing that the creation of the VCRTF is essential to achieving a crime bill conference report, you have already elected to include it in the FY 1995 budget.

White House and Justice recommend supporting the VCRTF in conference. We will need to make one change in conference, to adjust authorization levels so that expenditures in the early years correspond with the savings coming into the VCRTF.

C. Jobs and the Crime Bill

Pursuant to your conversation with Secretaries Reich and Cisneros and the Attorney General, Domestic Policy and the NEC have met with appropriate agency staff to discuss what job-related provisions could be included within the context of the crime bill. The Secretaries intend to submit a joint memorandum to you soon. Here are the options they are currently considering.

*15 Oct 1995
J. Edgar Hoover*

Youth Fair Chance: Labor will recommend that you support a \$1 billion Youth Fair Chance Initiative that has a specific emphasis on crime and violence. The Youth Fair Chance program focuses on youth growing up in high-poverty areas by saturating neighborhoods of about 25,000 people with funds for school-to-work programs for in-school youth and job training for out-of-school youth. Additionally, grant recipients must commit to a number of complementary initiatives such as expanding sports recreation programs and public/private partnerships. The only real difference between the current Youth Fair Chance and that which Labor is proposing is that, instead of high-poverty areas, we could target high-crime areas; and, instead of a \$25 million program funded by Labor, it would be a \$200 million a year program funded out of the Violent Crime Reduction Trust Fund.

We have some concerns about this proposal. First, although we like the concept, OMB has already oversubscribed the Violent Crime Reduction Trust Fund for FY 95, and it will be difficult to make the case in conference that we are negotiating in good faith if everyone knows that we've already spent the money. Second, for this new program to be an eligible expense through the VCRTF, we would need to enact separate authorizing legislation that would have to go through the House Education and Labor Committee. This not only would delay crime bill action, it would prompt a root cause vs. punishment debate that Republicans would welcome in an election year.

Jobs Linkages to the Crime Bill: A second option is to use the Job Corps model in boot camps and other alternative sentences for juvenile offenders. The House already passed such a non-binding amendment to one of the crime bills that passed the House, and it could be expanded and strengthened in conference.

We especially like this option, which bolsters both your anti-crime and job creation efforts. For example, while boot camps -- like the one you pioneered in Arkansas -- have been successful, they have not met the ambitious expectations put forth by their original proponents. One of the ways to improve boot camps is to build on the positive impact they have on participants by continued "after shock" and increased job opportunities. Continued supervision in the form of electronic monitoring combined with Job Corps programs is an excellent example of such an effort. Currently Justice and Labor are examining other crime bill and jobs programs to see what else can be done in this area. We should be able to make these changes in conference without generating intense GOP opposition.

Separate Jobs Bill: Another option would be to push for a targeted FY 94 supplemental appropriations bill -- offset by recisions -- after the crime bill is signed. The bill could include immediate funding for your priority crime programs -- cops, drug courts, boot camps -- as well as a jobs initiative such as the Youth Fair Chance Initiative and Maxine Waters' proposed 17-30 Black male initiative. Having already made our way through the crime bill debate, we would be in the position of putting a crime spin on a jobs bill, instead of putting a jobs spin on a crime bill.

D. Other Agencies

Agencies such as Treasury, HHS and Education have various technical concerns that we are trying to address, such as duplication of already existing programs and assuring proper coordination between agency efforts. We are committed to working with the agencies to remedy as many of these technicalities as possible at the staff level.

5/21/94

THE PRESIDENT HAS SEEN

1/24/94

1-24-94

business
card given
to Kelly Crawford
to Christine
Varney
copy
JW

BOARD OF SUPERVISORS

County of Ventura

JOHN FLYNN
Supervisor, Fifth District

(JF)



800 South Victoria Avenue, Ventura, California 93009
(805) 654-2706, Fax (805) 654-2226

Mr President -
Please include Ventura
County as disaster
declaration. We need
you to do this in order
to get FEMA assistance.
Thank you, John Flynn

04 11:54 04: 48

94 JAN 24 P 4 : 49

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/24/94 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PANETTA MEMO: LOS ANGELES EARTHQUAKE EMERGENCY SUPPLEMENTAL

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	NUSSBAUM	☐	☐
McLARTY	☐	☒	QUINN	☐	☒
LADER	☐	☒	RASCO	☐	☒
ICKES	☐	☐	RUBIN	☐	☒
PANETTA	☐	☐	SEGAL	☐	☐
BAGGETT	☐	☒	SEIDMAN	☐	☐
EMANUEL	☐	☒	STEPHANOPOULOS	☐	☒
GEARAN	☐	☒	TYSON	☐	☐
GERGEN	☐	☒	VARNEY	☐	☒
GIBBONS	☐	☐	WATKINS	☐	☐
GRIFFIN	☐	☒	WILLIAMS	☐	☒
HALE	☐	☒		☐	☐
HERMAN	☐	☐		☐	☐
LAKE	☐	☐		☐	☐
LINDSEY	☐	☒		☐	☐
McGINTY	☐	☐		☐	☐
MYERS	☐	☒		☐	☐

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

JOHN D. PODESTA
 Assistant to the President
 and Staff Secretary
 Ext. 2702



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

THE DIRECTOR

January 24, 1994 JAN 24 P7:35

MEMORANDUM FOR THE PRESIDENT

FROM: Leon Panetta 
SUBJECT: Los Angeles Earthquake Emergency Supplemental

Last week, I asked the Federal departments and agencies to provide me with their estimates of supplemental appropriations needed to respond to the Los Angeles earthquake. The attached table summarizes my recommendations. I have briefed Bob Rubin and members of the NEC, as well as Christine Varney and Carol Rasco on these recommendations.

I am scheduled to brief the California delegation Tuesday at 9 am. If you have any concerns with these recommendations, please let me know.

Based on current estimates, the total Federal commitment is \$7.5 billion, including \$.9 billion in contingency funds that have already been released or will be released this week. The entire amount would be designated as an emergency. A description of the major items follows.

Federal Emergency Management Agency (FEMA). The request includes \$3,484 million for disaster assistance. These funds will be used to repair public infrastructure, including schools, and provide housing and public assistance. To the extent possible, funds for other agency requirements, e.g., mass transit, would be channelled through FEMA. This provides flexibility and streamlines delivery of assistance. In addition, \$408 million in emergency contingencies have or will be released. An additional \$15 million is requested for seismic research.

Small Business Administration (SBA). The request of \$163 million will support an additional \$559 million in disaster loans and \$35 million for disaster loan processing. These low-interest loans would be made primarily to homeowners, renters and business owners to aid in their recovery from uninsured physical losses. In addition, funds supporting \$391 million in loans and \$50 million for disaster loan processing has already been released.

Federal Highways Administration. The request includes \$1,391 million to repair damaged highways and for temporary traffic operations. \$400 million of this amount would be requested as a contingency.

Housing and Urban Development (HUD). The request includes \$500 million for housing vouchers, to replace or rehabilitate Federally-insured multi-family housing and for the Community Development Block Grant program for a range of infrastructure and housing needs.

Education. The request includes \$165 million to compensate local school districts for reduced tax revenues and increased costs and \$80 million in Pell grants to address increased needs resulting from losses in family assets and income.

Veterans Medical Care. \$21 million is requested for the costs of moving and caring for veterans who were in the damaged Sepulveda VA Hospital. In addition, \$7 million in emergency funding that is already available will be used for this purpose.

Presidential Contingencies. The request includes \$400 million in unspecified contingencies. The estimates on funding remain soft and continue to change. This contingency fund will permit you to address a variety of smaller needs in Commerce, Housing, Health and Labor, while retaining flexibility to address changing circumstances. Included are funds for economic assistance, including a regional infrastructure bank and telecommuting pilot program.

Attachment

EMERGENCY PROPOSALS -- LOS ANGELES EARTHQUAKE
(In millions of dollars)

	<u>Budget Authority</u> <u>New requests</u>	Budgetary Resources (Budget Authority Plus Net Loans) <u>New requests</u>	<u>Released</u> <u>Contingencies</u>	Total Commitments (Budgetary Resources plus Contingencies)
Education				
- Impact aid.....	165	165		165
- Pell grants.....	80	80		80
HUD				
- Vouchers.....	150	150		150
- Flexible subsidy.....	100	100		100
- CDBG/Home.....	250	250		250
Transportation				
- Federal Highways.....	950	950	41	991
- Federal Highways Contingency	400	400		400
VA				
- Medical Care.....	21	21	7	28
FEMA				
- Disaster Assistance.....	3,484	3,484	408	3,892
- Emergency planning.....	15	15		15
SBA				
- Disaster assistance loans.....	128	559	391	950
- Disaster expenses.....	35	35	50	85
Presidential Contingencies:	400	400		400
- Commerce				
- HHS				
- HUD				
- Labor				
- Unanticipated needs				
Total Proposed.....	6,178	6,609	897	7,506

copy

VF
Mack
Katie McGinty
John Emerson
Bruce Lindsey
Mark Gearan
George
Gergen

THE WHITE HOUSE
WASHINGTON

DATE: 01/24/94

THE VICE PRESIDENT

MACK MCLARTY

DAVID GERGEN

GEORGE STEPHANOPOULOS

TO:

MARK GEARAN

BRUCE LINDSEY

JOHN EMERSON

KATIE MCGINTY

FROM: JOHN D. PODESTA

Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

January 24, 1994

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: Carol Browner 

SUBJECT: California Inspection and Maintenance Clean Air Program (Smog Check)

You may have seen an editorial in today's Los Angeles Times critical of possible sanctions against California for failure to adopt the federally required clean air program. I wanted you to know that I was very concerned about the editorial and have taken several measures to rectify the situation:

- Today I announced that the process of moving toward discretionary sanctions in California would be canceled as a good faith gesture to help California recover from the earthquake (Attached is my letter to Governor Wilson).
- I also had a productive discussion with Richard Katz, the pivotal player in the Legislature, and I am dispatching my Chief of Staff to personally follow up in the development of a mutually acceptable program. Although the Legislature has passed a bill that does not meet the Clean Air Act requirements, Katz is encouraging the Governor to delay signing the bill until Feb. 4th, giving us more time to reach a compromise.
- Finally, I had a very beneficial conference call with the Los Angeles Times editorial board.

I want to assure you that positive state relations are among my highest priorities at EPA, and that we are making every effort to assure that the difficult situation that the Clean Air Act imposes upon all parties in California is handled in a sensitive, sensible and productive manner. Please be assured that my staff understands the importance of stressing the compatibility of economic growth and environmental protection, and they will continue to do so at every opportunity.



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 24 1994

THE ADMINISTRATOR

The Honorable Pete Wilson
State Capitol
Sacramento, California 91731

Dear Governor Wilson:

I am deeply concerned about the effect of the recent earthquake on the people of Southern California. The federal Environmental Protection Agency has been assisting in the response to the damage caused by the earthquake and will continue to do so in the coming weeks and months. As a result of the earthquake, including the damage to the highway system and the economy, EPA will cancel the recently announced accelerated deadline for imposing sanctions for the state's failure to adopt an acceptable Smog Check program.

I understand that in a related matter, the California Legislature recently passed and sent to you for signature SB 629 (Russell et al.), which attempts to upgrade the state's Smog Check program. As I have indicated in the past, although it has several good features, SB 629 does not meet the standards of the 1990 Clean Air Act. The bill does not fix the problems we have previously delineated with the Smog Check system, and it does not provide the health benefits Congress intended. EPA analysts estimate the SB 629 program would only achieve 50 percent of the Clean Air Act emission reduction requirements and that it could cost consumers as much as \$50 per inspection. This is clearly not in the best interests of the people of California.

Consequently, I urge you to veto this legislation, or to return it to the legislature for modification. As you know, it has been my hope all along to avoid sanctions through working jointly with California to develop an enhanced inspection and maintenance program. Transportation Secretary Pena and I communicated our concerns back in April, 1993, and offered our assistance then. Unfortunately, since SB 629 still does not meet the requirements of the Clean Air Act, it will not forestall the mandatory sanctions process.



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- 2 -

On a more personal note, I remember your leadership in the Senate during the drafting of the 1990 Clean Air Act. Similar leadership is needed now in developing a bill that not only meets Federal standards but also gives all Californians more convenience, lower test costs and greater assurance that the results of their participation will truly be cleaner air. I believe that if SB 629 is set aside, that by working together, we can reach a sensible solution.

The tragedy in Southern California underscores the importance of all levels of government working together to meet the health and safety needs of our constituents. The time has come to resolve the inspection and maintenance issue to enable the Legislature and state officials to focus their energies on disaster recovery efforts.

I know we share great concern about these issues. I remain committed to working with you to move this process forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol M. Browner", written in a cursive style.

Carol M. Browner

Bruce Lindsey
+ Marsha Scott
per JP

THE PRESIDENT HAS SEEN
1. 24. 24

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How

Must follow
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B.

① / p. 12
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To: Mack cc: Bruce, Ricki, George, Roy, Mark
Fr: John
Dt: 12/6
Re: California Trip De-Brief

93 DEC 8 P2:06

Per your request, the following is a de-brief on the California trip:

Overview:

Our objectives on this trip were to communicate that POTUS understands the depth and complexity of California's economic problems and is taking direct and concrete steps to address them; to create expectations for progress that are achievable; and to transform what could have been a negative foray into Hollywood (soft dollars from glitzland) into a higher plane challenge to that community.

Judging by the feedback from the ground and the press coverage (especially today's LA Times), our President accomplished all of those objectives beautifully.

Nevertheless, certain aspects of the trip could have been tighter, and several substantive issues were raised that demand attention in the short term.

Critique:

New Mexico: The subtext of our brief stopover in New Mexico was provided those protesting the grazing fee issue and the BLM. Sen. Bingaman and others are concerned that unless we aggressively focus on the West (read: Colorado, New Mexico and Montana) we will lose our base entirely. We ought to develop a long term Western strategy, in conjunction with Sen. Bingaman and Govs. King, Romer and Sullivan.

Radio Address: POTUS expressed concern that the address, while strong rhetorically, was too California specific for a national talk (something he dealt with through editing) and too unstructured to serve as a hard hitting review of the year's accomplishments. His comment afterwards was that if you asked someone what he said, the response would have been, "Well, he's working on the economy."

Gene, D2 and I believe that, especially as the audio background for the events of the day, such a message on a Saturday morning was fine. Bottom line: POTUS feels he has yet to deliver his year end review of accomplishments radio address.

Economic Roundtable: POTUS' skillful performance was a tape measure home run. Several substantive issues were raised that need to be addressed (see below), however. Moreover, while we're

getting pretty good at pulling these conferences off on short notice, we have yet to reach perfection.

For instance, time is a constant problem. This event was scheduled for two hours; it went three and a quarter. Our structure (Intro, plus three substantive areas, all scheduled for 30 minutes each) worked well; but we must accept the fact that any time POTUS moderates an entire conference, he will make sure that everyone has had a chance to speak and hear his thoughtful response. Moreover, any pols who are present will speak, and generally beyond their suggested time limits (although this probably accounted for only 15 minutes of our excess).

This suggests that in the future, we limit the role of attending pols and administration officials, and reduce the number of panel participants. We had 31 participants and 9 electeds (including POTUS and Secy. Brown). 20-25 participants would be much better.

Even with the large panel, our timing problems would not have existed but for the need to limit the roundtable to 2 hours because of the speech given afterwards to Rockwell's workers. The speech, planned before we decided on the roundtable format, generated a one paragraph mention in the papers and brief footage on the local news. In retrospect, it was not necessary. We should have scheduled the roundtable for 3 hours and canned the speech. (At the risk of a shameless pander, this was precisely what Bruce, who ended up on the receiving end of the POTUS' unambiguous expression of his opinion to that effect, recommended and we California geniuses rejected.)

LA Times Ed-Board: D2 has already debriefed the communications department on this. The questions were generally open-ended and the POTUS was very well received. Bottom line: POTUS excels in this format, and wants us to systematically provide Ed-Board opportunities to those papers that were good to him in the campaign. I heard him mention this three times during the last two weeks.

Hollywood Funders: As the press coverage suggests, POTUS hit precisely the right tone in his remarks: challenging but not insulting, causing a broad cross-section of directors and producers to tell the LA Times that they will take up the call. We should consider how best to follow up: for instance, create an entertainment industry working group or encourage some of our friends to do so. Bottom Line: We must get with AG Reno on this subject to make sure we are all on page, especially on the content issue.

Substantive Issues:

--Budget/Stimulus: POTUS successfully stressed the inverse relationship between additional funding for California's needs and Congressional support for balanced budget/Penny-Kasich level

cuts. We should follow up with folks like Sen. Feinstein and Reps. Harman and Schenk, e.g., to reinforce the message.

--Gun Control: The press gave big play to the possibility of Riordan/Guilliani's proposed national gun licensing standards. POTUS said he was "considering" the idea. In my view, this one is much tougher politically than Brady. California, e.g., has a law prohibiting localities from adopting licensing schemes, which has been used to strike down such efforts by cities like San Francisco.

--Immigration: Our answer on this is B-. We need to develop a comprehensive and realistic approach to this issue, which promises to be front and center during the '94 Calif. gubernatorial race.

--Satellites to China: Mike Armstrong, Hughes' CEO, made a plea, claiming the communications satellites are not weapons and that the proposed commerce with China would create tens of thousands of jobs. Feinstein stated that this issue, which pits State against Commerce, and Rep. Pelosi (e.g.) vs. Feinstein and Harman, will only be resolved with POTUS' personally involved.

--Zero Emissions Law: POTUS reaffirmed the Administration's support for such laws as California's, if states and local governments think they are in their "economic and environmental interest." The electric car industry folks in attendance were pleased, as were State reps. Katz and Hayden, who represent opposite sides of the clean air/economic growth struggle.

--Crime: Everything, one way or another, came back to crime. This should be a major focus of our next trip.

--'94 Hemispheric Summit/'96 Convention: LA wants them both--a bit piggy. POTUS seems to believe LA should get one; probably the former.

Next Trip:

We now need to hit the ex-urbs, or edge cities: home of the California working family; Reagan-Dems. and Perot voters; the place where statewide elections can be won or lost. This is Contra Costa in the North, Eastern LA, Eastern San Diego, Orange, San Bernadino and Riverside Counties in the South. Also, POTUS has never been in the Central Valley, where water and ag issues reign supreme. A good place to talk about ag trade and crime.

Ricki's idea of appointing a trip point person, with knowledge of the state, to coordinate the scheduling, political, and briefing aspects of the trip worked well. I suggest following this model for other states (e.g.- Kevin O'Keefe for Ill.; Bill Burton for Texas).