

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Carolyn Brickey to John Podesta re: Candidacy (1 page)	02/19/1994	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 2245

FOLDER TITLE:

February 20-26, 1994 [1]

2018-0662-S
rs3088

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]
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- 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]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

DATE: 2/20/94

TO: SUSAN ENRIGHT

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

What's happening on this?

John



UMDNJ, New Jersey's University of the Health Sciences
Robert Wood Johnson Medical School

The University Affiliated Program of New Jersey
Voice (908) 235-4447
TDD (908) 235-4407
Fax (908) 235-5059

Brookwood II
45 Knightsbridge Road
P.O. Box 6810
Piscataway, New Jersey 08855-6810

February 1, 1994

**Mr. John Podesta
Assistant to the President and
Staff Secretary
The White House
Washington, D.C.**

Dear John,

I have been nominated as a member of the President's Committee on Mental Retardation and I understand that this process is being coordinated by Susan Enright in the White House Office of Personnel.

The early work of the President's Committee on Mental Retardation dramatically changed the field of mental retardation and contributed to the creation of significant opportunities for people with disabilities and their families. The work of the President's Committee was an important factor in my decision to work in the field of developmental disabilities. It is wonderful that the Committee is being re-invigorated by President Clinton.

I would deeply appreciate any advice or assistance you could provide in relation to my nomination. I have enclosed a copy of my resume.

I hope this finds you and your family well and thriving. John and I were delighted to see you and Mary last year and hope our paths cross soon again. If you folks are traveling through New Jersey we would love to see you. Work is 908 235-4447; home is 609 397-8030.

John joins me in sending our best to you and Tony.

Many thanks for your consideration of this request.

Warm regards,

A handwritten signature in dark ink, appearing to read "Deborah".

**Deborah Spitalnik, Ph.D.
Executive Director, and
Associate Professor of Clinical Pediatrics**

Deborah M. Spitalnik, Ph.D., FAAMR

EDUCATION

- Brandeis University, Waltham, MA, A.B., 1970
- Harvard University, Cambridge, MA, Ed.M., Education and Social Policy, 1973
- Temple University, Philadelphia, PA, Ph.D., Clinical Psychology, 1982

POSTGRADUATE TRAINING

- Maternal & Child Health Fellowship in Child Clinical Psychology, St. Christopher's Hospital for Children, Philadelphia, 1975-1976.

ACADEMIC APPOINTMENTS

- Associate Professor of Clinical Pediatrics, 1989-Present University of Medicine & Dentistry of New Jersey, Robert Wood Johnson Medical School, Piscataway, NJ.
- Adjunct Associate Professor of Family Medicine, 1989 University of Medicine & Dentistry of New Jersey Robert Wood Johnson Medical School.
- Assistant Professor of Pediatrics, 1983-1989. University of Medicine & Dentistry of New Jersey, Robert Wood Johnson Medical School.

PROFESSIONAL EXPERIENCE

1983 to Present

- Executive Director, The University Affiliated Program of New Jersey, University of Medicine and Dentistry of New Jersey, Robert Wood Johnson Medical School, Piscataway, NJ

1981 to 1983

- Private Practice Training and Consultation in Human Services
- State of New Jersey Division of Mental Retardation Department of Human Services. Technical assistance in the planning and development of community services.
- Office of the Special Master for Pennhurst, Federal District Court, King of Prussia, PA. Training of case managers hired under court order. Monitoring of individuals placed in community services and preparation of reports to the Court.
- Connecticut Association for Retarded Citizens. Review of individual programming at Mansfield Training School for litigation.

1976 to 1980

- Director of Community and Regional Programs, Temple University Developmental Disabilities Center (University Affiliated Facility), Philadelphia, PA.

1974 to 1975

- Program Liaison, Temple University Developmental Disabilities Center.

1974

- Research Assistant, Division of Clinical Psychology and Krusen Rehabilitation Center, Temple University, Philadelphia, PA.
- Field Supervisor of Student Teachers, Department of American Studies, Brandeis University, Waltham, MA.

1973

- Research Assistant, Harvard Graduate School of Education, Cambridge, MA.

1970 to 1972

Teacher, Boston Public Schools.

SERVICE ON NATIONAL GRANT REVIEW PANELS, STUDY SECTIONS, COMMITTEES (ABRIDGED)

- Third Party Peer Reviews of University Affiliated Programs for The Administration on Developmental Disabilities—University of Arkansas, 1989
- University of Nebraska Medical Center, 1990
- University of Hawaii at Manoa, 1992
- University of Minnesota, 1992

SERVICE TO THE COMMUNITY

- President, American Association of University Affiliated Programs, 1991-1992
- Board of Directors, American Association of University Affiliated Programs, 1989-Present
- Board of Directors, National Foundation for Dentistry for the Handicapped - New Jersey Chapter
- Member, New Jersey Developmental Disabilities Council
- Member, Advisory Committee, Division of Advocacy for the Developmentally Disabled, Office of the Public Advocate (P&A)
- Member, Governor's Council on Prevention of Mental Retardation & Developmental Disabilities

COMMITTEE ASSIGNMENTS

- American Association of University Affiliated Programs, Chair, Consumer Organization and Liaison Committee, Committee of major disability groups and UAPs, Technical Assistance Committee
- American Association on Mental Retardation (formerly Mental Deficiency) Committee on Terminology and Classification, Nominations and Elections Committee, Fellow

MEMBERSHIPS

- The Association for Persons with Severe Handicaps
- American Academy of Cerebral Palsy and Developmental Medicine - Fellow
- The Arc/U.S.
- Society of Teachers of Family Medicine

TEACHING RESPONSIBILITIES

- Department of Pediatrics, Robert Wood Johnson Medical School, Developmental Disabilities Seminar for 3rd year medical students (six times per year), Lecture: A Psychosocial Approach to Families Group Facilitator
- Department of Family Medicine, Robert Wood Johnson Medical School, Chronic Disability Case Conferences
- Family Medicine Grand Rounds, November 1988, Robert Wood Johnson Medical School, St. Peter's Medical Center "Primary Health Care for Adults with Developmental Disabilities"
- Graduate Program in Public Health UMDNJ-Robert Wood Johnson Medical School and Rutgers University, October 1988, 1989 & 1990 "Family Health Through the Life Cycle" Presenter - Adult Patient/Family-Developmental Disabilities

PUBLICATIONS (ABRIDGED)

- Luckasson, R., Coulter, D., Polloway, E., Reiss, S., Schalock, R., Snell, M., Spitalnik, D., & Stark, J. (1992) Mental Retardation: Definition, Classification, and Systems of Supports, Special 9th Edition, American Association on Mental Retardation, Washington, D.C.
- Spitalnik, D.M.: "Health Care Services for Persons Who are Labeled as Dually Diagnosed" in The Community Integration of Persons labeled as Dually Diagnosed: Selected Conference Proceedings. University Affiliated Cincinnati Center for Developmental Disabilities, April, 1991.
- Spitalnik, D.M. & Melzer, K.: University Affiliated Program of New Jersey: Educating Future Physicians in Healthy Times. Vol 3. No.2, 1991.
- Spitalnik, D.M., Bacon, A. & Moynihan, M.A.: Proposed Additional Program Criteria for UAPs. New Jersey, The University Affiliated Program of New Jersey, 1991
- Spitalnik, D.M. "Exemplary Services" in Golden, G., Ed., Technical Manual on University Affiliated Program Core Functions, Administration on Developmental Disabilities, 1990.
- Spitalnik, D., & Rehfeld, B. (Eds.): Selections from an Oral History of Policy and Advocacy in Developmental Disabilities as Reflected in the Lives and Works of Elizabeth M. Boggs, Gunnar Dybwad and Rosemary F. Dybwad. Piscataway, N.J.: University Affiliated Program, UMDNJ-RWJMS, 1988, 10 videotape series.
- Sullivan, M.E., & Spitalnik, D.M.: Case Management Services for Persons with Developmental Disabilities in New Jersey: A Systems Analysis. Piscataway: UMDNJ-Robert Wood Johnson Medical School, University Affiliated Program, 1988.

PRESENTATIONS (ABRIDGED)

- "Political and Programmatic Implications of the New AAMR Definition of Mental Retardation" American Association on Mental Retardation — Fourth Annual Public Policy Form, December 1992
- "Systems Issues & Implication of Person-Centered Services", The Arc of New Jersey, Annual Meeting, October 1991
- "Health Care Models", Conference on Health of Youth and Adults with Developmental Disabilities, AAUAP, March 1991.
- "Developmental Disabilities and the Family Physician", New Jersey Academy of Family Physicians Annual Meeting, April, 1991
- "Health Promotion and People with Developmental Disabilities", Plenary Address, American Association on Mental Retardation Annual Meeting, May, 1991
- Testimony on behalf of the American Association of University Affiliated Programs on the Reauthorization of the Developmental Disabilities Act, US House Subcommittee on Health and the Environment, July 1990.
- "Enhancing Quality and Reducing Turnover of Direct Care Personnel", American Association on Mental Retardation Annual Meeting, 1990.
- Moderator, "Unlocking Physical Barriers". Joint session UCPA & AAUAP, American Association of University Affiliated Programs, Annual Meeting, Fall 1989
- "Serving the Full Range of People with Developmental Disabilities". Plenary Session address on Public Policy, American Association on Mental Retardation, 1989 Annual Meeting.

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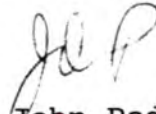
THE WHITE HOUSE
WASHINGTON

February 26, 1994

MR. PRESIDENT:

Attached is a Klain/Reed memo outlining an Administration position on three strikes and your out. It is time-sensitive.

It has been agreed to by the A.G./Rasco/Reed and Klain. It will be presented in testimony by Jo Ann Harris on Tuesday. While the proposal will be picked at from both the left and the right, it is likely to stand as a tough but sensible approach (the greatest vulnerability is the exclusion of non-violent drug offenses from the covered offense category). If you have problems/questions with the proposal please let us know.



John Podesta



Office of the Attorney General

Washington, D. C. 20530

February 25, 1994

94 FEB 26 P2:35

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED and RON KLAIN

SUBJECT: THREE STRIKES PROPOSAL

Attached is a draft of a legislative "three strikes and you're out" proposal, which has been approved by Attorney General Reno. With your approval, it will be presented at a House Judiciary Subcommittee hearing next Tuesday, by Acting Deputy Attorney General Jo Ann Harris.

Major Features of the Draft

The draft embodies your pledge to have a federal "three strikes" law: a law that will impose life imprisonment when a defendant is convicted, in federal court, of his third serious violent felony against another person (the first two strikes can be federal or state crimes).

Major issues or controversies addressed by the proposal are as follows:

- Life Sentence: "Life" would be real life -- not merely a term of years.
- Covered Offenses: The law would cover specific violent offenses against another person (such as murder, rape, armed robbery, arson); it excludes property crimes and non-violent offenses, such as drug crimes. A catch-all (felonies serious enough to merit a 10-year term, where an element of the crime is the use or threat of force) is also included.
- Exception: Robberies or "catch-all" felonies do not count as "strikes" if the defendant can prove that he did not use a gun, or did not cause serious bodily harm to his victim.
- Timing: The statute is a recidivism law -- it only applies when someone is caught, convicted, released, and then commits a crime again, and then again. Thus, someone who commits three felonies on a single crime spree is not covered. On the other hand, there is no time limit for the three convictions: convictions at ages 18, 35, and 50, for example, would count as three strikes.

The best statistics available suggest that the law would cover 100 to 200 federal defendants annually, nationwide.

Likely Support and Opposition

We are working with Senator Biden and Representative Schumer, seeking their support for this proposal. We think some limited endorsement of it is likely. Also, we are working closely with the Klass family to gain their support as well; Mark Klass is also testifying at the hearing where we plan to unveil this legislation.

We would expect opposition to this draft from both the left and the right.

Liberal Democrats in the House want a 25-year limit on the sentence, and a 30-year limit on the time spread of the three strikes. We respond by saying that, for deterrent purposes, life should be life -- and that we do not want to bet innocent lives on a criminal becoming "safe" at some specific age (i.e., age 55 or age 60).

Republicans want the "three strikes" law to cover drug crimes and crime against property; they also will complain that (because of the timing rule) our "three strikes" law does not cover someone who goes on rampage and kills a dozen people before being apprehended.

We respond by saying that many other laws -- including the death penalty -- exist to deal with mass murderers and crazed criminals on a crime spree; this is a single statute, to deal with a single problem: revolving door repeat offenses by violent criminals. Moreover, without a timing rule, a 19-year old who holds up three stores on a weekend would go to jail for life.

Decision

We need your approval by Monday to be able to present this at Rep. Schumer's hearing on Tuesday.

___ APPROVE

___ DISAPPROVE

___ OTHER:

Attachment

Substitute the following for the corresponding provision of H.R. 3355 as passed by the Senate.

SEC. 5111. MANDATORY LIFE IMPRISONMENT FOR PERSONS CONVICTED OF A THIRD VIOLENT FELONY.

Section 3559 of title 18, United States Code, is amended--

(1) in subsection (b) by striking "An" and inserting "Except as provided in subsection (c), an" in lieu thereof; and

(2) by adding the following new subsection at the end:

"(c) Imprisonment of certain violent felons.--

"(1) Mandatory life imprisonment.--Notwithstanding any other law, a person who is convicted in a court of the United States of a serious violent felony shall be sentenced to life imprisonment if--

"(A) the person has been convicted on two or more prior occasions in a court of the United States or of a State of a serious violent felony; and

"(B) each serious violent felony used as a basis for sentencing under this subsection, other than the first, was committed after the defendant's conviction of the preceding serious violent felony.

"(2) Definitions.--For purposes of this subsection--

"(A) the term 'assault with intent to commit rape' means an offense that has as its elements engaging in physical conduct by which a person intentionally places another person in fear of aggravated sexual abuse or sexual abuse (as described in sections 2241 and 2242);

"(B) the term 'arson' means an offense that has as its elements maliciously damaging or destroying any building, inhabited structure, vehicle, vessel, or real property by means of fire or an explosive;

"(C) the term 'extortion' means an offense that has as its elements the extraction of anything of value from another person by threatening or placing that person in fear of injury to any person or kidnapping of any person;

"(D) the term 'kidnapping' means an offense that has as its elements the abduction, restraining, confining, or carrying away of another person by force or threat of force;

"(E) the term 'serious violent felony' means--

"(i) a federal or State offense, by whatever designation and wherever committed, consisting of murder (as described in section 1111); manslaughter other than involuntary manslaughter (as described in section 1112); assault with intent to commit murder (as described in section 113(a)); assault with intent to commit rape; aggravated sexual abuse and sexual abuse (as described in sections 2241 and 2242); abusive sexual contact (as described in section 2244(a)(1) and (a)(2)); kidnapping; aircraft piracy (as described in section 1472(i)(2) or (n)(2) of

title 49; robbery (as described in section 2111); extortion; arson; or attempt, conspiracy, or solicitation to commit any of the above offenses; or

"(ii) any other offense punishable by a maximum term of imprisonment of 10 years or more that has as an element the use, attempted use, or threatened use of physical force against the person of another or that, by its nature, involves a substantial risk that physical force against the person of another may be used in the course of committing the offense; and

"(F) the term 'State' means a State of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

"(3) Non-qualifying felonies.-- Robbery, an attempt, conspiracy, or solicitation to commit robbery; or an offense described in paragraph (2)(E)(ii) shall not serve as a basis for sentencing under this subsection if the defendant establishes by clear and convincing evidence that--

"(A) no firearm or other dangerous weapon was involved in the offense; and

"(B) the offense did not result in death or serious bodily injury (as defined in section 1365) to any person.

4

"(4) Information filed by United States attorney.--The provisions of section 411(a) of the Controlled Substances Act (21 U.S.C. 851(a)) shall apply to the imposition of sentence under this subsection.

"(5) Rule of construction.--This subsection shall not be construed to preclude imposition of the death penalty."

THE WHITE HOUSE
WASHINGTON

DATE:

2/26/94

THE VICE PRESIDENT

MACK MCLARTY

DAVID GERGEN

GEORGE STEPHANOPOULOS

MARK GEARAN

ROBERT RUBIN

TO:

FROM: JOHN D. PODESTA

Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.



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

MEMBER

February 25, 1994 FEB 25 P7:09

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN S. BLINDER

SUBJECT: Interest Rates and the Stock Market, Week Ending Friday, February 25, 1994

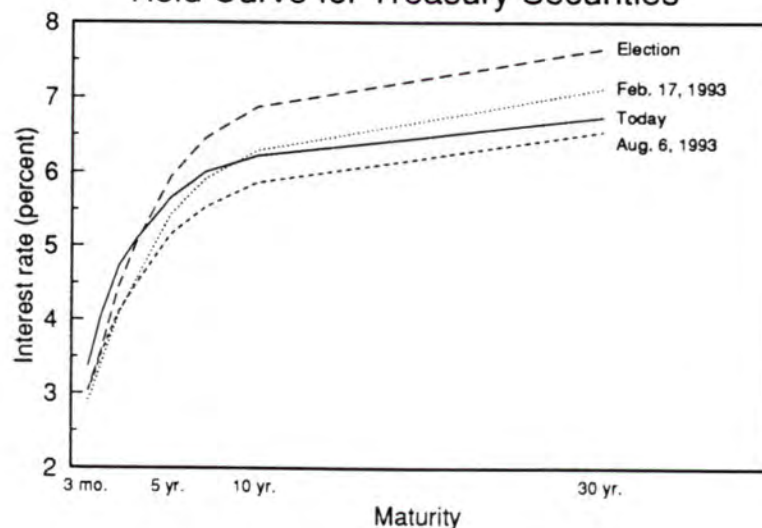
Interest rates rose sharply again this week. Changes in Treasury borrowing rates were as follows:

	Close 2/18/94	Close 2/25/94	Change
3-month bills	3.29	3.37	+0.08
10-year notes	6.09	6.21	+0.12
30-year bonds	6.63	6.73	+0.10

Thursday's yield on the 30-year bond (6.75 percent) was the highest since June 23, 1993.

The stock market closed lower for the week. The broad-based S&P index closed Friday at 466.07, down 0.3 percent from the preceding Friday's close. The Dow Jones Industrial Average closed Friday at 3838.78, down 1.3 percent for the week.

Yield Curve for Treasury Securities





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

MEMBER

94 FEB 25 P7:09

February 25, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN S. BLINDER *ASB*
SUBJECT: Foreign Economic Developments

Exchange Rates: The value of the dollar was essentially unchanged this week.

Value of the Dollar in terms of:	Week Ending 2/18/94	Week Ending 2/25/94	Percent change from:	
			Week ago	Year ago
Deutschemark	\$1 = 1.7105 DM	\$1 = 1.7035 DM	-0.4%	+4.1%
Yen	\$1 = 104.30 Yen	\$1 = 104.25 Yen	-0.1%	-11.3%
Multilateral (March 1973 = 100)	94.62	94.55	-0.1%	+0.9%

European Interest Rates: Belgium, Spain, and France all cut key short-term interest rates this week, following the Bundesbank's cut last week. Long-term interest rates rose sharply in France, Germany, and the UK following disappointment with the small cut in short-term French rates (just 10 basis points) and the rise in U.S. long-term rates. Stock prices fell as long-term rates rose.

Japan: ► Consumer prices rose 0.1% in January and are just 1.2% above a year ago. January's retail sales were 2.4% below their value a year ago. This is the 20th consecutive month of year-on-year declines.

Europe: ► Germany's trade surplus nearly doubled to 2.1% of GNP in 1993 as import demand fell due to a weak economy.

► French consumer prices rose 0.2% in January and are 1.9% above their level a year ago. Their trade surplus rose to \$15.1 billion in 1993.

► Italy's industrial production fell 2.8% in 1993, despite a modest 4th quarter increase. Wholesale prices rose 3.9% in 1993. The 1993 trade surplus rose to \$6.5 billion.

Other Countries: ► Canada proposed a unilateral cut in tariffs on about 1500 industrial inputs in order to reduce costs for Canadian firms.

► Chinese industrial production in January was 33% above its level a year ago. Consumer prices rose 14% nationwide and 23.5% in major urban areas during 1993. Rapid growth resulted in strong import demand, leading to an overall trade deficit of more than \$12 billion in 1993, despite their \$22.8 billion surplus with us. This is China's first deficit in 9 years.

THE WHITE HOUSE

WASHINGTON

February 23, 1994 94 FEB 23 P 2 : 29

MEMORANDUM FOR TODD STERN

FROM: Peter Yu 
SUBJECT: Attached

Attached please find a draft letter from the President which is to be reprinted in the front of the Issues Book distributed at the state conferences leading up to the national White House Conference on Small Business.

Both Public Liaison and SBA have reviewed this letter. I do not know whether you need to staff this, but err on the side of more circulation rather than less. The Issues Book goes to the printer early next week, so I would appreciate any comments you might have by Monday.

Thanks.

John -
This look
OK to
you? yes

1.225.94

THE WHITE HOUSE

WASHINGTON

Dear Conference Participant:

It is my great pleasure to welcome you to the White House Conference on Small Business. Over the coming months, you and your colleagues will address many important issues and problems. My entire Administration values your unique perspective on the role of small business in our Nation's economic future, and we will work closely with you to make the Conference a success.

As you well know, new forces--such as globalization, the rise of new technologies, and the development of new markets--are shaping a new American economy. Many experts believe that smaller firms, with their nimbleness, adaptability, and creativity, will play an increasingly important role in that new economy. I agree--that is why your leadership through this Conference is so valuable to the Nation.

I look forward to participating in the national conference in the summer of 1995, and to reading the Conference's findings and recommendations. Thank you for your important contributions--both through your business success and in this Conference.

Sincerely,

THE PRESIDENT HAS SEEN

2.25.94

THE WHITE HOUSE

WASHINGTON

February 24, 1994

MR. PRESIDENT:

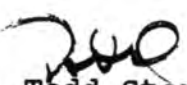
The attached is a decision memo from Secretary Bentsen recommending that you approve a promotional effort to boost the visibility of your EITC expansion. Secretary Bensten envisages a three-part campaign: first to engage the Cabinet to promote the EITC through their own agencies and offices; second, to enlist CEOs to promote use of the EITC; third, to have an intensive media "EITC" week leading up to tax filing season.

We have circulated the memo to relevant staff. George thinks this is a good idea. The CEA, without outright opposing the idea, is skeptical. Given the already relatively high participation rate for EITC (83%), CEA doubts that a campaign will increase the level very much. CEA also worries about the possibility of increased fraudulent claims. NEC favors the Bentsen approach. No one else objects.

Approve ☒ campaign

Disapprove ☐

Discuss ☐


Todd Stern

2 25 94

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

February 17, 1994 94 FEB 17 P6:57

MEMORANDUM FOR THE PRESIDENT



FROM: LLOYD BENTSEN

SUBJECT: WHITE HOUSE INVOLVEMENT IN ADVANCE EARNED
INCOME TAX CREDIT (EITC) PROMOTIONAL CAMPAIGN

BACKGROUND:

Expanding the EITC was one of your biggest accomplishments during 1993 - *providing a tax cut for working Americans who choose full-time work over lifetime welfare*. When fully phased in, the maximum credit will increase 70% from \$2,000 to almost \$3,400. In addition, the number of workers claiming the EITC will increase 43% from 14 million to 20 million. The expanded credit will lift many working families out of poverty, yet millions of eligible workers do not know how to obtain the credit or the options on ways to receive it.

There are two primary problems concerning participation in the EITC program. First, although an estimated 83% of eligible individuals receive the credit, there are still more than 2 million who do not. That number will grow as the new eligibility rules come into effect. Second, too few recipients take advantage of the advanced payment option. Ninety-nine percent of current recipients receive the entire amount in a lump sum when they file their taxes at the end of the year. Fewer than one percent of recipients (35,000) file for the EITC's advanced payment option. This option allows workers to receive a portion of the credit in their paychecks during the year, and the balance of the credit when they file their taxes.

RECOMMENDATION:

To ensure that all EITC eligible workers know about the credit and the advanced payment option, I would like to request your participation in a high-visibility campaign to promote EITC awareness.

The campaign will consist of 3 major components. First, at your next Cabinet meeting, you could briefly outline the EITC promotional campaign. You could ask members of your Cabinet to promote the EITC and the advanced payment option to their employees. Federal payroll offices could distribute brochures, display posters, and include articles on the credit in their employee newsletters. You could also ask Cabinet members to raise this issue in their discussions with the media, business groups, and labor.

The second component of the campaign would involve the private sector. We would assemble a group of civic-minded CEO's for you to address. They will have agreed in advance to encourage the use of the EITC and the advanced payment option within their own companies, and to contact additional CEO's to do the same. Involving employers in the campaign is the most direct way to reach potential recipients. This effort will also help deflect any potential criticisms that this program is just another Federal entitlement.

The third component of the campaign would be a week of intensive media leading up to the tax filing season. This "EITC Week" would have Cabinet members promoting the EITC in events around the nation. In addition, you could speak to one of the IRS's Volunteer Income Tax Assistance sites around the nation about the benefits of the EITC. Attendees at this event would include representatives of the advocacy groups, charities, and elected officials. Through the DNC, Members of Congress, governors, mayors, and many state-level politicians are interested in helping to promote the program.

There are two cautionary notes about which you should be made aware. The IRS needs to improve its controls to prevent EITC fraud and overpayment. Already, substantial progress has been made; however, more needs to be done. Second, some businesses claim the advanced payment option poses an additional administrative cost burden on their payroll offices. This will be the case for a small minority of companies; however, the IRS is working to alleviate this burden, and to correct any misapprehensions that exist among other businesses. The CEO outreach campaign will help address these businesses' concerns.

The EITC is an important program and politically very popular. The promotional campaign will help publicize the credit expansion you achieved. The expanded EITC is also the cornerstone of the Administration's welfare reform proposal. Increased awareness of the credit, and its contribution to "making work pay," will broaden the base of support for your welfare reform proposal, and highlight one of the Administration's most impressive accomplishments.

Recommendation: That you support this campaign to showcase the EITC.

_____ Accept

_____ Decline

_____ Let's Discuss

Attachment

February 17, 1994

ADDITIONAL BACKGROUND INFORMATION

SUMMARY:

While most persons eligible for the EITC receive it, fewer than 1 percent of EITC claimants receive the credit through advance payments in their paychecks (as opposed to receiving a lump sum when they file their tax returns). Treasury, and the IRS are committed to encouraging more EITC recipients to take advantage of the advance EITC option.

One cautionary note, however, is that we must improve the administration of the advance EITC system to reduce the likelihood that individuals receive overpayments. If significant compliance problems emerge, the expansion of the EITC may be viewed by many as a mistake, rather than an accomplishment, of the Administration. We must also acknowledge that many employers may resist using the advance EITC system because of perceived increases in payroll administration costs. Similarly, employees may prefer to receive the credit in a lump sum at the end of the year. This memorandum provides additional background about the advance EITC option. Improvements to the administration of the EITC and the advance EITC and additional outreach steps are also suggested.

DISCUSSION:

I. The EITC Advanced Payment Option

1. Background. With the passage of OBRA '93, the Administration achieved one of its principal goals: a significant expansion in the EITC that will lift many families out of poverty. This expansion, to be phased in over the next three years, includes a 70 percent increase in the maximum credit available to families with two or more children and an expansion of the credit to childless workers. When fully phased in, the maximum credits will be \$3,370 for families with two or more children, \$2,040 for families with one child, and \$306 for workers without children.

For low-income workers, the advance EITC payment can ease the burden of meeting day-to-day expenses. The advance EITC allows recipients to receive up to 35 percent of the credit on a current basis, rather than at the end of the year. Providing the credit in this timely fashion can be particularly important to people making the transition from welfare to work. For others, the advance EITC may make it easier to budget funds during the year.

2. Use of the advance EITC. According to a study by J. Karl Scholz, an economics professor at the University of Wisconsin, between 80 and 86 percent of the 15 million eligible working persons received the EITC in 1990. More than 2 million eligible workers did not file for the credit.

Of those who did, however, fewer than 1 percent of EITC claimants received the credit through advance payments. Because we do not completely understand why current utilization of the advance EITC is so low, it is difficult to project how many EITC recipients are likely to respond to IRS outreach efforts. A recent GAO study found that many EITC recipients were unaware that they could claim the credit in advance. Some EITC recipients may simply prefer the forced savings aspect of receiving the credit in a lump sum. Others may fear their employers' reaction if they ask for a government wage supplement to be added to their paycheck.

The GAO study also found that some employers have concerns about two aspects of the advance EITC: modifications to payroll software and the determination of the proper credit amount for part-time and seasonal workers. Additionally, our discussions with employers reveal that they may resist active marketing of the advance EITC because they perceive they will be negatively labeled by their employees and community members as a low-wage-paying employer.

While the above concerns probably are not likely to significantly deter expanded use of the advance EITC, our discussions with payroll associations and employers also indicate a general perception of higher administrative costs and burdens under the advance EITC. Changing this perception, which may be accurate for sectors of the economy that employ large numbers of low-wage workers, must be the focal point of our corporate marketing efforts.

3. Potential administrative problems associated with increased advance EITC payments.

A principal concern with the EITC program, in general, is the potential for fraudulent and erroneous claims. To a significant extent, this problem is attributable to the IRS not having adequate information to verify eligibility for the credit when the credit is claimed. All information necessary to challenge the amount of a claimed credit is typically not available to the IRS until 18 months after the credit is paid.

While it is difficult to assess the exact effects of increasing the use of the advance EITC on the number of fraudulent and erroneous claims, the IRS believes that shifting more EITC payments to the advance EITC, where a controlled employer/employee relationship exists and an employer is involved in determining the amount of the credit, will result in fewer fraudulent claims over time. Increased use of advance payments will increase, however, the time lag between payment of the credit and verification of eligibility and, therefore, may result in increased processing errors by the IRS, claimants, and employers.

To ensure that Treasury and the IRS could develop ways to improve administration of the EITC, the recommendation last spring was that the EITC expansion be phased in over three years. The IRS is taking steps now to address these administrative concerns. For example, educational notices have been sent to individuals who failed to show a social security number for their dependents on last year's returns. Additionally,

beginning with the 1994 filing season, the IRS will manually compare advance EITC payments reported on the employee's Form W-2 attached to the return with advance EITC payments shown on the return.

Further ideas or modifications that may be possible to improve administration of the advanced EITC system are as follows:

- Improve IRS ability to verify eligibility of advance EITC recipients. There are several options, in addition to enhancements currently in place for this year's filing season, that could help the IRS better verify eligibility of advance EITC recipients. These options could include combined Federal/state initiatives that would enable on-line verification of W-2 data provided by an EITC recipient against wage data for a major portion of the year, as maintained by state employment offices. This option, however, is only in the conceptual stages, and would require agreements with the states (agreements which may not be easily reached), and also would take a minimum of one to three years to implement. Another option, which the IRS is testing in 1994, is on-line validation of social security numbers.
- Demonstrations using other agencies to verify eligibility for, and make, the advance EITC payment. On a demonstration basis, state agencies (e.g., unemployment insurance or welfare offices) could be allowed to issue advance EITC payments. These offices could be required to verify eligibility using the resources generally available to them (access to paystubs, UI earnings reports, etc.). Governor Engler has requested that Michigan's welfare agencies be allowed to issue advance EITC payments to welfare recipients making the transition to work. This would require legislation.

I firmly believe, however, that potential problems with the administration of the advance EITC program could be adequately addressed and that administrative concerns should not stand in the way of getting the credit into the hands of needy individuals on a current basis.

II. Outreach Efforts to Date

1. IRS initiatives. The IRS has been involved in an intensive outreach campaign to ensure that all of those eligible for the EITC know that they can claim the credit either when they file their tax returns, or on an advanced basis. In addition to normal filing season publicity, activities include:

- outreach through public interest and advocacy groups, the major payroll associations (which reach over 8,000 payroll officers), and business associations (such as the Chamber of Commerce);

- educate private employers through joint IRS/Small Business Administration regional workshops to train employers how to offer the advance EITC to their employees (and deal with potential administrative problems);
- special public service announcements emphasizing the EITC and advance EITC; and
- as mandated by OBRA '93, an advance EITC mailing, explaining how to claim the advance EITC, to each individual receiving the EITC.

2. Additional IRS initiatives that would benefit from Treasury and White House involvement. For \$500,000, the Advertising Council could provide a media campaign, including television, radio, and other forms of promoting both the EITC and the advance EITC. The \$500,000 could result in up to \$25 million of donated media air time. The Advertising Council would use a targeted campaign to increase utilization of the advance EITC.

Because IRS resources for wide publication of EITC and advance EITC eligibility are limited, Treasury and the IRS recommend that the President enlist assistance from the corporate community and other government agencies in promoting the advance EITC to reach the broadest audience of EITC eligibles. As a supplement to the high-visibility approach, the CEO community and other Federal and state government agencies could be encouraged to promote the advance EITC.

- Ongoing CEO activities. When the President and Administration officials are visiting with CEOs, the EITC and advance EITC programs could be mentioned, along with the possibility that some of their employees might be eligible. The CEOs could be asked to follow up with their payroll offices (since "top down" emphasis usually has a positive impact).
- Increased use by government employees. The IRS is taking steps to ensure that all of its eligible employees are apprised of the EITC and advance EITC. This effort should be expanded throughout the Federal government. IRS is developing additional approaches aimed at reaching Federal departments and agencies. One idea is for you to raise the EITC and advance EITC at a Cabinet meeting and encourage the other Cabinet members to help publicize the program within their agencies. Finally, the IRS, in conjunction with the Federation of State Tax Administrators, has asked for assistance from state and local governments in encouraging advance EITC participation.
- Accompany outreach efforts with focus group testing. The outreach initiatives should be coupled with research on which efforts are effective and why.

III. Closing

In summary, it is important that we complement our goals of increasing the awareness of the expanded EITC and encouraging the use of the advance EITC by highlighting our concerns over the potential for errors and fraud under the EITC program in general. We should also acknowledge that there are employer perceptions of increased administrative costs and burdens associated with the advance EITC which will need to be addressed.

THE WHITE HOUSE

WASHINGTON

February 24, 1994

THE PRESIDENT HAS SEEN

225.94

94 FEB 24 P2:18

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD W. NUSSBAUM BN
COUNSEL TO THE PRESIDENT

CLIFFORD M. SLOAN CS
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Chinese immigration litigation

In response to your inquiry (a copy of which is attached), the status of the Chinese immigration issue is as follows:

BT
(1) On February 1, by unanimous consent, the Senate adopted a Helms amendment to the State Department authorization bill which permits Chinese nationals to stay in this country if they face forced abortion or sterilization, or if they face or have faced severe harm for failing to undergo such procedures. The amendment caps the number of people entitled to this special statutory relief at 2000 per year. At your direction (as communicated to Sandy Berger), the Administration did not oppose the Helms amendment. The House version of the State Department authorization bill does not include such an amendment, but it is likely that the conference bill will include the Helms amendment.

(2) NSC and DPC are currently engaged in discussions with State and Justice about policy and implementation issues regarding the Helms amendment. (State and Justice are considering whether to recommend to you that we try to narrow the amendment in conference). The amendment provides that the Attorney General will promulgate implementing regulations within 90 days of enactment of the legislation.

(3) Some cases remain in litigation, including the case discussed in the attached article. DOJ has been defending the Board of Immigration Appeals' decisions on the ground that they reflect longstanding BIA precedent. INS has been instructed that any person with a credible fear of forced abortion or sterilization may not be finally deported as the policy and legal review continues. Once the new amendment is enacted, the posture of the cases will change because some of the applicants probably will be eligible for relief under the statute. Under Webb Hubbell's direction, DOJ is making every effort to ensure that the cases remain in a low-key "holding pattern" until the statute is passed. We are in touch with DOJ on this matter regularly.

Ben Humberman *When are we on this?*

THE PRESIDENT HAS SEEN
2/22/94 ab

2A • TUESDAY, FEBRUARY 1, 1994 • USA TODAY

THE NATION

Ruling tangles policy on Chinese immigration

Approval of asylum foils Clinton's crackdown vow

By Maria Puente
USA TODAY

The Clinton administration's promised crackdown on illegal Chinese immigration has run up against a federal judge's ruling that China's coercive family-planning policies may be grounds for asylum.

The result is that American policy on asylum as it applies to Chinese is as confused as it was during the Bush administration — and could remain so for months or years while the issue is debated in the courts.

"There's an urgent need for the Clinton administration to come back with a clear statement on its policy," says Dan Stein, head of the Federation for American Immigration Reform, which advocates reducing immigration.

China tries to force couples to have just one child, a policy that has raised legal questions in the USA.

"The administration has dropped the ball ... and as a

result they're losing control of the policy," he says.

The Justice Department is trying to decide whether to appeal the ruling, which involves the asylum claim of one of 285 illegal Chinese immigrants found on the smugglers' vessel Golden Venture last June.

The government insists the ruling applies to just one case.

But other judges may be influenced by it, and lawyers representing other Chinese say they intend to raise it.

Stein says that means the ruling — the first-ever judicial pronouncement on the issue — is a "disaster" and an open invitation to would-be Chinese

asylum seekers.

Immigrant-rights groups agree the ruling may encourage would-be immigrants, but hail the decision as a victory for human rights.

"Clinton will have to take a position now — are human rights really a priority or is he going to coddle China as he accused Bush of doing," says



SEEKING ASYLUM: Illegal Chinese immigrants huddle in blankets on a New York beach after being rescued from the Golden Venture in June. More than 280 Chinese were smuggled on board.

By Michael Albans, AP

Craig Trebilcock, who represents Chinese asylum-seekers.

But the ruling won't immediately help hundreds of Chinese asylum-seekers still in jail.

"It's an administrative abdication (by) sending the issue to federal court ... but it means these people will remain in limbo for months or years,"

said Arthur Helton, head of the Lawyers Committee for Human Rights.

The ruling was issued last month by federal District Judge Thomas Ellis in Alexandria, Va., in the case of Guo Chun Di, 28.

Guo, being held in a Virginia jail, says he fled because he

and his wife wanted two more children. When they resisted orders to be sterilized, he said, officials confiscated their property and destroyed their home.

An immigration judge found Guo's story plausible but denied him asylum based on a 1989 Board of Immigration Appeals ruling. That ruling says

that persecution under a coercive population control policy does not constitute grounds for political asylum.

The Justice Department argued Guo was not singled out for special persecution, that Congress didn't intend for family planning policies to be grounds for asylum, and the 1989 case should be the precedent for deciding such cases.

But Ellis, who was appointed by President Reagan, said involuntary sterilization is "an egregious infringement on the fundamental right to procreate," and Guo's opposition to China's policy constitutes "political opinion" that makes him eligible for asylum.

Moreover, Ellis said U.S. policy on this issue had been hopelessly muddled during both the Bush and Clinton administrations — with nine inconsistent government pronouncements

since 1988.

"Taken together, they amount to an administrative cacophony undeserving of judicial deference," Ellis said.

The cacophony may continue. Last summer, Clinton promised significant reform in the nation's overwhelmed political asylum system, including a crackdown on smugglers. Since then little has happened in either the White House or the Congress.

Attorney General Janet Reno was supposed to clarify administration policy last year, but in December declined to do so, saying the cases presented to her weren't good ones on which to base policy.

"Clinton made promises about significant reforms but internally everything's gone to pieces," Stein said. "They're making no one happy and getting nothing done."



"The administration has dropped the ball ... and as a result they're losing control of the policy."

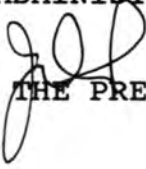
— Dan Stein, Federation for American Immigration Reform

THE WHITE HOUSE

WASHINGTON

February 25, 1994

MEMORANDUM FOR PATSY THOMASSON
SPECIAL ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF ADMINISTRATION

FROM: JOHN PODESTA 
ASSISTANT TO THE PRESIDENT AND STAFF SECRETARY

SUBJECT: Parking Pass

I would like to request a restricted parking pass for Shelley Walker, who covers the Office of the Staff Secretary on weekends.

Thank you.

THE WHITE HOUSE
WASHINGTON

February 20, 1994

MEMORANDUM

TO: JOHN PODESTA
FROM: ANNE S. WALKER (SHELLEY)
SUBJECT: PARKING

I would appreciate your assistance in obtaining a parking pass for Jackson Place where I park when working weekends in the Staff Secretary's Office. I have acquired three parking tickets from Park Police, even with a note specifying where I am working at the White House.

Thanks very much.

Betty Ubbens is out of
the office & will call
Friday. JP says restricted
pass to allow evenings
& weekends

Deb

THE WHITE HOUSE

WASHINGTON

25 P6:05

Schedule Proposal

date 11/30/93

____ ACCEPT ____ REGRET ____ PENDING

TO: Ricki Seidman

FROM: Steve Ricchetti
Deputy Assistant to the President for
Legislative Affairs

REQUEST: Attend 50th anniversary celebration of the
beginning of operation of the Kentucky Dam.

PURPOSE: This request is important to Senators Ford and
McConnell.

BACKGROUND: The Kentucky Dam was originally dedicated in
October of 1945 by President Truman. At the
time, the Kentucky Dam created the largest man-
made reservoir in the United States. Senator
Ford has called George Stephanopoulos to lobby
for the President's attendance at this event.

PREVIOUS PARTICIPATION: None.

DATE AND TIME: September 22-25, 1994

DURATION: TBA

LOCATION: Marshall County, Kentucky

PARTICIPANTS: Senator Ford
Senator McConnell

OUTLINE OF EVENTS: As per usual.

REMARKS REQUIRED: TBA

MEDIA COVERAGE: TBA

FIRST LADY'S ATTENDANCE: No.

VICE PRESIDENT'S ATTENDANCE: No.

SECOND LADY'S ATTENDANCE: No.

RECOMMENDED BY: Steve Ricchetti

CONTACT: Steve Ricchetti
x7054

Hard time
Ford's important
but I'd say
nonetheless
Pit feels
strongly
2-25-94

WENDELL H. FORD
KENTUCKY

United States Senate

OFFICE OF THE MAJORITY WHIP
WASHINGTON, DC 20510-7012

November 19, 1993

Dear George:

Last month, we discussed and I followed up with a letter regarding President Clinton, and possibly Vice President Gore attending the 50th anniversary of the Kentucky Dam.

I have been advised by the Kentucky Dam 50th Anniversary Committee that they have selected the dates of September 22-25, 1994 for this celebration.

I hope this information will be of help to you and if there is anything, whatsoever, I can do to help assure their attendance, please don't hesitate to let me know.

My best to you and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Wendell", with a long horizontal flourish extending to the right.

Mr. George R. Stephanopoulos
Senior Advisor
Office of the President
The White House
Washington, D.C. 20500

The Washington Post Writers Group

Yoder 2/23/93

r k

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

THE PRESIDENT HAS SEEN

2-25-94

(800) 879-9794

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(Advance for Wednesday, February 23, 1993, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--The Clinton administration is offering a double-edged argument against Sen. Paul Simon's ``balanced budget amendment,'' now before the Senate. Support it, the argument goes, and risk seeing your taxes rise or your Social Security pension cut. Or both.

It is a gut-level politics--the federal budget portrayed as a grab-bag of goodies--whose pursuit in other venues has done so much to undermine fiscal integrity.

Worse, it obscures the far better arguments against Simon's self-spiting mechanism.

First: If balanced budgets are made constitutionally mandatory more spending will simply go ``off-budget.'' Congress long ago turned off-budget financing into an art form. As a result, the unfunded liabilities of American taxpayers are incalculably large--which is, of course, the intention. But you don't have to be a CPA to see the damage. Federal budgets, for instance, carry no depreciation line. When maintenance is stinted (as it has been all through the deficit-tightened budgets of the 1980s) a huge liability builds up and must be attended to eventually--unless you relish dodging ever-larger potholes or crossing structurally unsound bridges. The civil service and military retirement systems (both off-budget) have accumulated unfunded liabilities in the hundreds of billions of dollars.

Who can doubt that off-budget financing, more and more of it, will become the favorite dodge if balanced budgets are constitutionally mandated?

A second, somewhat more subtle argument (well made by Judge Robert Bork and others) is that by constitutionalizing issues of fiscal policy we will

(more)

of necessity invite judicial intrusion into fiscal politics. The one follows from the other. Ordinarily, judges might seek refuge in the ``political questions'' doctrine when asked to intervene in budgetary struggles. But judges cannot ignore an explicit constitutional rule.

Let us say that Senator Simon decides, in year one of the new dispensation, that some dodge (perhaps a decision to shift a major program off-budget) evades the ``intention'' of his amendment. Suppose that the senator--or some sympathetic interest group--seeks a court injunction to stop the appropriations process pending a judgment on its constitutionality.

What then? The best to be hoped for would be an unusually speedy judicial process. But what judge would wish to consider so critical an issue with a timer's pistol at her temple? What then? Would the legislative process grind to a halt pending a decision? If legislative business proceeded as usual, would an adverse ruling require Congress, months or years later, to pony up the missing money, plus interest? An Orwellian scenario? Perhaps. But don't forget that America's middle name is litigation.

A third and more fundamental argument is that as an exercise in economics the balanced budget amendment is theoretically primitive. It assumes that budget balance is so transcendent a fiscal virtue as to override all others at all times.

So what happens at the onset of a severe recession, when some fiscal stimulus might be appropriate? Senator Simon and his allies might argue that at such times Congress would use the escape hatch the amendment provides (deficits permitted by a 3/5 majority). But budget votes are always saturated with politics; and it is hard in the best of circumstances to time countercyclical measures so as to counter, not reinforce, the business cycle. Requiring an extraordinary majority won't make it easier.

Lord Keynes demonstrated, decades ago, what common sense revealed but classical economists stubbornly denied: Market economies do not necessarily arrive, unassisted, at a full-employment ``equilibrium''--recessions aren't, in other words, self-correcting. Keynes' work constituted a great

(more)

emancipation for fiscal policy-makers. So what now? Because we have borrowed too much, we are not to borrow at all? Because modern states tend to abuse Keynesian theory by generating deficits during slumps but rarely generating surpluses when economies are overheated--the theory is to be discarded? Apparently so.

It is said that a cat, once burned by a hot stove, won't sit on any stove, hot or cold. Homo sapiens ought to act with greater intelligence.

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THE PRESIDENT HAS SEEN
2/25/94 db

THE WHITE HOUSE
WASHINGTON

February 23, 1994
94 FEB 23 P3:10

MEMORANDUM TO MACK McLARTY

FROM: BILL BURTON

SUBJECT: Gejdenson/Seawolf/Followup

This is a followup, based on a conversation last night with Navy Secretary John Dalton, to the attached memo on Rep. Gejdenson and his request that the next Seawolf be based in Connecticut. As you know, the President travels to Connecticut, with Gejdenson and others interested in this project, tomorrow.

Dalton said the policy folks at DOD would probably still prefer Norfolk as the Seawolf base, when it is launched in mid-1996. He understands, however, of our strong interest in Connecticut. The only legal requirement on the siting is that it be announced at least six months in advance. To name Connecticut now would raise a lot of flags due to the launching being so far off and because no environmental impact study or cost estimate have been done for the Connecticut site. Dalton notes, for example, that to locate the Seawolf in Connecticut will require the dredging of a river.

What Dalton has done, however, is to order the environmental impact study and cost study on the Connecticut site for the Seawolf. He expects the results back no earlier than May. We could, subsequent to that, make and announce the siting decision. Be advised, Dalton said, that Virginia's delegation will likely pitch a fit if the decision comes down for Connecticut, since the site will be Connecticut or Norfolk.

The timing should work for Gejdenson, Dalton said, assuming we can go with the Connecticut decision since his primary is not until the end of the summer. Susan Brophy, who has been pushing to do this for Gejdenson, notes that we should develop a strategy for announcement at the time (assuming the decision is Connecticut) that would also involve Lieberman and Dodd, also advocates.

054588
2/25/93

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

94 FEB 25 P2:47

February 25, 1994

Copied to
Rubin
Quinn
VD
Lake

MEMORANDUM TO THE PRESIDENT

FROM: AMBASSADOR MICHAEL KANTOR *Ry for MK*
SUBJECT: Resolution of Special 301 Investigation of Brazil's
Intellectual Property Practices

I am pleased to inform you that the Government of Brazil has formally notified us that it will be taking significant steps to provide adequate and effective protection of intellectual property rights and improved market access for U.S. firms relying on intellectual property. Based on this information and steps that the Government of Brazil has already taken, I plan to announce the termination of the investigation that was initiated under the "special 301" provisions on U.S. trade law and revocation of Brazil's identification as a "priority foreign country" under that law. Relevant agencies support this decision.

A key element of Brazil's plan is early implementation of the recently concluded Uruguay Round agreement on Trade-Related Aspects of Intellectual Property (TRIPs). Brazil has stated that it will fully implement TRIPs by June 1996. This is 4 years earlier than required under TRIPs and should help address some of the concerns about the overly long transition periods in that Agreement. Brazil's decision will create a good precedent for other developing countries to implement TRIPs quickly.

Each part of the U.S. intellectual property community (patent, copyright, trademark, trade secrets and semiconductor industries) will benefit from the steps that the Government of Brazil has committed to take in the near future.

Important improvements in Brazil's industrial property law must be enacted by June 1994. These include: (1) product patent protection for pharmaceuticals, (2) a 20 year term of protection, and (3) stringent limits on grant of compulsory licenses. Protection for our well-known trademarks will also be improved and the law includes strong trade secret provisions.

U.S. motion picture and sound recording industries are already benefiting from improved enforcement efforts to control piracy and the copyright law will be amended to provide exclusive rental rights for sound recordings, a longer term of protection, and to

extend protection for all U.S. sound recordings that are still protected in the United States.

The Government of Brazil will also submit amendments to its laws to improve protection for computer software. In addition to protecting software as a literary work, the Government's proposed legislation will provide for an exclusive rental right, eliminate application of similars and other market access barriers.

The private sector supports the action that I intend to announce, but is concerned that we closely monitor the Brazilian Government's implementation of the steps specified in that Government's diplomatic note. We intend to work closely with the Brazilians to help ensure that their commitments are successfully carried out.

THE PRESIDENT HAS SEEN

2/25/94 05

Not so much
for Mr. Call

don ✓

PM-OLY--Speedskating-Short Track, 570

URGENT

By RON LESKO= AP Sports Writer=

HAMAR, Norway (AP) America's Cathy Turner successfully defended her Olympic 500-meter short-track gold medal today with a gutsy, daring performance that included a restart after a triple-wipeout in the semifinals.

Turner, an ex-singer-songwriter who now has two medals each of the past two Games, set an Olympic record with her victory, finishing in 45.98 seconds.

She tailed China's Zhang Yanmei, the world-record holder, until making her move on the outside with two laps left in the 4 1/2-lap race. Turner, 31, of Hilton, N.Y., battled elbow-to-elbow with Zhang through two corners before jumping into the lead.

A fifth medal for Turner in Saturday's 1,000 would tie her with Eric Heiden for the second-most medals ever by a U.S. Winter Olympian. Long-track speedskater Bonnie Blair won her sixth medal and fifth gold Wednesday.

Zhang took the silver today and American Amy Peterson, an unlikely finalist, won the bronze.

Turner, who retired after winning the 500 and taking a silver in the 3,000 relay in 1992, returned to short-track last summer after she was let go from her job with the Ice Capades.

She and Peterson each advanced to the final on a typically hair-raising, fast-moving night of short-track racing.

Turner won by a quarter-lap in her qualifying heat, finishing in 46.22 seconds to set a short-lived Olympic record, breaking the mark of 47.00 set by Italy's Marinella Canclini when the sport debuted as a medal event at the 1992 Games. Zhang, who set the world record of 45.60 at last year's world championships, won her semifinal heat in another short-lasting Olympic record of 46.01.

Turner then survived a near fall in the quarterfinals and a spectacular pileup in her semifinal heat. Turner, Canada's Isabelle Charest and China's Wang Xiulan all went down together, and Charest was disqualified after the pileup.

The race was started over, and Turner and 14-year-old Korean Won Hye-Kyung, the second-youngest member of South Korea's gold-medal 3,000 relay team Tuesday, advanced to the final.

Peterson, 22, of Maplewood, Minn., needed a break to qualify for the final. She was last throughout most of her 4 1/2-lap semifinal, then jumped to third on the final lap and crossed the finish line second when China's Yang Yang fell on the last turn.

Also today were qualifying heats for the men's 500 new to the Olympics this year and 5,000 relay.

Kim Ki-Hoon, who defended his 1,000-meter championship Tuesday and also was a member of South Korea's gold medal-winning 5,000 relay team in 1992, had to dodge disaster to survive his 500 qualifying heat.

He was last when New Zealand's Andrew Nicholson sprawled in front of him. Kim hopped over Nicholson and later snuck past Russia's Igor Ozerov to finish second.

Andy Gabel, 29, of Pewaukee, Wis., was the only one of three Americans to advance to Saturday's semifinals.

Eric Flaim, the 1988 long-track 1,500-meter silver medalist, fell at the start of his qualifying race and was eliminated. Flaim, 26, of Hyde Park, Mass., was eliminated in the quarterfinals of Tuesday's 1,000.

John Coyle, 25, of Milwaukee, also was eliminated in the qualifying heats.

In the 5,000 relay, the American team of Flaim, Gabel, Coyle and Randall Bartz, 25, of Milwaukee, finished second in their heat to advance to Saturday's final with Italy, Canada and Australia.

**** filed by:APE(--) on 02/24/94 at 16:41EST ****

**** printed by:WHPR(SCOH) on 02/24/94 at 16:43EST ****

President Clinton, Don't Free the Traitor Pollard

There was tension at last week's White House senior staff meeting as top aide George Stephanopoulos chided counselor Bernard Nussbaum for dragging his feet. The issue wasn't a headline-dominating one like Whitewater or trade with Japan.

Instead it was about Jonathan Pollard who, though not nearly as well known, arouses as much passion as those other controversies. Pollard, a naval intelligence officer, was convicted in 1987 of spying for Israel and given a life sentence. A powerful effort to commute his sentence and let



Politics & People

By Albert R. Hunt

him out of prison could arrive at President Clinton's desk in the near future.

The support to free Pollard is intense and impressive in scope. It includes the government of Israel, many prominent American Jewish organizations and non-Jewish politicians ranging from liberal Democratic Sen. Carol Moseley-Braun to New York Mayor Rudy Giuliani to right-wing televangelist Pat Robertson.

They paint a very sympathetic picture. Pollard was naive but zealously committed to Israel, worried about the threat the Iraqis and terrorism posed to that important American ally. Thus he gave the Israelis top-secret information as a matter of conscience. Moreover, it's argued, the prosecution deceived him into a plea bargain, leading him to believe both he and his wife would get a much lighter sentence.

It's a very appealing argument. It's also largely untrue. If Mr. Clinton caves in to this pressure it not only would be a triumph of political expediency over principle, but would establish a dreadful precedent in the post-Cold War world; that point was dramatically reinforced Tuesday

when a top CIA official and his wife were charged with spying for Russia, now supposedly an ally.

For Jonathan Pollard is a traitor who sold out his country for big bucks. (His supporters' contention that he is not a traitor because he was in the pay of an ally is nonsense; he plainly betrayed his country.) The Israelis continue to lie about their complicity—contending this was a "rogue operation" unknown to the government—while showing the chutzpah to pressure the president to release an American spy.

Legally, Pollard proponents insist he was duped into a plea-bargaining agreement in order to get his wife and accomplice, Anne, an easier sentence (she did get a relatively light sentence). But a U.S. Court of Appeals panel rejected this argument, 2 to 1, and a reading of the majority opinion is persuasive.

"There is simply no way that Pollard's sentence, harsh as it is, can be thought to stem from a fundamental defect that caused a miscarriage of justice—without robbing those words of all meaning," wrote Judge Laurence H. Silberman, a conservative, and Ruth Bader Ginsburg, a liberal now on the Supreme Court, noting that charges of prosecutorial breaches were raised only three years after they allegedly occurred.

The argument that Pollard was a misguided but guileless man who acted out of deep conviction conveniently overlooks that he was a well-paid spy. The initial payments were \$1,500 a month from the Israelis, but he then demanded a raise to \$2,500 monthly. In addition, his Israeli handlers agreed to place \$300,000 in a secret Swiss bank account made out to a fictitious Danny Cohen. He also got an all-expenses-paid three-week honeymoon in Israel and in Europe; his wife got a \$7,000 diamond-and-sapphire ring. This was a very well-heeled conscience.

Pollard was spying for an ally but the

claim that his sentence was unfair because it was harsher than comparable cases is bogus and irrelevant. Top intelligence officials and defense secretaries as diverse as Caspar Weinberger and Les Aspin all say none of the other cases involved even a fraction of Pollard's sensitive security compromises.

The information Pollard turned over was so sensitive that officials still insist they can't provide specifics. But they concur in an assessment some years ago by George Carver, a former top CIA official, who wrote in the New Republic that it was a "wholesale theft of ultrasensitive, highly classified internal U.S. documents that in their raw 'un-redacted' state the United States could never show to any foreign power without grave danger to its own security." The data "outlined U.S. military capabilities, training plans, and projected movements," Mr. Carver wrote, as well as "sensitive intelligence on a variety of foreign nations and topics" that compromised not only collection systems but "in some cases the likely identities of human agents."

Prosecutors insist that Pollard's focus was far greater than direct threats to Israel; they say he also stole information helpful to South Africa, apparently for the Israelis to barter, and on China, apparently to help his wife's business dealings.

Thus it's no surprise that all the top national security officials adamantly oppose any deal for Pollard. The State Department predictably has waffled and is thought to be closer to the Pollard camp, as reportedly is White House counselor Nussbaum. Some Justice Department officials



Jonathan Pollard

favor clemency, but Attorney General Janet Reno, so far, has refused to recommend that. And some top political operatives are lining up with the national security team, including Mr. Stephanopoulos and political adviser Rahm Emanuel, once a volunteer in the Israeli army.

The president, who so often has a tin ear on national security issues, ought to consult with his handful of military confidants, like retired Adm. William Crowe, if he has any doubt as to how strongly the intelligence community feels.

The Pollard case is especially distressing for American Jews. For years the Jewish community has been deeply sensitive over unfair but oft-repeated charges of "dual loyalty" or even of putting Israel's interests ahead of America's. Yet Pollard clearly was an American who put Israeli interests well above his own country's.

But the pressure from Israel is considerable. Prime Minister Yitzhak Rabin, who was defense chief when Pollard was enlisted as a spy, wrote President Clinton on Pollard's behalf last Oct. 22 and talked to the president about it personally at the White House in November. Right before Christmas, Elyakim Rubinstein, Israeli cabinet secretary, wrote another special plea to Mr. Nussbaum.

This is the country that's never wavered from its initial insistence that the state of Israel "has no connection with Pollard." Nobody believes that. Moreover, every one of Pollard's handlers has been rewarded.

"Given the historic generosity of the U.S. in intelligence as in other matters, until the Israeli government comes clean, I see no need for us to do anything," asserts James Schlesinger, former defense chief and CIA director.

Mr. Schlesinger has it exactly right. If the Israelis came clean and everyone acknowledged what a despicable act Pollard performed—then, and only then, would clemency be in order.

THE PRESIDENT HAS SEEN

2/25/94 db

~~Handwritten scribbles~~

Maely

Let's number
them - does
anyone think
I should do this?
B.

Kelly

THE PRESIDENT HAS SEEN
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THE WHITE HOUSE
WASHINGTON

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② Des (115)

February 17, 1994

MEMORANDUM TO MACK McLARTY

FROM: BILL BURTON

BARB

SUBJECT: Gejdenson/Seawolf

I spoke with John Dalton re Gejdenson's request that we announce that the ~~next~~ Seawolf be based in Connecticut. Dalton said, first, that he never promised Gejdenson a quid pro quo for his NAFTA vote. Dalton did say he related his conversation with Gejdenson to Tom Nides during the NAFTA debate, and that Nides may have linked the two.

Dalton said that he went to the Chief of Naval Operations (Kelso) after his initial visit with Gejdenson some months ago and was told by Kelso that the Seawolf really needed to go to Norfolk. Now that a few months have passed -- and, Dalton said, most importantly because he now knows that you would like to see the Seawolf go to Connecticut -- Dalton said he would revisit the issue with the CNO.

I will keep you posted of any progress. I have passed this information along to Susan Brophy.

Tony / Seelye
By



THE PRESIDENT HAS SEEN

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CHIEF OF STAFF TO THE PRESIDENT

54 FEB 22 P6:25

Mr. ~~Pres.~~ dist:

McCain's speech on foreign
policy per your request.

Ulad

U.S. Foreign Policy: The Challenges Ahead

Congressman Dave McCurdy

Remarks Before the CSIS Policy Forum
February 7, 1994

I

In April 1945, near the end of an exhausting world war, President HARRY TRUMAN spoke about the coming challenge. Once the war was finished, Truman said, "We must build a new world, a far better world," a world "in which the eternal dignity of man is respected."

I think we confront much the same challenge today.

We have just emerged from our generation's war--the Cold War. Like Truman's America, our nation is exhausted from that twilight struggle. Like Truman, we confront a world of disorder and chaos. Like Truman we are left with a blank canvas and the need to compose a new order nearly from scratch. This is the purpose of our foreign policy today.

II

The statesmen of Truman's day quickly learned that America's interests and ideals are best served when we locate our real priorities, think strategically about them, and act decisively. They learned that there is no substitute for American leadership.

The events of the last year brought these lessons home to us again.

Everyone who pays attention to foreign affairs knows what went wrong in 1993. First, we lost our sense of priority. We wasted our time, our energies and our prestige on issues of secondary importance to us.

Somalia has reminded us, I hope, that we cannot commit our troops, our national honor, and our scarce resources to conflicts that do not involve important national interests. Our hasty retreat there has done incalculable damage to American credibility.

Second, we have conducted ourselves abroad with an unsteady hand. In Bosnia, blustery rhetoric faded into reluctant diplomacy. In Somalia, confusion over goals and a third-world thug forced our retreat. On North Korea, we have been anything but decisive.

"Speak softly and carry a big stick," Teddy Roosevelt used to say. We have done the opposite. Our bold rhetoric has not been followed by bold action.

taken root. China's reforms are not irreversible. European unity is an ideal, not a fact.

History has not ended. We have merely turned to a new page. And American policy must proceed from an understanding of the world as it is, not as we would have it be. We cannot set too rigid a standard for international behavior. That was our downfall in Somalia.

Whether and how we deal with the warlords of Somalia will matter little in the long-run. We must stay focused on the larger problems, the dangers--such trade disputes and nationalism in Russia--that can, in the blink of an eye, return world politics to cold-blooded calculations of power and prestige.

It is these larger issues that must remain the focus of our foreign policy. It is on them, and not in Somalia or Haiti, that American leadership will be tested and judged.

In this next year, four priorities strike me as requiring urgent and important attention. They concern the fate of two great powers and the dangers of instability in vital areas. They are Russia, China, North Korea, and the Middle East.

IV

By far the most important big issue is Russia. It is, and ought to be, our top foreign policy priority, for obvious reasons. Much of Russia's nuclear arsenal could be aimed our way at a moment's notice, and Russia is one of the few countries in the world with the potential to again cast itself as our global rival.

Seldom has a great power been in the midst of this kind of social collapse. Russia's recovery is vital to the future stability of Europe and the wider world.

How do we respond to this historic challenge?

Let us be clear: Russia is not ours to win or lose. No American policy can solve Russia's economic and political problems. We would be well advised to take a step back and distance ourselves from events in Moscow, and stop holding America up as the savior of reform. Undoing 70 years of Communist rule will take a generation, and we must show patience as well as perseverance.

These facts, and recent events in Moscow, point to the need for a new approach.

First, we should broaden our horizons beyond Boris Yeltsin. Before long, events may overtake Yeltsin as they did Mikhail Gorbachev before him. We need to prepare for that moment, to build a wider circle of friends in Moscow.

In my view, a sensible Russia strategy in 1994 would look like this: expanded aid to those institutions that promote reform; support for Boris Yeltsin, tempered by deeper engagement of a wider circle of Russian leaders; expanding trade opportunities and the work of the Democracy Corps; aggressive promotion of military-to-military contacts; frank talk about Russia's external behavior; and closer security ties with Eastern Europe.

We need a strategy that is pro-reform and pro-Yeltsin, but not merely those things. We need, as Paul Wolfowitz has written, a strategy of "Russia first," not "Russia only."

V

In Russia we confront the collapse of a great power. In China we face the reverse--the rise of a new great power. And this year the Clinton Administration confronts again the dilemmas of its China policy. By June, it must decide whether China has made significant progress in human rights and therefore deserves continued Most-Favored Nation trade status.

The rise of China, in my opinion, is one of the most important trends in world politics today. At present growth rates, by the year 2002, Greater China--the mainland plus Taiwan and Hong Kong--will import more than Japan and have a GNP larger than the United States. And China's huge military has growing power-projection capabilities.

Our relationship with China will be one of the world's primary axes of power, perhaps the dominant axis of power, in the next century. The challenge we face is to ease China's emergence as a great power by integrating it into the world economic and political system. If we get it wrong, we could endure another Cold War of global proportions--only this time facing an adversary whose economy is an area of strength, not an Achilles' heel.

We need constructive ties with China. We need to ease its powerful sense of insecurity and build personal relationships with China's emerging generation of leaders. And because the Chinese military will play a critical role in politics there, we need to expand our military-to-military contacts.

We must also encourage China down the road of democracy. Only a reformist, increasingly democratic China will be a force for stability in world politics. This fact provides the fundamental basis for U.S. attention to the state of freedom in China.

But those of us committed to this endeavor must face the fact that denying MFN to promote human rights has become counterproductive.

There was a time when MFN conditions made sense. When the Bush Administration raised toasts to the butchers of Tiananmen, placing conditions on trade seemed like our only means of leverage. I, and many of my thoughtful colleagues, voted for them.

But being decisive does not necessarily mean giving an ultimatum and making military threats. I question whether economic sanctions or the threat of force would work. From a military standpoint, North Korea, with its miles of tunnels and mountainous terrain, is not Iraq. A showdown with an erratic and dangerous regime involves great risk.

We need a strategy toward Korea that deals with more than the nuclear issue and looks at the future of the whole Peninsula. Given the North's economic problems and its uncertain succession of power, time is not an ally of this regime. In broad terms, we should be finding ways to reduce North Korea's seclusion and prepare the way for a stable unification.

Desperate regimes are always the hardest to deter. But the effect of our policies is to back North Korea into a corner and leave it there. In so doing we may be creating a monster, a regime on the brink of collapse with nothing to lose in a war.

Of course, we must not back down on the nuclear issue. We must insist that North Korea allow inspections. But we can take decisive action that complements, rather than undermines, our larger interests.

We must begin with a definition of success in nonproliferation. Even now, I'm not sure that we have one. On what issues can we be flexible? Where must we be firm?

Once we make a clear decision about our goals, I think it is time for a bold initiative to break the talks out of their deadlock. We should appoint a special envoy to North Korea, someone with unquestioned authority for the nuclear issue. We should demand a return to the NPT, regular inspections, agreement in principle to challenge inspections, and a promise not to export its nuclear know-how. But we should also recognize that the North will need tangible benefits for cooperation, and that steps to reduce the North's isolation are not concessions--they are in everyone's interest.

At the same time, we should quietly increase pressure on the North by asking Japan to delay the flow of hard currency to the North from Koreans in Japan and urging China to charge the North world prices for oil. And we should continue calmly to augment our deterrent capabilities in the South.

This kind of approach seems to have worked with Ukraine. If it fails in Korea, we may face the need for sanctions. But we are rapidly approaching that moment in any case, even though few believe sanctions will work. Better to take decisive action now.

VII

The North Korean case has placed the broader issue of U.S. policy on nonproliferation in sharp relief. The Bottom Up Review and the new National Military

The Administration has handled this violent and complex region with energy and imagination. It promptly and decisively supported the Israeli-PLO peace agreement. It has nurtured the U.S.-Israeli relationship, a precondition for any lasting peace in the region. It has fought Iraq's efforts to lift international sanctions. And it has rightly urged Syria to conclude a "full peace" with Israel.

But in 1994, I have a sense that we may finally come to grips with the most fundamental issue of all: the explosive intersection between Islam and the West.

Our task in the months and years ahead--and it will not be an easy one--is to keep from replacing the "Red Menace" of Communism with the so-called "Green Menace" of "Islamic fundamentalism." Those phrases both exaggerate the threat and ignore the wide variations within political Islam.

In the coming decades, we must contend with major powers whose values and cultures differ markedly from ours. China is such a power, as are Russia and Japan. The Islamic world is another, and perhaps the toughest cultural challenge of all. Of all the world's major cultures, Islam remains perhaps the most opaque and frightening to us. The risks of misunderstanding are enormous.

Even as we oppose violent, intolerant groups and movements in the Middle East, we must consistently emphasize that we have no quarrel with the great religion of Islam itself. We must make our relations with Turkey, Egypt, Malaysia and Saudi Arabia testament to the fact that we can respect and work with responsible Islamic nations.

At the same time, we must keep faith with the principle of democracy--even when it is Islamic parties who benefit. Revolutionary groups prey on repression and underdevelopment. The antidote is not more oppression, but more freedom.

Perhaps the one place where our strategy toward Islam will be most quickly and severely tested is Iran.

Today, Iran remains an outlaw state, supporting terrorism, pursuing a secret nuclear arsenal, and backing the violent Hezbollah movement in Lebanon and Hamas in Palestine. The Administration is right to condemn such behavior.

But we should not merely lump Iran with Iraq, or try to make Iran into a new Cuba, if there is a better way to convince Tehran to modify its external behavior.

I wonder if our present approach has much chance of success. I wonder if it makes sense to isolate a country so completely that we forfeit all communication with it. I wonder if the Korean example actually suggests that isolation will help stall Iran's nuclear ambitions.

End Trade War—Let Japan Invest and Save ✓

By STEPHEN J. ENTIN

As the Clinton administration presses for access to Japanese markets, Japanese Prime Minister Morihiro Hosokawa faces the task of repairing the Japanese economy. If he repeats the policy errors of recent economic "stimulus" packages, he will botch the job. His will become the second government in two years to be destroyed in part by bad advice from the Japanese Ministry of Finance and the U.S. Treasury. If instead he is revolutionary in his economic policy thinking, and follows not-so-recent policy precedents, the Japanese economic miracle could be reborn. Imports could rise too—without the numerical targets that the Clinton team is demanding.

During Mr. Hosokawa's recent visit to Washington, Deputy Treasury Secretary Roger Altman accused Japan of "draining demand from the rest of the world" by running a big trade surplus. The U.S. Treasury wants permanent tax cuts in Japan to boost its consumption, stimulate its economy and reduce its trade surplus. President Clinton is threatening trade sanctions.

The Treasury's demand analysis of Japan's tax cut and its current-account surplus is ridiculous. The current account measures the net balance of trade in goods, services and some transfers. Japan's current-account surplus is matched dollar for dollar by a capital-account deficit. (The capital account measures net capital outflow.) Japan's net purchases of foreign stocks and bonds and direct investment in plant, equipment and

real estate abroad add as much, directly or indirectly, to rest-of-world demand as its current-account surplus removes.

There are two ways for a country to reduce its current-account surplus: cut saving or raise domestic investment. Cutting saving slows the country's income growth and that of the rest of the world, which has less capital to work with. Raising domestic investment speeds the country's growth and, as production, income and imports rise, speeds growth of the rest of the world. Clearly, the latter course is preferable.

Neither Washington nor Japan seems to understand the distinction. The world needs more saving and investment, not less. The last thing the U.S. should do is to bash Japan for its saving rate or start a "current-account" trade war.

Japan needs to return to the roots of its economic miracle. In the 1960s and 1970s, Japan enacted a series of incentive-creating tax cuts, widening tax brackets so that workers faced lower marginal tax rates. In most countries, income is taxed when earned and, if saved, the earnings of the savings are taxed again. In Japan, however, savers were protected from double taxation in postal savings, savings bank and government bond accounts, where large amounts of interest earnings were not taxed. Saving for a home was sheltered. Dividends were partly sheltered from double taxation with a special reduced tax rate. There was no capital-gains tax. Japan saved, invested and boomed.

In recent years, Japan has forgone net tax cuts in favor of higher government spending and "infrastructure invest-

ment." The disastrous Miyazawa tax reforms of 1988 scuttled tax-exempt saving, and instituted a capital-gains tax, with little in the way of marginal income-tax rate relief to show for it. Furthermore, at the insistence of the Finance Ministry, a consumption tax was instituted to avoid any increase in the deficit from the income tax cut and expenditure hikes.

Japan's program to reduce private saving and increase public spending has been a financial and economic disaster. The capital-gains tax and higher taxes on saving helped to collapse the stock market, real-estate values, the balance sheets of the banks and capital formation. Income gains have been slashed. Unemployment has risen. Job security has been shattered. Slower growth of production and income has slowed imports, making a mockery of the advice from abroad that higher taxes on saving and investment would reduce the trade surplus.

The debate in Japan now centers on an income-tax reduction to stimulate consumption (egged on this time by the Clinton Treasury). The prime minister, at the insistence of the Finance Ministry, initially proposed to raise the consumption tax to 7% from 3% to pay for the income-tax cut. After a tug of war between the Socialists and the Finance Ministry, an absurd compromise was reached, under which there would be no consumption-tax hike but the income-tax cut—a 20% across-the-board reduction—would be for one year only. Many observers fear that the temporary tax cut will be saved instead of consumed, negating the supposed demand stimulus.

These arguments about consumption, saving and demand stimulus are Keynesian nonsense. Tax cuts don't work by giving people money to spend. A tax cut (permanent or temporary), unmatched by a spending cut, pumps no money into the economy. The tax cut is matched yen for yen by higher government borrowing. There is no "demand stimulus." An income-tax cut offset by a consumption tax hike would likewise produce no demand increase.

What Japan needs to do now is to design a permanent incentive-oriented income-tax reduction, and pay for the bulk of it with spending restraint to free up real resources for private-sector use.

The form and duration of the tax cuts are critical. First, the cut must be of a form that increases incentives. Fortunately, the proposed individual income-tax cut is already an across-the-board reduction, akin to a cut in marginal income-tax rates, which, if made permanent, would be an incentive to increase work, saving and investment in Japan. But the cut must be permanent. A one-year tax cut will not induce businesses to undergo the cost of hiring and training permanent new workers or to purchase plant and equipment that lasts for years. Other needed steps include: restoring the protection from double taxation for saving and repealing the capital-gains tax. The consumption tax should not be raised.

The recommended changes would raise the after-tax reward to additional labor, saving and investment. Supply and demand would rise together. Lower production costs and higher returns on capital in Japan would reduce the capital outflow, which, along with growth, would reduce the trade surplus.

How do we know that these policies would work as advertised? One answer lies with the success of America's 1981 tax cuts. Perhaps a more compelling one comes from Japan's own history: In the 1960s and 1970s Japan showed the world what incentive economics could do for growth.

Mr. Entin is resident scholar at the Institute for Research on the Economics of Taxation in Washington.

THE PRESIDENT HAS SEEN

2/25/94

Rubio

What's your answer to this?

Pure Antipolitics

We are the two lawyers who, according to a recent Post editorial, represented "the view of at least some politicians" before the Federal Election Commission (FEC) on proposed regulations to control "personal uses" of campaign funds ("Free Lunch, Free Cars, Free Money," Jan. 17).

One of us (Bauer) is associated with the Democratic Party and the other with the Republican, and our dual appearances in most legal proceedings are adversarial. We testified jointly before the FEC, however, to suggest that law—particularly law which directly regulates political activity—should be made carefully and thoughtfully and not simply to fit the fashion of the day.

The clamor over "personal use" illustrates how the media utilize "reform" issues to embellish the longstanding story line that politicians cheat and steal while a noble press and tireless reformers defend the Republic against their misdeeds. Little of this debate is informed by fact or dispassionate analysis.

The editorial, for instance, cites "two of numerous examples" supposedly demonstrating abuse of campaign funds, and declares in sweeping terms that "too many" politicians have been indiscreet and irresponsible in their management of these funds. These summary declarations are typical of the anecdotal style of "reform" argument.

Taking Exception

Its persuasiveness depends on an assumption that everyone knows how politicians behave. The argument then proceeds within a closed circle as reporters share anecdotes among themselves (the editorial opens by citing the Los Angeles Times) and periodically confirm their conclusions with designated and like-minded representatives of Washington's reform industry.

The editorial first suggests that expenditures that take place "well outside campaign season" are inherently suspicious. But it leaves unstated how the campaign "season" should be defined and who, for that matter, would have the authority to define it.

The press has more say than anyone about when campaigns begin and end. Journalism is propelled by a fascination with political stories and so, at least for reporting purposes, each campaign begins when the last one ends. Does The Post now propose that Congress or the FEC legislate a formal opening to the "campaign season" which will mark the beginning of lawful fund-raising and other political activity?

The Post wants candidates to demonstrate to the FEC that expenditures "are directly related to a campaign purpose." This is not a helpful rule but rather a vague standard—and an open-ended one at that. To paraphrase Oliver Wendell Holmes, "directly related" will turn out to be whatever the Federal Election Commission so declares.

In the absence of new and sweeping regulations, campaign spending will not go "unchecked and unchallenged," as suggested by the editorial. Existing election laws require public disclosure of every campaign expenditure over \$200, which is how reporters (and political opponents) can detect and debate the wisdom of specific expenses. Foolish spending is best regulated by informed voters, not by bureaucrats and political appointees. It is a sad

commentary on current attitudes toward political freedom that the government is being encouraged to tell candidates (who, after all, are seeking to be in the government) how their monies should be spent.

Ample statutory authority is available to the FEC (not to mention the IRS) to prohibit the use of campaign funds for, say, summer vacations for a candidate and family off the coast of France. However, a complex, intrusive, and internally inconsistent set of regulations, as currently proposed by the FEC, is a "reform" worse than the perceived abuses.

The spirit behind the current con-

trovery over campaign funds is the spirit of antipolitics which holds that the electoral process and those it elevates to office are irredeemably corrupt. Perhaps the story line will change if government expands its ambiguous regulation of the political process. By then, we may finally be seeing editorials castigating corrupt and mischievous government interference in elections.

The writers practice election and ethics law in Washington.

THE PRESIDENT HAS SEEN
2/25/94 db

MARY McGRORY

Fallout of a 48-Hour Visit

Of the many who were outraged by the granting of a visa to Sinn Fein spokesman Gerry Adams, none was more so than House Speaker Thomas S. Foley, a notoriously even-tempered man. Foley explained his opposition to the author of the tempest, Sen. Edward M. Kennedy (D-Mass.), who asked Foley to sign a letter he wrote to President Clinton on Adams's behalf. Foley said no.

He took it up with the State Department, the National Security Council, the U.S. ambassador to Ireland, Jean Kennedy Smith. He sat next to the president at the Alfalfa Club dinner in late January and protested some more. At a private dinner party, he amazed guests by shouting at someone who tried to defend Kennedy's curious move for "playing parlor games with people's lives." Foley and Kennedy were half of the famous Four Horsemen of Irish policy—the other two were Hugh Carey of New York and Tip O'Neill—who for 15 years exhorted Irish Americans not to listen to the likes of Gerry Adams.

Kennedy put it to Clinton that the situation had changed and that Adams could help the cause of peace in Northern Ireland. The British speculate that Kennedy and his sister, the ambassador, had dreams of becoming the Norwegians of '94—emulating the Norwegian foreign minister who pulled off the Middle Eastern miracle. Clinton never says no to Kennedy, for sentimental and political reasons. Another horseman, Sen. Daniel Patrick Moynihan (D-N.Y.), joined in the call, nobody is quite sure why. Both Kennedy and Moynihan are up for reelection but virtually unopposed.

Adams came for 48 hours, was given star treatment and puffball questions from the U.S. press, smiled his tight and ominous smile, failed to renounce terrorism, encouraged all the wrong people in the United States and Ireland—and brought Clinton eight days of coruscating stories in the British press, and headlines proclaiming the end of the "special relationship" between the United States and Britain.

The upshot of it all is that the cause of peace in Northern Ireland was not advanced by a centimeter, the president was demonized in a country that is an indispensable ally, and he has been forced into extraordinary compensatory hospitality to John Major, probably his least favorite prime minister. Major, who tried to thwart Clinton's election, will sleep over at the White House next week, the first British prime minister to

be so honored since Winston Churchill stayed with Franklin D. Roosevelt in 1942.

Clinton will also visit Pittsburgh with Major, whose father once lived there. These elaborate moves may gall Clinton, but he hates being hated, and the British press is taking the special treatment as an apology for a major foreign policy blunder. "It takes a big man to admit a mistake," a London tabloid editorialized approvingly.

Foley has heroically resisted the temptation to say "I told you so." His reward may be that the next time the president has to make a decision about Ireland, he may turn to the horseman who held steady against terrorism. Adams never wavered in his refusal to condemn IRA violence. He said he deplored violence against "innocent civilians," thus keeping his credentials with the "hard men" of the IRA, who murder policemen and soldiers as well.

One of the casualties of the Adams dust-up was John Hume, the Northern Irish leader who actually represents a considerable constituency. He told Massachusetts' other senator, John F. Kerry (D), that he approved the Adams visit. The trouble was that U.S. reporters trampled Hume in their rush to get to Adams.

Martin Walker, U.S. correspondent for the Guardian, writes that one problem is that Clinton's views on Ireland go back 25 years to his Oxford days. The English wrongly think that Clinton's Rhodes scholars tilt toward Britain. Instead, Walker says: "Cold rooms, snooty Brits, languid tutorials and bad food figure equally strongly in their memory."

Clinton made several forays into Irish policy, none particularly well advised. He floated and later shot down the idea of a special envoy to Northern Ireland. He is not the first politician to think he can play the Irish card.

Meanwhile, the hope for peace in Ireland has not been entirely extinguished. Despite a drumbeat of bombings and shootings, the Anglo-Irish summit has been resumed, and a certain shamed recognition has set in that if Israel and Palestine can make up, it certainly should be possible in the north. The peace-seekers still need a terrorist they can talk to, but they know now that Gerry Adams—"a master of ambiguity and evasion," British Foreign Secretary Douglas Hurd called him—is everything the Four Horsemen used to call him. Kennedy can at least claim that he had a hand in exposing him.

Welfare: Good, Bad And Personal

During the seven years I spent in Washington serving in two Republican administrations, I found myself in the middle of more than a few discussions concerning our nation's poor and what should be done to help them. More often than not, I also found myself biting my tongue as I listened to various friends and co-workers pontificate on the plight of the poor and how they must be helped and dealt with. It wasn't necessarily out of anger at the ideas they were expounding—some were sensible enough—but rather because of my feeling that something important was missing from the discussions: any personal sense of what it means to be poor.

Most of my friends and co-workers in the Reagan and Bush administrations came from middle-class or upper-middle-class backgrounds. I did not. I came from deep in the heart of what might today be called the "underclass." While I mostly had two parents, I grew up in a world of abject poverty in various inner cities, saw our family homeless on a few occasions, living on public assistance (AFDC) at times and frequently evicted. I know what it's like to go without food and new clothes and to have others torment you because of your poverty. I guess that's really the point I'm trying to make here. I know.

That old feeling of anger returned awhile back, when I read a Wall Street Journal essay by Charles Murray on the growing problem of illegitimate births and welfare dependency. In that much-discussed article, Murray prescribes this drastic remedy:

"Restoring economic penalties translates into the first and central policy prescription: to end all economic support for single mothers. The AFDC payment goes to zero. Single mothers are not eligible for subsidized housing or for food stamps. An assortment of other subsidies and in-kind benefits disappear."

"How does a poor young mother survive without government support?" Murray asks. "The same way she has since time immemorial. If she wants to keep a child, she must enlist support from her parents, boyfriend, siblings, neighbors, church or philanthropies."

That answer is so laughable as to be embarrassing. Let's just analyze it for a second using Mr. Murray's own numbers. He says the illegitimacy rate for blacks in the inner city is typically in excess of 80 percent. How many parents in the inner city will have the resources to support their daughters, given these huge numbers, or for that matter how many boyfriends, brothers or sisters? They're more likely to have problems of their own. Churches? Not a lot of money at an inner-city black church, I'm afraid. Philanthropies? Call the Rockefeller Foundation, and see what it will do for a single mother.

And what happens if single mothers don't follow Charles Murray's blueprint for success? Or, as he puts it, "What about women who can find no support but keep the baby anyway?" Well, he says, "There are laws already on the books about the right of the State to take a child away from a neglectful parent."

THE PRESIDENT HAS SEEN

2/25/94

That's strange. I didn't know that keeping one's baby was necessarily a form of neglect. But suppose the child is taken away from its mother—what then? Is it Mr. Murray's intention to put it into some kind of future Orwellian orphanage, where all things are possible?

My advice to Mr. Murray and some of the other welfare theorizers is to get their noses out of the books, studies and position papers, and get on down to the inner city, where they can talk with and observe some real, live poor people.

There truly is something to be said about knowing your subject personally. For example—and as a Republican it pains me to say this—what I've seen of Bill Clinton's welfare reform seems to have successfully jump-started the debate. It's not just that it would shake things up and discomfort those in the left wing of his own party who think the welfare status quo is fine except that there isn't enough of it. It's more that I think Clinton is temperamentally suited for the effort of getting through a workable plan because he's been there himself; he went through some hard and uncertain times as a kid—not abject welfare dependency but periods when no one was quite sure where the rent and food money was coming from.

Clinton brings something useful to the table. I only hope he also brings the courage of his convictions and does not cave in to those whom the conservative humorist P. J. O'Rourke once called "poverty pests"—the professional welfare-dispensing class.

As one who grew up on welfare, I believe very strongly that it does do some good. Even with the help of family and friends, we sometimes fell through the cracks and needed a helping hand from the government. But I also believe that welfare is an evil that should be offered for no more than two years and should cover no new births. For whatever good welfare does, it also robs people of their self-respect and dignity. Two years is about all a human being should take of it.

Somewhere between what Mr. Murray wants and what the "poverty pests" advocate, there is an answer that deals with this problem with logic and compassion. We're most likely to find it if the people making the legislation take the trouble to learn something, on the personal level, about the people and the situation they're dealing with.

The writer was a White House aide under Presidents Reagan and Bush and later a special assistant in the Defense Department.

THE PRESIDENT HAS SEEN
2/25/94 db

Casero

It might be worth
getting him involved
It might be able to reach
soon GDS—

THE WHITE HOUSE
WASHINGTON

February 25, 1994

Copied to:
Doriskind
Military office

MR. PRESIDENT:

This morning, we received the attached memo from Secretary Perry, recommending that you award the Presidential Medal of Freedom to Admiral David Jeremiah during his farewell photo-op with you this morning. Because of the short notice, no members of the Senior Staff, including Tony Lake, have been able to comment on this request. In addition, the medal has not yet been engraved. However, a proposed citation is attached should you decide to award the medal this morning.

In light of the time constraints, I recommend that you defer consideration of this award to Admiral Jeremiah until the next round, scheduled for later this spring.

☒ Defer ☐ Award medal today

Paul

R. Paul Richard

THE PRESIDENT HAS SEEN

2125194 db

ADMIRAL DAVID E. JEREMIAH, USN

A professional shipmate in peace and an exemplary tactician in war, Admiral David Jeremiah has proven himself a vital leader for our nation's armed forces. He consistently demonstrated his integrity and skill throughout his service as a naval surface warfare officer, earning the respect of all who have had the privilege of serving with him. As Vice Chairman of the Joint Chiefs of Staff, he relied on his strategic acumen and vision to plan for our nation's most critical security needs. The citizens of the United States pay tribute to this great patriot whose foresight and courage will continue to safeguard our freedom for many years to come.



THE SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1000

THE PRESIDENT HAS SEEN
2125193 dh

94 FEB 25 A8:36

18 FEB 1994

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Nomination of Admiral David E. Jeremiah, United States Navy, for the Presidential Medal of Freedom

It is with distinct pleasure that I nominate Admiral David E. Jeremiah, United States Navy, for the Presidential Medal of Freedom (PMOF) in recognition of his many outstanding contributions to this country and to the Armed Forces, specifically, the United States Navy. During a period of turbulent world upheaval and historic transformation, Admiral Jeremiah employed unparalleled strategic vision and inspirational direction to assist two Presidents and two Secretaries of Defense in charting the safest course for the nation.

As a naval surface warfare officer for 38 years, Admiral Jeremiah displayed the operational determination and personal tenacity which became the hallmarks of his professionalism. His numerous shipboard tours refined his warfighting skills and culminated with his selection as Commander, Cruiser-Destroyer Group Eight and Commander, Task Force 60 in the Mediterranean theatre of operations. Directing the capture of the Egyptian airliner carrying the hijackers of the Italian cruise ship Achille Lauro and the sinking of two Libyan warships during freedom of navigation operations in the Gulf of Sidra, Admiral Jeremiah was acknowledged as a proven sailor whose years of experience at sea made him a professional shipmate in peace, and an exemplary leader in war.

Assuming the position of Vice Chairman of the Joint Chiefs of Staff on March 1, 1990, Admiral Jeremiah brought visionary military leadership to the world of joint operations. Early-on during this tour, he commissioned the forward looking study, Project 2025, to consider the security environment we are likely to face in the next thirty years. During an era of dynamic change, this study has bound the limits of uncertainty, and afforded the military planner, the tactician and the strategist a reasonable facsimile of the global security environment over the course of the next generation. Additionally, his tenure as Vice Chairman included more than a year as Acting Chairman of the Joint Chiefs of Staff where he provided invaluable military advice to the President and the Secretary of Defense in the shaping of national policy.

Admiral Jeremiah has often been referred to as the Surface Navy's "Old Salt" and "Keeper of the Seas". However, his contributions to the Armed Forces of the United States encompass much more than his enviable naval career. He truly has been one of our most exemplary diplomats of freedom and a source of pride for all services. Presenting Admiral Jeremiah with the Presidential Medal of Freedom would be a most appropriate way of expressing your gratitude for his especially meritorious service to this country.

William J. Perry

ADMIRAL DAVID E. JEREMIAH

Admiral David E. Jeremiah is the Vice Chairman of the Joint Chiefs of Staff. In this capacity, he serves as the Nation's second highest ranking military officer, and is the first Vice Chairman to assume full member status on the Joint Chiefs of Staff.

Born on February 25, 1934, he is a native of Portland, OR. Admiral Jeremiah graduated from the University of Oregon in 1955 and entered active duty via the Navy's Officer Candidate program in 1956. Serving on seven Pacific Fleet destroyers, including command of the USS Preble (DDG 46), Admiral Jeremiah sailed far and wide projecting American power and might, as well as the hand of friendship during countless show the flag and goodwill visits.

In July of 1982, Admiral Jeremiah was designated Read Admiral (Lower half). While serving as Commander, Cruiser-Destroyer Group Eight, from August 1984 until April 1986, he commanded Task Force 60 in the Mediterranean and directed the capture of the Egyptian airliner carrying the hijackers of the Italian cruise ship Achille Lauro. In April of 1985 he was designated a Rear Admiral. Between January and March 1986 he directed actions resulting in the sinking of two Libyan warships and the destruction of an anti-air missile site during freedom of navigation operations in the Gulf of Sidra.

Admiral Jeremiah's shore assignments have included two tours in the Office of the Chief of Naval Operations and a tour in the Office of the Assistant Secretary of Defense for Program Analysis and Evaluation. After serving as Executive Assistant to the Commander in Chief, U.S. Pacific Fleet, from October 1980 until May 1982, he was reassigned to Washington, DC, and served as Executive Assistant to the Chief of Naval Operations until July 1984. In June 1986 he assumed duties as Director, Navy Program Planning and in July of that year he was promoted to Vice Admiral.

Admiral Jeremiah received his fourth star in September 1987 and became the 23rd Commander in Chief, U.S. Pacific Fleet, that same month. He was appointed by the President as the second individual to be named the Vice Chairman of the Joint Chiefs of Staff, assuming that position on March 1, 1990. He began his second term on March 1, 1992.

A visionary military leader, Admiral Jeremiah by way of speeches and articles has repeatedly extolled the promise of American technology, and challenged scientists, technologists, and strategists to broaden their outlook and strategic horizon. Early-on during his tour as Vice Chairman he commissioned the forward looking study, Project 2025 to consider the security environment we are likely to face in the next thirty years. During an era of dynamic change, this study has bound the limits of uncertainty, and afforded the military planner, the tactician and the strategist a reasonable facsimile of the global security environment over the course of the next generation. Admiral Jeremiah envisioned the project as a means for injecting long-term strategic vision in U.S. military planning during a time of profound international upheaval, when the shape of the battlefield of the future was not envisioned because of the still unfolding revolution in military and commercial technologies.

In time of peace and war, his tenure as Vice Chairman included more than a year as Acting Chairman of the Joint Chiefs of Staff, providing military advice directly to two presidents. His forthright advice and counsel helped shape national policy. As Chairman of the Joint Requirements Oversight Council, and Vice Chairman of the Defense Acquisition Board, he forged the capability and character of future service forces, providing maximum defense capabilities within available defense resources. His tireless dedication to the best interests of the United States and its Armed Forces while actively leading numerous councils and boards directly improved the nation's ability to project integrated, multi-service combatant, peacekeeping and humanitarian forces around the globe. In an era of exceptional change, reappraisal and restructuring, Admiral Jeremiah's astute analysis of complex technical and acquisition reform issues were instrumental to the success of the Bottom-Up Review.

During these 38 years of service, Admiral Jeremiah has received numerous personal awards and decorations which include the Naval Distinguished Service Medal with three Gold Stars, Legion of Merit with gold star, Meritorious Service Medal with gold star, and the Navy Achievement Medal with combat "V." He was awarded the Presidential Citizens Medal in July 1991 by President Bush for significant contributions during the Persian Gulf crisis and the successful liberation of Kuwait.

ADM Jeremiah is the Surface Navy's "Old Salt," which traditionally acknowledges the senior surface warfare officer on active duty with the earliest date of qualification as a fleet officer of the deck. He has held this honorable accolade since February 1, 1991. As the "Keeper of the Seas," he is acknowledged to be a proven sailor whose years of experience at sea make him a professional and reliable shipmate in peace, and an exemplary leader in war. This last truly captures the essence of Admiral Jeremiah's capabilities and contributions to our country.

CITATION

THE PRESIDENTIAL MEDAL OF FREEDOM IS AWARDED TO ADMIRAL DAVID E. JEREMIAH, UNITED STATES NAVY, UPON THE COMPLETION OF 38 YEARS OF DEDICATED AND SELFLESS SERVICE TO THE ARMED FORCES OF THE UNITED STATES. AS A NAVAL SURFACE WARFARE OFFICER, HE HAS DISPLAYED THE OPERATIONAL DETERMINATION AND PERSONAL TENACITY WHICH BECAME THE HALLMARKS OF HIS PROFESSIONALISM. ACKNOWLEDGED AS A PROVEN SAILOR WHOSE YEARS OF EXPERIENCE AT SEA MADE HIM A PROFESSIONAL SHIPMATE IN PEACE AND AN EXEMPLARY LEADER IN WAR, ADMIRAL JEREMIAH BROUGHT HIS VISIONARY MILITARY LEADERSHIP QUALITIES TO THE OFFICE OF VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF. AS A MILITARY STRATEGIST AND TACTICIAN, HE FOCUSED HIS ATTENTION ON THE SECURITY ENVIRONMENT THIS COUNTRY IS LIKELY TO FACE IN THE NEXT THIRTY YEARS. ADDITIONALLY, HIS TENURE AS VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF INCLUDED MORE THAN A YEAR AS ACTING CHAIRMAN WHERE HE PROVIDED INVALUABLE MILITARY ADVICE TO THE PRESIDENT AND THE SECRETARY OF DEFENSE IN THE SHAPING OF NATIONAL POLICY. HIS TIRELESS DEDICATION TO THE BEST INTERESTS OF THE UNITED STATES AND ITS ARMED FORCES DIRECTLY IMPROVED THE NATION'S ABILITY TO PROJECT INTEGRATED, MULTI-SERVICE COMBATANT, PEACEKEEPING AND HUMANITARIAN FORCES AROUND THE GLOBE. THE SINGULARLY DISTINCTIVE ACCOMPLISHMENTS OF ADMIRAL JEREMIAH'S EXTRAORDINARY SERVICE HAVE BROUGHT GREAT CREDIT UPON HIMSELF, THE ARMED FORCES, THE DEPARTMENT OF DEFENSE AND A GRATEFUL NATION.

ADMIRAL DAVID E. JEREMIAH, USN

A professional shipmate in peace and an exemplary tactician in war, Admiral David Jeremiah has proven himself a vital leader for our nation's armed forces. He consistently demonstrated his integrity and skill throughout his service as a naval surface warfare officer, earning the respect of all who have had the privilege of serving with him. As Vice Chairman of the Joint Chiefs of Staff, he relied on his strategic acumen and vision to plan for our nation's most critical security needs. The citizens of the United States pay tribute to this great patriot whose foresight and courage will continue to safeguard our freedom for many years to come.

THE WHITE HOUSE

WASHINGTON

February 22, 1994

Mr. Kevin Thurm
Chief of Staff
Department of Health & Human Services
Room 606G
200 Independence Avenue, S.W.
Washington, D.C. 20201

Kevin:

Enclosed is the resume of Ross Delston. Ross has extensive experience in administrative law, and while not immediately apparant from his resume, has a burning desire to work on health care issues. He'd love to work in the General Counsel's office at HHS. I would appreciate it if you could give his resume a look, and perhaps give him ten minutes on possibilities at HHS.

Thank you.

Sincerely,



John Podesta
Assistant to the President
and Staff Secretary

cc: Veronica Biggins

METROPOLITAN SQUARE
1450 G STREET, N.W.
WASHINGTON, D.C. 20005-2088

February 15, 1994

John:

Thanks so much for contacting Kevin Thurm, Harriet Rabb and Veronica Biggins on my behalf. On the off chance that you haven't yet had a chance to do so, I am enclosing four copies of a new improved resume designed for government jobs (i.e. emphasizing regulatory issues rather than deals).

If you get any feedback from the HHS folks, I'd appreciate your letting me know. Otherwise, I'll plan on contacting them directly at some point next week.

Hope you've resolved the mystery of your home phone disconnection. Could it be that the phone company is upset about the Clinton health plan?

Sincerely,



Ross S. Delston

Enclosures

ROSS S. DELSTON
5331 Nevada Avenue, N.W.
Washington, D. C. 20015
(202) 879-5456 (O) • (202) 362-2207 (H)

LEGAL EXPERIENCE:

JONES, DAY, REAVIS & POGUE

Of Counsel

November 1991 - present

- Principal expertise in administrative law, with focus on bank regulatory issues, mergers and acquisitions, and corporate finance.
- Advise clients on regulatory aspects of major transactions, including acquisition by Chemical Bank of First City banks and senior debt offering by Anchor Savings.
- Counsel major financial institutions on regulatory matters before Federal Deposit Insurance Corporation, Office of Comptroller of the Currency, Office of Thrift Supervision, Federal Reserve Board and Resolution Trust Corporation.
- Frequent speaker and co-chair of conferences around the country sponsored by Banking Law Institute, Practising Law Institute, trade associations and professional groups on regulatory and compliance issues.

FEDERAL DEPOSIT INSURANCE CORPORATION

**Assistant General Counsel - Assisted Acquisitions
Counsel (Assistance Transactions)**

July 1988 - October 1991
May 1986 - July 1988

- Involved in all aspects of multi-billion dollar assisted acquisitions in New England and the Southwest, including structuring, negotiating and documenting transactions.
- Advised FDIC Chairman on legal issues with respect to regulatory matters, bid procedures and negotiating strategies.
- Transactions included acquisition by Fleet of Bank of New England, NationsBank acquisition of First Republic, and open bank recapitalizations of First City and BancOklahoma.
- Created, organized and managed twelve-attorney section of the FDIC legal division responsible for regulatory and transactional work on mergers and acquisitions, sales of stock and warrants, and general corporate matters.

EXPORT-IMPORT BANK OF THE UNITED STATES

Counsel

August 1976 - May 1986

Drafted complex financial agreements, including multi-bank Eurodollar syndications, guarantees and insurance. Negotiated with commercial banks, major corporations and foreign governments. Lead attorney on \$1.5 billion Brazil trade credit facility. Negotiated Paris Club multilateral debt rescheduling for Brazil. Drafted documentation for Exim-guaranteed bonds. Represented Eximbank on interagency working groups relating to the global environment and the export of hazardous substances.

MEMBER: District of Columbia Bar, 1976

EDUCATION: THE GEORGE WASHINGTON UNIVERSITY LAW SCHOOL
J.D., 1976, with honors

THE GEORGE WASHINGTON UNIVERSITY
B.A., 1973, with special honors

PERSONAL: Forty-two years old; married, two children.

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THE GEORGE WASHINGTON UNIVERSITY
B.A., 1973, with special honors

PERSONAL:

Forty-two years old; married, two children.

THE WHITE HOUSE

WASHINGTON

February 22, 1994

Ms. Harriet Rabb
General Counsel
Department of Health & Human Services
Room 713F
200 Independence Avenue, S.W.
Washington, D.C. 20201

Harriet:

Enclosed is the resume of Ross Delston. Ross has extensive experience in administrative law, and while not immediately apparant from his resume, has a burning desire to work on health care issues. He'd love to work in the General Counsel's office at HHS. I would appreciate it if you could give his resume a look, and perhaps give him ten minutes on possibilities at HHS.

Thank you.

Sincerely,



John Podesta
Assistant to the President
and Staff Secretary



GEORGE T. WILLINGMYRE, P.E.
VICE PRESIDENT
WASHINGTON OPERATIONS

American National
Standards Institute 655 15TH ST., N.W., SUITE 300, WASHINGTON, D.C. 20005-5794

TEL. 202.639.4090
FAX. 202.628.1886

94 FEB 22 AIO : 40

February 18, 1994

Mr. John D. Podesta
Assistant to the President and Staff Secretary
The White House
Washington, D.C. 20500

Dear Mr. Podesta:

ANSI's 1994 public conference, Accessing Global Markets Through Standardization, will focus on critical issues of standardization and U.S. competitiveness. The conference, to be held March 3-4 in Washington, D.C., is designed to help U.S. companies succeed in the global marketplace. The promotional brochure with complete agenda is enclosed.

Because of your important role in helping shape national policy, we want you to have access to as much information as you need on the importance of standardization to U.S. competitiveness. We therefore invite you, or your designated representative, to be our guest for all or part of the conference.

Please return the enclosed complimentary registration form as soon as possible to the address indicated on the form. For seating and meal planning purposes, it would be helpful for us to know if you only can attend a portion of the conference.

I look forward to seeing you or your representative at the conference. Please never hesitate to contact ANSI if we may be of further service.

Sincerely,

George T. Willingmyre, P.E.
Vice President
Washington Operations

GTW/ljs

Enclosure

Debbie
call + regret
tell her
I passed
invite OSTO
KALIL

2/25
Tom KALIL
Do you want
to go
TOP

Franklin D. Roosevelt Library

Old Albany Post Road Hyde Park, New York 12538 (914) 229-8114 Fax (914) 229-0872

94 FEB 17 P4:06
Office of the Director

Copy to
Doriskind sent 2/25
THE PRESIDENT HAS SEEN
2-23-94

February 15, 1994

**Mr. John D. Podesta
Assistant to the President
Staff Secretary
The White House
Washington, DC 20500**

Dear John:

I thought President Clinton might be interested in seeing a personal letter Prime Minister Morihiro Hosokawa's grandfather sent to Franklin Roosevelt at a time when the strain between Japan and America were becoming more acute.

Fumimaro Konoe was one of the last civilian Prime Ministers before World War II. He had met FDR sixty years ago, in 1934.

I hope this letter finds you well.

Sincerely,


**Verne W. Newton
Director**

Enclosure

He soared above circumstances that held others earthbound.



15th September, 1937

Dear Mr. President,

I still look back with much pleasure upon the kindness with which you were good enough to receive and entertain me on my visit to Washington in 1934 and I shall always cherish remembrance of the delightful meeting at that time.

It was on more than one occasion since then that I wanted to send you my respects....especially on such occasion as of your historic victory in the Presidential Election last autumn or of my assuming the Premiership this June. Now that my son, Fumitaka, in his third year at Princeton, is returning to the University after a vacation in Japan, I am going to take this opportunity and ask him to convey this little message to you.

I feel certain that I am expressing the views of the vast majority of my countrymen when I say that our traditional sentiments of friendship toward your country are particularly strong and universal of late years. I place great confidence in the fact that an increasingly large number of thoughtful persons in this country and in yours are contributing to the development and the maintenance of mutual friendship through sympathetic understanding and through reciprocal respect and confidence. There is nothing that I desire more strongly than the promotion of this encouraging tendency, and indeed it is my conviction that here is a worthy task for me as Prime Minister to accomplish, so that the structure of friendship between our two countries be sounder and more solid than ever.

With cordial expressions of regard, I am,

Yours sincerely,



His Excellency,
The President of the United States,
The White House,
Washington, D. C.

February 24, 1994

MEMORANDUM FOR PHILIP LADER

FROM: JOHN D. PODESTA 
SUBJECT: **Commodity Futures Trading Commission (CFTC)**

The Commission is made up of five commissioners serving staggered 5-year terms and is bipartisan (no more than three members may be members of the same political party). Commissioners may holdover until "the expiration of the next session of Congress subsequent to the expiration of said fixed term."

The current membership of the CFTC is as follows:

			<u>Terms expire:</u>	<u>PROJECTED TERMS EXPIRE:</u>
Sheila C. Bair	R	Kansas	4/13/94	4/13/99
WENDY GRAMM <u>VACANCY</u>			4/13/95	4/13/00
Joseph B. Dial	R	Texas	4/13/96	
Barbara Pedersen Holum	D	Md.	4/13/97	
John E. Tull, Jr.	D	Ark.	4/13/98	

Option 1

Nominate Mary Schapiro for the remainder of the term expiring 4/13/95, vice Wendy Gramm, and nominate her at the same time for reappointment for the full five-year term expiring 4/13/00.

Option 2

Nominate Schapiro vice Sheila C. Bair for the term expiring 4/13/99. Nominate Bair for the Wendy Gramm vacancy, for the remainder of the term expiring 4/13/95. Schapiro could be appointed, after confirmation, as early as 4/14/94 to the long term. Bair could fill out the short term.

Option 3

Nominate Schapiro for the Wendy Gramm vacancy, for the remainder of the term expiring 4/13/95, **AND** vice the Bair slot for the term expiring 4/13/99. At the same time nominate Bair vice the Schapiro (previously Gramm) slot, for the remainder of the term expiring 4/13/95. Once confirmed, Schapiro would immediately be appointed into the Gramm slot. And on 4/14/94, Schapiro would be appointed into the Bair Slot (term expiring 4/13/99). Bair would be appointed vice Schapiro, for the remainder of the term expiring 4/13/95. The only advantage of 3 over 2 is that if we could get a quick confirmation, Shaprio could begin as Chair before 4/14/94.

RECOMMENDATION:

If we need to give Shapiro a long term, I recommend option 1, nominating Schapiro for the remainder of the term expiring 4/13/95, vice Wendy Gramm, and nominating her at the same time for reappointment for the full five-year term expiring 4/13/00. Option 2 and especially option 3 are complex and could prove troublesome. However, option 1 is not without pitfalls.

Specifically, there is limited precedent for nominating someone so far in advance of their term's expiration (in this case, over a year) -- the traditional standard is six months in advance.

However, on 7/29/93, the President nominated a sitting United States Attorney, John W. Raley, Jr., whose term did not expire until 7/16/94, for reappointment to a new four-year term -- almost a year in advance. He was subsequently confirmed by the Senate and appointed by the President. On 4/10/68, President Johnson nominated for reappointment John H. Crooker, Jr., who was serving as a member of the Civil Aeronautics Board in a term that was not to expire until 12/31/68 -- almost nine months in advance.

It is conceivable that the Senate could confirm Schapiro for the short term and hold her nomination to the full five-year term expiring 4/13/00, perhaps requiring her to appear at a further hearing.

Any of these options would need to be pre-cleared with Senators Mitchell and Leahy.

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Mark Agrast

Fax Number:

202-225-2212

Phone Number:

225-3111

FROM: John Podesta

SUBJECT:

DATE: 2/24/93

NUMBER OF PAGES (including cover sheet): 2

MESSAGE:

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Submitted by:

(Phone: 202-456-2702)

JUST SOLUTIONS CONFERENCE PARTICIPANT'S FORM

[illegible]

Race

NA/PA = Native American/Pacific Islander
AA = African American
His = Hispanic
As = Asian
Ca = Caucasian

Population

U = Urban (Population under 500,000)
R = Rural
M = Metropolitan (Population over 500,000)

Profession

A/R = Academic/Researcher
JS = Justice System Employee
Y = Youth under 25
J = Judge
CL = Community Leader
B = Business/Labor
L = Practicing Lawyer
E/A = Elected/Appointed Official
A = Advocate - People who m
U = User - Individuals with fir
SS = Social Service/Education/

Region

NE = New England
MA = Mid-Atlantic
So = South
MW = Midwest
We = West

24 FEB 1971 Hungary 7. Baker
Pres.

National Inst
for Dispute
Resolution



1993-1994

AMERICAN BAR ASSOCIATION

Section of Individual Rights
and Responsibilities

1800 M Street, N.W.
Washington, DC 20036
(202)331-2280
FAX: (202)331-2270

94 FEB 18 All: 11

MEMORANDUM

TO: IR&R Section Council and Committee Chairs

FROM: Mark D. Agrast

DATE: February 14, 1994

RE: ABA "Just Solutions" Conference

Debbie
see
me

CHAIR

Ronald L. Plessner
Piper & Marbury
1200 19th Street, NW
Washington, DC 20036
(202) 861-3900
FAX: (202) 861-3963

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San Francisco, CA

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SECTION ADMINISTRATOR

Anna Owen McCormick

AIDS COORDINATOR

PROJECT DIRECTOR

Michele A. Zavos

I am writing to request your help in identifying participants for the ABA's forthcoming conference, Just Solutions: A Public Forum on the Justice System, which will take place on May 1-3, 1994.

The conference will bring together several hundred people from diverse walks of life to take a critical look at the failings of our legal system and attempt to generate innovative, systemic solutions.

Our section has helped to shape the conference agenda over the last few months, and we have now been asked to provide the President's office with the names of prospective speakers and conferees. I am asking your help in identifying such people so we can ensure that the conference is fully representative of the range of interests which our section would wish to bring to the table.

Enclosed is the list of speakers and conferees who have been recommended thus far. Please note that the people we add to this list need not be attorneys. Indeed, special efforts are being made to identify people active in other disciplines who can bring a fresh perspective to the discussion.

Please list your recommendations on the attached form and fax them to me at 202/225-2212. We have been given only one week to respond, so I must have your form by Wednesday, February 23. Be sure to include your name on the form so I can contact you if additional information is required.

I can be reached at 202/225-3111 if you have any questions regarding the conference. Thanks for your help!

Enclosures

LIST OF POTENTIAL SPEAKERS
JUST SOLUTIONS CONFERENCE

Law School Professors/Deans

Derek Bok (former Dean of Harvard Law School and former President of Harvard)
Charles Ogletree (Harvard)
Geoffrey Hazard (Yale)
Charles Nessen (Harvard)
Carrie Mendel-Meadow (U.C.L.A.)
Derek Bell
Debra Rhode (Stanford)
Marc Galanter (U. of Wisconsin)
Clint Bamberger (U. of Maryland)
Judith Resnik (U.C.L.A.)
Lani Guinier

Politicians

Eleanor Holmes Norton
Sen. Daniel Patrick Moynihan (D-NY)
Hon. Dennis Archer (Mayor of Detroit)
Rep. Maxine Waters (D-CA)
Rep. Luis Guitierrez (D-IL)
Sen. Joe Biden (D-DE)
Sen. Orrin Hatch (R-UT)
Gov. Ann Richards (Texas)
Gov. Lawton Chiles (Florida)
Rep. Kweisi Mfume (D-MD) (Cong. Black Caucus)
Sen. Howell Heflin

Social Scientists/Academics

Amitai Etzioni (George Washington University -- communitarian movement)
John Gardner (Stanford -- leadership; communitarian movement)
William Julius Wilson (U. of Chicago -- race and urban issues)
Sally Merry (Wellesley -- anthropologist)
Laura Nader (U. of California -- anthropologist)
Cornell West (Princeton -- race/ethnic bias)
Stephen Joel Trachtenberg (President, George Washington University)
Elie Weisel
Dale Lefever (Michigan State University -- leadership)
Michael Lipsky (M.I.T.)
Arthur Schlesinger, Jr.
Austin Sarat (Amherst -- political science)
Joel Grossman (U. of Wisconsin -- political science)

Foundations/Public Interest

Dr. Edwin Fulmer (President, Heritage Foundation)

Doug Besharov (American Enterprise Institute -- juveniles)
Marian Wright Edelman (Children's Defense Fund)
Elaine Jones (Director and Counsel, NAACP Legal Defense and Educational Fund, Inc.)
Morris Dees (Director, Southern Poverty Law Center)
Dot Ridings (League of Women Voters)

Authors

Toni Morrison (race/ethnic bias)
Maya Angelou
Robert Bellah (or other authors of "The Good Society")

Business

Steven Wolf (Chairman and CEO, United Airlines)
Lee Schlesinger (Harvard Business School)
Mark Pelofsky (Dept. of Labor)
David Osborne/Ted Gaebler (Authors of "Reinventing Government")
David Maister (Harvard Business School)
Ira Jackson (V.P., Bank of Boston)

Print Media

Meg Greenfield
David Broder
Clarence Page
Molly Ivins
Tony Lewis
William Saphire

Moderators:

Carl Stern (currently director of public relations at Dept. of Justice)
Charlayne Hunter-Gault
Nina Totenberg
Fred Graham
Charles Kuralt

Judiciary

Hon. Ruth Bader Ginsberg
Hon. Sandra Day O'Connor
Hon. Judith Kaye (NY Supreme Court)
Hon. Leon Higgenbotham
Hon. Abner Mikva
Hon. Rosemary Barkett (Federal Appeals Court)
Chief Justice Rehnquist
Hon. John Maegher (Ohio Circuit Court)
Hon. Shirley Abrahamson (Wisconsin Superior Court)
Hon. Thomas Zlaket (Arizona Supreme Court)
Hon. Donald King (California Court of Appeal -- case management of ADR)

Hon. Jack Weinstein (NYC federal trial judge)

Court Personnel

Mary McQueen (Washington State -- administrator)

William Vicker (California -- administrator)

Legal Profession

Zoe Baird

Former Attorney General William Barr

Former Acting Attorney General Stu Gerson

William Bennett

Administration

Ira Magaziner

Dr. Lee Brown

Drew Days

Janet Reno

Mary Frances Berry (Chair, U.S. Commission on Civil Rights)

Madeleine M. Kunin (Dep. Sec. of Education)

Jane Alexander (Chair, Nat'l Endowment for Arts)

Carol H. Rasco (Head of Domestic Policy Council)

Peter Edelman (Counselor to Sec. of HHS)

Sec. Henry Cisneros (HUD)

Sec. Richard Riley (Education)

Religious/Social Services

Rabbi David Saperstein (Director, Religious Action Center)

Jesse Jackson (Rainbow Coalition)

Others

Sargent Shriver (Former head of Peace Corps -- leadership)

Andrew Young

Julian Bond

Dr. Robert Hearn (Public policy assistant to Mayor of Baltimore on crime and urban issues)

Robert Katzman

Ted Rubin (former judge; family court advocate)

John Martin (facilitator/planner for courts)

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Ron Klain
c/o Command Center

Fax Number: 202-514-4699 Phone Number: 514-2002

FROM: John Podesta

SUBJECT:

DATE: 2/24/94

NUMBER OF PAGES (including cover sheet): 3

MESSAGE: please call Debbie Bird
to confirm receiving this fax
at 202-456-2702.

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THE WHITE HOUSE
WASHINGTON

DATE: 2/23/94

TO: DAVID GERGEN
RAHM EMANUEL
RON KLAIN, DOJ

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

FYI.

Regarding crime bill -- we
could move on this along
with our tough stuff--
I think.

For his part, Mr. Clinton can first lower the political flame under the controversy. He misrepresents the cause and exaggerates the importance of

...ing compromise that met each's legitimate objectives. Perhaps with the deadline of the summit gone, and if politically volatile events in both countries pass, they can find common ground.

Ms. Reno and the Jail Glut

THE PRESIDENT HAS SEEN
2/12/94 db

More than one-fifth of the 90,000 Federal prison inmates are low-level drug offenders with no current or prior violence or previous prison time on their criminal records. The Federal prison population has tripled in a decade, and will swell an additional 50 percent by the year 2000, with high- and low-level drug offenders rocketing from 18 percent to 60 percent of all inmates.

These are some of the findings of a Justice Department study completed last summer but not released until last week. The study, commissioned with fanfare by Attorney General Janet Reno, avoids drawing conclusions, but seems to bear out Ms. Reno's concern that severe mandatory minimum sentencing laws are having a perverse effect by forcing judges to clog the jails with nonviolent criminals who don't need to be there.

Congress has enacted ever-harsher minimums in the name of making the streets safer, but one effect has been to jam the prisons with drug "mules" and couriers serving terms of 10 and 15 years. That could prove costly and ineffective, requiring more prisons and diverting scarce funds from more vital law enforcement efforts.

Of course it is always possible that heavy punishment of drug messengers can force them to cooperate and lead police to criminal higher-ups. The 60-page study is only a provocative start on learning the effects of our crime laws, but Ms. Reno declines to search out its lessons.

Asked the other day what those lessons might

be, the Attorney General said reporters would have to draw their own. Why? Because the study included undocumented aliens who may turn out to have prior records. How many? "I don't know." Will she try to sort it out? "I think that would be absolutely impossible to do with accuracy."

Thus Ms. Reno will not try to learn, much less help the country to learn, the consequences of Congress's unrelenting demagoguery: the doubling and tripling of mandated sentences in order to pose as heroes in the war on crime.

Last fall David Gergen, President Clinton's counselor, asked the Justice Department to sit on the report during the Senate debate over the pending crime bill, lest it send a message of "softness" on crime before the Clinton Administration's crime proposals were ready. Philip Heymann, the Deputy Attorney General who directed the study, agreed to a politically motivated decision that deprived the public and the Senate of information they deserved. The Senate proceeded to add still longer sentences and federalize thousands of local street crimes, tough-looking measures that would further jam the Federal prisons without enhancing public safety. As the House takes up the crime bill, it should examine the Justice study and demand better advice from the Attorney General.

Ms. Reno had led us to expect more courage in an area of her expertise as a veteran prosecutor. She now needs to share with Congress her misgivings about the nation's foolish sentencing policies.

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Rich Rosenzweig

Fax Number:

202-586-7644

Phone Number:

586-6210

FROM: John Podesta

SUBJECT: John B. Alexander

DATE: 2/24/94

NUMBER OF PAGES (including cover sheet): 4

MESSAGE:

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THE WHITE HOUSE
WASHINGTON

DATE: 2/22/94

TO: *Rich Rosensweig, DDE*

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

*Does this guy work
for you?*

Federation of American Scientists
307 Massachusetts Avenue, NE
Washington, D.C. 20002

for more information:
Steven Aftergood
(202)675-1012

94 FEB 18 P4:30
SECRECY & GOVERNMENT BULLETIN

To Challenge Excessive Government Secrecy and
To Promote Public Oversight and Free Exchange
In Science, Technology, Defense, and Intelligence

Issue No. 32
February/March 1994
ISSN 1061-0340

Glickman to Introduce Bill on Classification

Rep. Dan Glickman, chairman of the House Intelligence Committee, has announced that he will introduce legislation to overhaul the classification of national security information. Glickman outlined his proposal in a speech before the American Bar Association's Committee on Law and National Security on January 27. (*Los Angeles Times*, 1/28/94; *New York Times*, 1/31/94, p.A16).

The elements of the Glickman proposal include:

- A balancing test to weigh the public interest in disclosure against the potential harm to national security, with a presumption in favor of disclosure.
- The establishment of two classification levels, for information that would cause "serious" or "exceptionally grave" damage.
- Specification of exactly who is authorized to classify.
- Maximum classification lifetimes in most cases of six and ten years for the two proposed classification levels.
- Establishment of a procedure for review of classification decisions and the extension of classification if warranted.

Rep. Glickman's proposal is framed as an amendment to the National Security Act of 1947. It would give a statutory foundation to the classification system, which is now based on executive order.

"I have personally examined countless documents marked Secret and Top Secret that have no bearing whatsoever on our country's national security interests," Glickman stated. "Hundreds of thousands, if not millions, of documents remain classified to this day-- some over five decades old-- simply because there are no procedures in place to declassify them."

"It is time we reduce this nonsense, not only because it is a wasteful spending of government resources, but also from the standpoint of openness in government."

"The bill I will be introducing will subject the issue of classification to the public debate, which because of the Cold War and associated concerns, it never had," Glickman said.

Actually, of course, the classification system has been publicly debated almost non-stop. There are literally tens of thousands of pages of Congressional hearing records on the subject dating back to the 1950s. The most recent Congressional hearing devoted exclusively to classification was "Government Secrecy After the Cold War," a hearing before the House Subcommittee on Legislation and National Security on March 18, 1992.

By now, almost everything has been said, and almost everyone has said it. What has been lacking is the Congressional resolve to take practical measures to address the decadence of the classification system.

Given the record of Congressional passivity, it is

hard to be sanguine about the chances for successful legislative action in this area. Nevertheless, Rep. Glickman's proposal represents a hopeful sign.

CIA: Secrets Become More Sensitive with Age?

Tertullian, a church father given to paradoxical utterances, said of a particular church doctrine: "It must be true, because it's impossible!" (*certum est quia impossibile est*).

This could serve as the preamble to the CIA's classification policy, which likewise defies ordinary comprehension.

In most other government agencies, it is accepted that the sensitivity of classified information decreases with time. This is the basis for all declassification activity, limited as it is. But lately, the CIA has challenged this fundamental notion of decreasing sensitivity over time and has even suggested that the opposite might be true.

In the course of a pending lawsuit alleging that CIA administered LSD and electroshock treatments to an unsuspecting subject in Paris in 1952, government attorneys attempted to restrict the plaintiff's access to old CIA documents, advising the court as follows:

"Plaintiff will undoubtedly argue that given the fact that the documents relate to activities which took place forty years ago, any risk of serious harm to the national security is diminished by the passage of time. This argument is meritless [!]."

"The passage of time often makes it more difficult for U.S. government personnel to know with certainty what the effect of a particular disclosure will be upon a foreign government or populace.... Under these circumstances, where all the facts and innuendoes are no longer known by the government, caution is imperative and sensitive information should not lightly be revealed."

"Due to the passage of time, ...it is impossible to predict the potential harm which exposure... could engender," the government argued, and the information must therefore be withheld. (*Kronisch v. U.S.A.*, Sidney Gottlieb and Richard Helms, Defendants' Memorandum of Law, 11/24/93, pp. 12, 23).

In contrast, mainstream thinking holds that, at least in theory, "There should be a definite, identifiable reason or rationale for classifying information or materials. If a reason is definite, then it should be expressible. If a reason cannot be expressed or can only be given in vague terms, then the information or material probably should not be classified." (Arvin S. Quist, *Security Classification of Information*, vol. 2, p. 15).

In the January/February 1994 issue of *Foreign Affairs*-- the gray arbiter of conventional wisdom-- Rep. Dave McCurdy observes that "Much of U.S. Cold War policy was aimed at promoting reform in the former Soviet Union, but ironically, what the U.S. intelligence

community may need more than anything today is a little glasnost of its own." (p. 127).

Intelligence Budget Follies

Congress is still struggling to decide whether or not publicly acknowledging the intelligence budget total of \$28 billion (or so) would threaten the future of the United States as a sovereign, independent entity. If the experience of the last twenty years is any guide, Congress will again determine that there is no such threat and will then proceed to-- do nothing.

Stymied by Congressional inaction, citizens who presume to have an interest in intelligence spending are driven perforce to alternate sources of information. For example, detailed budget estimates for the National Security Agency and the Defense Intelligence Agency, prepared by John Pike, are presented in an FAS Secrecy Project statement on budget disclosure, submitted for an upcoming Senate Intelligence Committee hearing. A copy is available on request.

File an FOIA Request and Meet the FBI

Most Freedom of Information Act (FOIA) horror stories involve arbitrary classification, erratic declassification, and, of course, delays of Soviet proportions. But it is hard to match the experience of Chuck Hansen, who won a free FBI investigation because of his research efforts.

Mr. Hansen, an independent historian, prolific FOIA requester, and author of *U.S. Nuclear Weapons: The Secret History* (Aerofax, Inc., 1988), last year requested declassification review under the FOIA of two old nuclear weapons histories from the Defense Nuclear Agency (DNA).

In order to save time and reduce processing costs, Mr. Hansen specified exactly which pages of the documents he wanted to be reviewed. Like any footnote fetishist, he was merely pursuing references that he had found in a previously declassified document. But DNA, alarmed by Hansen's specific identification of page numbers, somehow assumed that he already had unauthorized access to the classified documents and promptly alerted the FBI.

Last summer, the FBI swung into action, questioning Hansen and his attorney about how he knew which page numbers he wanted.

Hansen dashed off an angry letter to DNA calling their behavior "reprehensible and extremely offensive" and asked for an apology. Colonel Robert P. Summers of DNA wrote back to inform him that "If any apology is in order, it would be from you...."

Eventually, everyone apologized to everyone else. Hansen told *S&GB* that DNA officials have resumed "their previous open and professional demeanor" and they "are still slowly processing my many outstanding requests."

A bewildered FBI agent explained that as a rule "the FBI does not investigate citizens just because they file requests under the Freedom of Information Act." (*San Jose Mercury News*, 8/15/93, p.1BF).

Non-Lethal Weirdness

The emerging field of so-called "non-lethal weapons" (*S&GB* 28) has gained new visibility with a feature story in *Newsweek* (2/7/94, pp.24-26) and a cover story in *New Scientist* (12/11/93). *Aviation Week & Space Technology* (1/24/94) even awarded its annual "laurels" to Dr. John B. Alexander, director of non-lethal weapons programs at Los Alamos National Laboratory, for his leadership role in advancing research in this area.

What *Aviation Week* didn't report is that John Alexander brings a distinctly unusual background to his work on non-lethal weapons and that he has a pronounced interest in topics and technologies that, uh, transcend conventional understanding.

In 1980, Alexander wrote that "there are weapons systems that operate on the power of the mind and whose lethal capacity has already been demonstrated." ("The New Mental Battlefield," *Military Review*, December 1980, pp. 47-54). In that article, Alexander addressed out-of-body-experiences, psychokinesis, and telepathic behavior modification. "There is sufficient concern about psychic intrusion to cause work to begin on countermeasures such as bioenergy detectors," he advised. He noted that "The information presented here will be considered by some to be ridiculous since it does not conform to their view of reality, but some people still believe the world is flat."

In *The Warrior's Edge* (Avon Books, NY, 1990), a human potentials handbook for would-be corporate samurai that he co-authored, Alexander described himself as having "evolved from hard-core mercenary to thanatologist, obtaining his doctorate under the direction of Dr. Elisabeth Kubler-Ross.... As a Special Forces A-Team commander in Thailand and Vietnam, he led hundreds of mercenaries [?] into battle. At the same time, he studied meditation in Buddhist monasteries...."

According to the *Albuquerque Journal* (3/10/93, p.1) Alexander organized a national conference in Santa Fe last year "devoted to researching reports of ritual abuse, near-death experiences, human contacts with extraterrestrial aliens and other so-called 'anomalous experiences'." "Something's happening that's impacting on the psyche of America," Alexander told the *Journal*. "That's for sure."

Rounding out the picture, an Australian "new age" publication called *Nexus* reported that "In 1971, while a Captain in the infantry at Schofield Barracks, Honolulu, [Alexander] was diving in the Bimini Islands looking for the lost continent of Atlantis. He was an official representative for the Silva mind control organization and a lecturer on precataclysmic civilizations.... [Alexander also helped] perform ESP experiments with dolphins." (October-November 1993, pp.12-15).

Alexander took some umbrage when *New Scientist* mentioned his preoccupation with paranormal phenomena. In a letter to the editor, he wrote that "As for my 'unorthodox views,' I believe Jim Marrs, in a forthcoming book, will produce the necessary evidence to prove they were not so far out." Jim Marrs, it might be noted, is author of the feverish JFK assassination conspiracy book *Crossfire*.

So what? If Alexander wants to practice astral projection in his spare time, there is not a single thing wrong with that. If anything, it reveals a refreshing freedom of imagination.

On the other hand, it also reinforces the urgent need for oversight of the still highly secretive non-lethal weapons program. If only for quality control.

But since many non-lethal programs are conducted on a "black," special access basis, Congressional oversight is effectively nullified. One consequence is that resources are wasted and duplication of effort is rampant. According to David Boyd of the National Institute of Justice, some non-lethal weapons technologies are being developed in as many as six independent offices, each with no knowledge of the work going on in the others. "We've been startled at the number of times we've run into this," Boyd said. (*Aerospace Daily*, 11/19/93, p.299).

Still Waiting

At press time, neither the report of the Joint Security Commission nor the latest draft executive order on classification had been released yet.

* * *

The Secrecy & Government Bulletin is prepared by Steven Aftergood. Subscriptions are available from the Federation of American Scientists. The FAS Project on Secrecy & Government is supported by grants from the Rockefeller Family Fund, the J. Roderick MacArthur Foundation, and the C.S. Fund. This publication may be freely reproduced.

THE WHITE HOUSE
WASHINGTON

DATE: 2/24/94

TO: MACK MCLARTY

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

THE PRESIDENT HAS SEEN

February 19, 1994

FROM:

MACK McLARTY

SUBJECT: CLINTON BUSINESS SUPPORTERS -- STRATEGY

While I think a large number of the Clinton business supporters have been invited to the White House, either to small dinner parties or to briefings held on various issues, I think the President has a good point. I would appreciate a one-page memorandum regarding our plan to make sure we include, on an orderly and regular basis, Clinton business supporters in our NEC and Public Liaison outreach. Included in that memorandum, I would like to know who is going to be responsible in your respective areas for the follow through on this. I would suggest that you include Political and Bruce Lindsey in the development of your thoughts.

Thanks.

cc: The President
Joan Baggett
Harold Ickes
Bruce Lindsey

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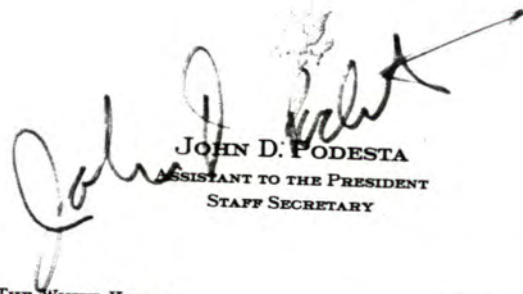
15

WHITE HOUSE
WASHINGTON

2124



Mr. Jon Allan
3 Putnam Street
Sanford, Maine 04073



JOHN D. PODESTA
ASSISTANT TO THE PRESIDENT
STAFF SECRETARY

THE WHITE HOUSE

(202) 456-2702





3 Putnam Street
Sanford, ME 04073

Hon. John Podesta;

Dear Mr. Podesta;

For Many years I have followed, and actively participated in American political life. Back in 1958, at the age of 10, I began collecting the autographs of noted political and historical figures. This collection now includes thousands of autographs of Senators, Congressmen, Governors, Diplomats, and State and Federal Officials.

I would be very honored to have your autograph to include in it, and I hope that you might provide me with a signature on an official photo or card.

As I am a serious collector, I would rather wait until you could authentically sign for me than receive an autopen or secretarial signature. Please find enclosed a 52¢ stamp for return postage.

Thank you for your consideration, and for your contribution to our country.

Sincerely,



Jon Allan



THE WHITE HOUSE
WASHINGTON

DATE: 2/23/94

TO: DAVID GERGEN
RAHM EMANUEL
RON KLAIN, DOJ

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

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with our tough stuff--
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Ms. Reno and the Jail Glut

THE PRESIDENT HAS SEEN

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These are some of the findings of a Justice Department study completed last summer but not released until last week. The study, commissioned with fanfare by Attorney General Janet Reno, avoids drawing conclusions, but seems to bear out Ms. Reno's concern that severe mandatory minimum sentencing laws are having a perverse effect by forcing judges to clog the jails with nonviolent criminals who don't need to be there.

Congress has enacted ever-harsher minimums in the name of making the streets safer, but one effect has been to jam the prisons with drug "mules" and couriers serving terms of 10 and 15 years. That could prove costly and ineffective, requiring more prisons and diverting scarce funds from more vital law enforcement efforts.

Of course it is always possible that heavy punishment of drug messengers can force them to cooperate and lead police to criminal higher-ups. The 60-page study is only a provocative start on learning the effects of our crime laws, but Ms. Reno declines to search out its lessons.

Asked the other day what those lessons might

be, the Attorney General said reporters would have to draw their own. Why? Because the study included undocumented aliens who may turn out to have prior records. How many? "I don't know." Will she try to sort it out? "I think that would be absolutely impossible to do with accuracy."

Thus Ms. Reno will not try to learn, much less help the country to learn, the consequences of Congress's unrelenting demagoguery: the doubling and tripling of mandated sentences in order to pose as heroes in the war on crime.

Last fall David Gergen, President Clinton's counselor, asked the Justice Department to sit on the report during the Senate debate over the pending crime bill, lest it send a message of "softness" on crime before the Clinton Administration's crime proposals were ready. Philip Heymann, the Deputy Attorney General who directed the study, agreed to a politically motivated decision that deprived the public and the Senate of information they deserved. The Senate proceeded to add still longer sentences and federalize thousands of local street crimes, tough-looking measures that would further jam the Federal prisons without enhancing public safety. As the House takes up the crime bill, it should examine the Justice study and demand better advice from the Attorney General.

Ms. Reno had led us to expect more courage in an area of her expertise as a veteran prosecutor. She now needs to share with Congress her misgivings about the nation's foolish sentencing policies.

De Clinton
FBI
uncontrollable
more on the
slowly on
tough stuff
(Kunda)

THE WHITE HOUSE
WASHINGTON

DATE: 2/22/94

TO: *Rich Rosenzweig, DDE*

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

*Does this guy work
for you?*

community may need more than anything today is a little glasnost of its own." (p. 127).

Intelligence Budget Follies

Congress is still struggling to decide whether or not publicly acknowledging the intelligence budget total of \$28 billion (or so) would threaten the future of the United States as a sovereign, independent entity. If the experience of the last twenty years is any guide, Congress will again determine that there is no such threat and will then proceed to-- do nothing.

Stymied by Congressional inaction, citizens who presume to have an interest in intelligence spending are driven perforce to alternate sources of information. For example, detailed budget estimates for the National Security Agency and the Defense Intelligence Agency, prepared by John Pike, are presented in an FAS Secrecy Project statement on budget disclosure, submitted for an upcoming Senate Intelligence Committee hearing. A copy is available on request.

File an FOIA Request and Meet the FBI

Most Freedom of Information Act (FOIA) horror stories involve arbitrary classification, erratic declassification, and, of course, delays of Soviet proportions. But it is hard to match the experience of Chuck Hansen, who won a free FBI investigation because of his research efforts.

Mr. Hansen, an independent historian, prolific FOIA requester, and author of *U.S. Nuclear Weapons: The Secret History* (Aerofax, Inc., 1988), last year requested declassification review under the FOIA of two old nuclear weapons histories from the Defense Nuclear Agency (DNA).

In order to save time and reduce processing costs, Mr. Hansen specified exactly which pages of the documents he wanted to be reviewed. Like any footnote fetishist, he was merely pursuing references that he had found in a previously declassified document. But DNA, alarmed by Hansen's specific identification of page numbers, somehow assumed that he already had unauthorized access to the classified documents and promptly alerted the FBI.

Last summer, the FBI swung into action, questioning Hansen and his attorney about how he knew which page numbers he wanted.

Hansen dashed off an angry letter to DNA calling their behavior "reprehensible and extremely offensive" and asked for an apology. Colonel Robert P. Summers of DNA wrote back to inform him that "If any apology is in order, it would be from you...."

Eventually, everyone apologized to everyone else. Hansen told *S&GB* that DNA officials have resumed "their previous open and professional demeanor" and they "are still slowly processing my many outstanding requests."

A bewildered FBI agent explained that as a rule "the FBI does not investigate citizens just because they file requests under the Freedom of Information Act." (*San Jose Mercury News*, 8/15/93, p.1BF).

Non-Lethal Weirdness

The emerging field of so-called "non-lethal weapons" (*S&GB* 28) has gained new visibility with a feature story in *Newsweek* (2/7/94, pp.24-26) and a cover story in *New Scientist* (12/11/93). *Aviation Week & Space Technology* (1/24/94) even awarded its annual "laurels" to Dr. John B. Alexander, director of non-lethal weapons programs at Los Alamos National Laboratory, for his leadership role in advancing research in this area.

What *Aviation Week* didn't report is that John Alexander brings a distinctly unusual background to his work on non-lethal weapons and that he has a pronounced interest in topics and technologies that, uh, transcend conventional understanding.

In 1980, Alexander wrote that "there are weapons systems that operate on the power of the mind and whose lethal capacity has already been demonstrated." ("The New Mental Battlefield," *Military Review*, December 1980, pp. 47-54). In that article, Alexander addressed out-of-body-experiences, psychokinesis, and telepathic behavior modification. "There is sufficient concern about psychic intrusion to cause work to begin on countermeasures such as bioenergy detectors," he advised. He noted that "The information presented here will be considered by some to be ridiculous since it does not conform to their view of reality, but some people still believe the world is flat."

In *The Warrior's Edge* (Avon Books, NY, 1990), a human potentials handbook for would-be corporate samurai that he co-authored, Alexander described himself as having "evolved from hard-core mercenary to thanatologist, obtaining his doctorate under the direction of Dr. Elisabeth Kubler-Ross.... As a Special Forces A-Team commander in Thailand and Vietnam, he led hundreds of mercenaries [?] into battle. At the same time, he studied meditation in Buddhist monasteries...."

According to the *Albuquerque Journal* (3/10/93, p.1) Alexander organized a national conference in Santa Fe last year "devoted to researching reports of ritual abuse, near-death experiences, human contacts with extraterrestrial aliens and other so-called 'anomalous experiences'." "Something's happening that's impacting on the psyche of America," Alexander told the *Journal*. "That's for sure."

Rounding out the picture, an Australian "new age" publication called *Nexus* reported that "In 1971, while a Captain in the infantry at Schofield Barracks, Honolulu, [Alexander] was diving in the Bimini Islands looking for the lost continent of Atlantis. He was an official representative for the Silva mind control organization and a lecturer on precataclysmic civilizations.... [Alexander also helped] perform ESP experiments with dolphins." (October-November 1993, pp.12-15).

Alexander took some umbrage when *New Scientist* mentioned his preoccupation with paranormal phenomena. In a letter to the editor, he wrote that "As for my 'unorthodox views,' I believe Jim Marrs, in a forthcoming book, will produce the necessary evidence to prove they were not so far out." Jim Marrs, it might be noted, is author of the feverish JFK assassination conspiracy book *Crossfire*.

So what? If Alexander wants to practice astral projection in his spare time, there is not a single thing wrong with that. If anything, it reveals a refreshing freedom of imagination.

On the other hand, it also reinforces the urgent need for oversight of the still highly secretive non-lethal weapons program. If only for quality control.

But since many non-lethal programs are conducted on a "black," special access basis, Congressional oversight is effectively nullified. One consequence is that resources are wasted and duplication of effort is rampant. According to David Boyd of the National Institute of Justice, some non-lethal weapons technologies are being developed in as many as six independent offices, each with no knowledge of the work going on in the others. "We've been startled at the number of times we've run into this," Boyd said. (*Aerospace Daily*, 11/19/93, p.299).

Still Waiting

At press time, neither the report of the Joint Security Commission nor the latest draft executive order on classification had been released yet.

* * *

The Secrecy & Government Bulletin is prepared by Steven Aftergood. Subscriptions are available from the Federation of American Scientists. The FAS Project on Secrecy & Government is supported by grants from the Rockefeller Family Fund, the J. Roderick MacArthur Foundation, and the C.S. Fund. This publication may be freely reproduced.

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94 FEB 18 P 4:30
SECRECY & GOVERNMENT BULLETIN

To Challenge Excessive Government Secrecy and
To Promote Public Oversight and Free Exchange
In Science, Technology, Defense, and Intelligence

Issue No. 32
February/March 1994
ISSN 1061-0340

Glickman to Introduce Bill on Classification

Rep. Dan Glickman, chairman of the House Intelligence Committee, has announced that he will introduce legislation to overhaul the classification of national security information. Glickman outlined his proposal in a speech before the American Bar Association's Committee on Law and National Security on January 27. (*Los Angeles Times*, 1/28/94; *New York Times*, 1/31/94, p.A16).

The elements of the Glickman proposal include:

- A balancing test to weigh the public interest in disclosure against the potential harm to national security, with a presumption in favor of disclosure.
- The establishment of two classification levels, for information that would cause "serious" or "exceptionally grave" damage.
- Specification of exactly who is authorized to classify.
- Maximum classification lifetimes in most cases of six and ten years for the two proposed classification levels.
- Establishment of a procedure for review of classification decisions and the extension of classification if warranted.

Rep. Glickman's proposal is framed as an amendment to the National Security Act of 1947. It would give a statutory foundation to the classification system, which is now based on executive order.

"I have personally examined countless documents marked Secret and Top Secret that have no bearing whatsoever on our country's national security interests," Glickman stated. "Hundreds of thousands, if not millions, of documents remain classified to this day-- some over five decades old-- simply because there are no procedures in place to declassify them."

"It is time we reduce this nonsense, not only because it is a wasteful spending of government resources, but also from the standpoint of openness in government."

"The bill I will be introducing will subject the issue of classification to the public debate, which because of the Cold War and associated concerns, it never had," Glickman said.

Actually, of course, the classification system has been publicly debated almost non-stop. There are literally tens of thousands of pages of Congressional hearing records on the subject dating back to the 1950s. The most recent Congressional hearing devoted exclusively to classification was "Government Secrecy After the Cold War," a hearing before the House Subcommittee on Legislation and National Security on March 18, 1992.

By now, almost everything has been said, and almost everyone has said it. What has been lacking is the Congressional resolve to take practical measures to address the decadence of the classification system.

Given the record of Congressional passivity, it is

hard to be sanguine about the chances for successful legislative action in this area. Nevertheless, Rep. Glickman's proposal represents a hopeful sign.

CIA: Secrets Become More Sensitive with Age?

Tertullian, a church father given to paradoxical utterances, said of a particular church doctrine: "It must be true, because it's impossible!" (*certum est quia impossibile est*).

This could serve as the preamble to the CIA's classification policy, which likewise defies ordinary comprehension.

In most other government agencies, it is accepted that the sensitivity of classified information decreases with time. This is the basis for all declassification activity, limited as it is. But lately, the CIA has challenged this fundamental notion of decreasing sensitivity over time and has even suggested that the opposite might be true.

In the course of a pending lawsuit alleging that CIA administered LSD and electroshock treatments to an unsuspecting subject in Paris in 1952, government attorneys attempted to restrict the plaintiff's access to old CIA documents, advising the court as follows:

"Plaintiff will undoubtedly argue that given the fact that the documents relate to activities which took place forty years ago, any risk of serious harm to the national security is diminished by the passage of time. This argument is meritless [!]."

"The passage of time often makes it more difficult for U.S. government personnel to know with certainty what the effect of a particular disclosure will be upon a foreign government or populace.... Under these circumstances, where all the facts and innuendoes are no longer known by the government, caution is imperative and sensitive information should not lightly be revealed."

"Due to the passage of time, ...it is impossible to predict the potential harm which exposure... could engender," the government argued, and the information must therefore be withheld. (*Kronisch v. U.S.A.*, Sidney Gottlieb and Richard Helms, Defendants' Memorandum of Law, 11/24/93, pp. 12, 23).

In contrast, mainstream thinking holds that, at least in theory, "There should be a definite, identifiable reason or rationale for classifying information or materials. If a reason is definite, then it should be expressible. If a reason cannot be expressed or can only be given in vague terms, then the information or material probably should not be classified." (Arvin S. Quist, *Security Classification of Information*, vol. 2, p. 15).

In the January/February 1994 issue of *Foreign Affairs*-- the gray arbiter of conventional wisdom-- Rep. Dave McCurdy observes that "Much of U.S. Cold War policy was aimed at promoting reform in the former Soviet Union, but ironically, what the U.S. intelligence

THE WHITE HOUSE
WASHINGTON

DATE: 02/23/94

NOTE FOR: RICHARD RILEY

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

Information	☒
Action	☐

Thank you.

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

cc:

The Washington Post Writers Group

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

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THE PRESIDENT HAS SEEN
2.24.93

^bc-yoder-column adv21<

^EDWIN YODER COLUMN<

^(Advance for Monday, February 21, 1994, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--Since states, counties and cities jealously guard the tradition that public education is a strictly local prerogative, a U.S. secretary of education walks on eggshells from day one. He must appease more factions than a Balkan warlord.

Add in the power of the teachers' guilds and the gooey and evasive educationese in which educational problems (including stupidity) must be talked about, and you have a recipe for frustration.

But hope springs eternal, especially if his name is Richard Riley. Riley, the courtly former governor of South Carolina, is Bill Clinton's secretary of education. He is determined to prod American education into fruitful reform. He speaks without embarrassment of his own "love of learning" and would like to infuse that enthusiasm into America's schools.

Dick Riley is as genuinely wholesome as the children's crayon drawings that adorn his small dining room at the Department of Education. There he serves visitors plain sandwiches and cookies which, down home in South Carolina, would be described as store-bought. "If you come here for lunch," he says, "you come to talk about education. It can't be the food."

Riley is now shepherding the Clinton administration's version of "Goals 2000" reforms through the minefields of the congressional committee system. It includes a controversial rearrangement of funding formulas for federal aid. But Riley's larger goal is to spur a grass-roots generated improvement in academic performance--toward what are fancifully called "world-class standards."

In a speech at Georgetown University recently, Riley spoke eloquently of his hopes--and about the need for adult "connectedness" to the schools:

(more)

''I believe all parents regardless of their station in life or even their level of education, have the capacity and obligation to teach their children a love of learning.''

Wise words, in view of the crucial role of just such parental attention and care in scholastic success. But like so many other hopes, this one is in potential conflict with the a past reform. Riley acknowledges to a visitor that the busing policies of the 1970s, where still in force, make it hard for parents to feel ''connected'' to schools miles across town.

It is a typical instance of educational cross-purposes; and there are others, many of them. American public schools have been whipsawed for years by the ever-changing aspirations of reformers--the Americanization of immigrants, racial equalization, consolidation and deconsolidation, baby-sitting, sex education, nutrition aid, health and hygiene programs, almost everything but study--as if schools could compensate for all our social failures and oversights. When you throw in the sports mania and television, how much time and energy are left for the hard work which, alone, can boost scholastic performance?

Dick Riley, however, is not only stubbornly hopeful; he is almost giddily democratic in believing that no child should be pigeonholed, or subjected to arbitrary limits. ''All children,'' he said at Georgetown, ''can learn if we have higher expectations of them.'' It would be wonderful to think so--and even better to see Dick Riley prove it.

There are various ways to be secretary of education and Riley's is one of the better ones. In its brief life--since the department was spun off from HEW in 1977 as Jimmy Carter's gift to the teachers lobby--most approaches have been tried; and most have failed to yield fundamental change in American school performance.

Bill Bennett, in the Reagan years, deemed it his mission to play gadfly. He stung the educrats good and proper. But at the end of the day the sting passed and nothing changed. Ditto the Bush years, when Lamar Alexander, also a former Southern governor and also a dedicated man, dissipated most of his time and energy in the forlorn cause of educational vouchers.

(more)

Riley, like Alexander, knows the politics of public education from the bottom up and he has a fingertip touch. He knows that reform may be seeded, but not imposed, from Washington.

I long ago abandoned hope that anything useful could or would be done by federal initiative about the faltering state of American education. But in the face of Riley's manifest zeal, I now suspend judgment. If honeyed words and good ideas can move the torpid beast, Dick Riley's will move it.

If.

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

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

94 FEB 23 P6:53

MEMORANDUM FOR JACK QUINN
JOHN PODESTA

FROM: Sally Katz *S.Katz*
RE: ACUS appointments

Several of you commented that I should make a special effort to appoint an Hispanic as a public (i.e., non-government) member of the Conference.

Anne Bingaman suggested two names:

Eddie Benavidez, President, Hispanic Bar
Arturo Joraniillo, President, New Mexico Bar

In addition, Fred Kellogg, a moderate Republican (we do not have many and this is a bipartisan organization) apparently was very helpful during our recent budget crisis. His term has expired but I would like to appoint him for a second term. He is in private practice specializing in food and drug. From 1986-1990 he was General Counsel of the National Endowment for the Arts.

Unless I hear an objection by c.o.b. Thursday, February 24, I will submit Mr. Kellogg's name and one of the two names recommended by Anne.

cc:
Phil Lader
Jan Piercy
Thomasina Rogers

*me lader Verveer
is this ok
with you
John Podesta
2-23-94*

Katie McGinty
admiral
B. N. G.

THE PRESIDENT HAS SEEN

2.23.94

CALIFORNIA LEGISLATURE



JIM COSTA
ASSEMBLYMAN, THIRTIETH DISTRICT
Chairman
ASSEMBLY DEMOCRATIC CAUCUS

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Committees:
Agriculture
Elections, Reapportionment and
Constitutional Amendments
Transportation
Water, Parks, and Wildlife
Ways and Means
Subcommittees:
Chairman, Resources,
Agriculture & the Environment
Transportation
Joint Committees:
Energy Regulation and the Environment
Fisheries and Aquaculture
Joint Legislative Liaison Committee
Member:
National Conference of
State Legislatures
Assembly Rural Caucus
California Debt Advisory Commission
Legislative Advisory Committee,
Wildlife Conservation Board

February 22, 1994

President Bill Clinton
The White House
Washington, D.C. 20505

Dear Mr. President:

We are writing to express our deep concern and strong opposition to the new environmental standards for the San Francisco Bay-Sacramento/San Joaquin Delta proposed by a federal task force including the Environmental Protection Agency, the National Marine Fisheries Service, the Bureau of Reclamation and the Fish and Wildlife Service.

The proposed standards are bad news for the California economy and are environmentally flawed. They will cost jobs in urban and rural communities and will only slow our state's economic recovery from the recession.

The federal agencies advocating these changes estimate that the standards would significantly reduce water deliveries to both agriculture and urban areas by 500,000 acre feet in normal rainfall years and over 1 million acre feet in dry years, with annual costs to the economy of up to \$450 million. However, state water officials estimate that the water reductions and costs would be significantly higher than the federal projections.

We believe that these standards are based on faulty scientific assumptions that will result in devastating economic impacts and not achieve the intended environmental benefits. The effect of these requirements could have the same outcome as the spotted owl fiasco in the Northwest. But unlike that situation which targeted only one industry

in a specific geographic area, this one will impact nearly every community and business in California.

Specifically, we see the following shortcomings:

First, the plan is contradictory. Its prime goal is to protect several fish species considered threatened or endangered, such as the Delta smelt and the winter-run Chinook salmon. However, the plan also intends to increase the numbers of striped-bass, a non-native predator species which feeds on Delta smelt and winter-run salmon. This makes no sense at all.

Second, there appears to be no consensus among the scientific community that these drastic water reductions will actually improve the environment or increase fish populations. Most experts agree that new physical improvements will be needed to solve the Delta's environmental problems. However, this plan proposes to make no such improvements. We strongly urge that before imposing onerous new requirements, the plan should be based on sound scientific evidence and not on guess work and questionable conclusions.

Third, existing new water dedicated for environmental purposes should be used before proposing further water diversions from urban and rural users. Under the Central Valley Project Improvement Act (CVPIA), signed into law by President Bush, nearly 1 million acre feet of water was taken from California water users for environmental purposes. Most of this water is coming from water users in our San Joaquin Valley districts and is causing economic hardships throughout the area. It is difficult to understand why more water should be taken from our communities before using the CVPIA water and determining how well it benefits the environment.

The Bay/Delta serves as the lifeblood of California's water management and delivery system. This system has been extremely successful in providing reliable and affordable water supplies to the state's water users. As a result, the business sector has invested with confidence and our state has prospered. However, one-sided and unjustified environmental mandates and related water supply curtailments now threaten to undermine this progress.

We urge you to ensure that the federal government's final plan be fair and equitable and not put in jeopardy the future of the California economy and the state's water rights system. We cannot overestimate how damaging these actions could be to the credibility of an Administration that places the economic recovery of California as one of its highest priorities.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Costa", with a stylized, looped flourish at the end.

JIM COSTA
Member of the Assembly
30th District

A handwritten signature in black ink, appearing to read "Cruz Bustamante", with a large, sweeping initial "C" and a stylized "B" followed by a horizontal line.

CRUZ BUSTAMANTE
Member of the Assembly
31st District

THE WHITE HOUSE
WASHINGTON

DATE: 2/22/94

NOTE FOR: MAEK, JOHN Emerson

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

Information ☐

Action ☒

Thank you.

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

cc:

United Nations

THE PRESIDENT HAS SEEN

2122194 215

- o **Bosnia:** As NATO's deadline approaches for the placement of Serb heavy artillery surrounding Sarajevo under UN control, Ambassador Albright will continue to spend the greatest portion of her time on this issue and our reaction. Depending on what happens over the weekend, the Security Council might meet to discuss NATO air strikes and/or the continued presence in Bosnia of Croatian army troops.
- o **Haiti:** While the Friends of Haiti agreed on a draft of an embargo resolution, new discussions continue on proposed implementation of plans to reinvigorate the Governors Island process. Aristide is expected to meet with Haitian parliamentarians in Washington on February 17 for pivotal discussions on the political process.

Department of Defense

o **BRAC -93 Funding Shortfall:** The rescission action to offset the earthquake supplemental cut \$851 million for DoD. More than \$600 million of this was from military construction accounts. The FY94 BRAC account is now threatened with a reduction of \$400-600 million out of \$798 million. This will have major implications for California where a large number of bases are in the process of closing.

o **North Korea:** North Korea's decision to allow IAEA inspections may make the South Korean's reluctant to accept the Patriot deployment. DOD believes we must stick by our decision to deploy the Patriots.

o **Bosnia:** NATO CINCSOUTH, Admiral Boorda, is prepared to execute the NATO ultimatum if the Serbs don't comply. On Saturday Secretary Perry will travel to Italy to meet with his British, French, Dutch and Italian counterparts and receive a briefing on the current situation and the concept of operations.

- o **Somalia:** Ambassador Oakley reports that General Aideed has agreed to meet with Kouyate (Howe's temporary replacement) who is enroute to Nairobi. Aideed also agreed to appoint a liaison to work directly with the UN in a joint effort to eradicate banditry against Non-Governmental Organizations in Somalia.

United States Trade Representative

- o **Japan:** Last week, USTR announced that Japan is in violation under the 1989 Cellular Telephone Agreement. A preliminary notice of possible sanctions will be published in the Federal Register and sanctions could be implemented following a comment period.

- o **Uruguay Round:** Senior USTR negotiators will continue working with their EU counterparts toward greater market access in government procurement. The U.S. team continues to focus on the need for greater openness in procurement for basic telecommunications equipment and heavy electrical equipment.
- o **Arab Boycott:** Next week, Ambassador Kantor will meet with Ambassador Bandar of Saudi Arabia to press for the dismantling of the Arab boycott

* * * * *

cc: Vice President Gore
Mack McLarty

THE WHITE HOUSE

WASHINGTON

94 FEB 18 P6:58

February 18, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY 
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
February 18, 1994 through February 25, 1994

CABINET-WIDE ACTIVITY

HEALTH CARE

Cabinet Secretaries fanned out to targeted Congressional Districts across the country to participate in events with seniors and Members of Congress. The following Cabinet Members will be participating in seniors activities: Babbitt (Arizona - Congresswoman English), Reich (San Diego - Congresswoman Schenk), Ron Brown (NYC - Congressman Rangel), Shalala (California - Congressman Lehman), Jesse Brown (Chicago - Congresswoman Collins and Congressman Guitierrez), Browner (Massachusetts - Congressman Neal), Erskine Bowles (Philadelphia - Congressman Coyne) and Roger Altman (Virginia - Congressman Payne).

CRIME AND VIOLENCE

This week, Vice President Gore and Chief of Staff McLarty will host a working luncheon on crime. Attorney General Reno, Secretaries Bentsen, Ron Brown, Reich, Shalala, Cisneros, Pena, Riley and Director Lee Brown will attend. The Vice President and Mack will ask the Cabinet to participate in an aggressive schedule of crime events and projects between now and the end of March.

In addition, the Cabinet continues to join Vice President Gore in weekly "Leadership Days" which bring key constituents from targeted congressional districts to the White House for briefings on the Administration's crime initiative. Finally, this Tuesday, Secretary Bentsen, Director Lee Brown and Acting Deputy Attorney General Jo Ann Harris will testify before Congressman Schumer's subcommittee on the Congressional Black Caucus crime bill.

EARTHQUAKE UPDATE

Secretary Cisneros and Secretary Pena, in addition to James Lee Witt, Nick Retsinas, Rodney Slater, and Gene Ludwig continue to focus significant attention on the recovery stage of the Northridge earthquake. John Emerson will manage the recovery effort for the White House.

** ** *

DEPARTMENT SUMMARIES

Department of the Treasury

- o **RTC's Handling of Madison Guaranty:** Secretary Bentsen and members of the RTC Oversight Board Roger Altman, Skip Hove and Alan Greenspan, will appear before the Senate Banking Committee for the RTC's required annual Congressional hearings. Republican members have noted that the annual hearing did not take place last year. There is concern that the Republicans will use the hearing as a forum to publicize allegations on Whitewater and Madison Guaranty.
- o **G-7 Finance Ministers' Meeting in Frankfurt:** Secretary Bentsen will join the G-7 finance ministers in Frankfurt February 25-27. Russian reform and world economic growth will be on the agenda.
- o **Customs Enforcement:** In an interview with the Newsweek, the Customs Office of Enforcement has strongly refuted a suggestion that U.S. Customs Officers on the Macedonian border might be aware that the U.S. Government is supplying U.S. war material to Bosnia and have been asked to look the other way. The magazine may report next week that Danish Customs officers in a different region are allowing war materials to go to the Bosnian Government.
- o **Sega Electronics:** Several major news organizations have recently inquired with the Customs Service about allegations of Japanese goods produced by forced labor being imported by Sega Electronics. A former Japanese prisoner, now a U.S. Citizen, has made the allegation. Sega volunteered late last year that one of its subcontractors had utilized prison workers but had ceased the practice.

Department of Commerce

- o **Export Administration Act:** In connection with the reauthorization of the Export Administration Act, Thursday, the Department will testify before a Senate subcommittee. The NEC has worked closely with Commerce and State to develop modifications in the Act. This weekend you will be reviewing the legislation. The proposed changes in the Act would demonstrate your commitment to further liberalization and reform of the export control system.

- o **Economic Development Administration Grants:** The EDA will announce nine grant awards next week totalling more than \$15 million. The communities that will receive grants are: Hermann, Missouri; Valley Forge, Pennsylvania; Vieques, Puerto Rico; Kellogg, Idaho; Commonwealth of Pennsylvania; Providence County, Rhode Island; Jackson County, Mississippi; Rantoul, Illinois; and Lake Placid, New York.

Department of Transportation

- o **Coast Guard Sexual Harassment Allegations:** Sixty Minutes is expected to air a segment Sunday, February 20, on alleged sexual harassment in North Carolina during the early 1990's. However, punishment was meted out in 1993. Commandant of the Coast Guard Kime is reviewing the matter and is working with the DOT to determine appropriate response.

Department of Justice

- o **Congressional Redistricting:** On Tuesday, the Department will file an intervention and an amicus brief in two of the suits challenging selected congressional districts under the Voting Rights Act.
- o **Harassment of Lesbians in Mississippi:** Today, the Department authorized the Community Relations Service to become involved in the situation in Ovett, Mississippi in which a lesbian couple trying to set up a women's camp has been harassed by members of the local community. Because CRS has dealt with race-based issues, not sexual orientation based issues, in the past, there may be press and congressional attention to this action.
- o **Asylum for Chinese Fleeing China's Family Planning Policy:** By February 22, the Department must respond to a recently filed emergency motion to restrain the INS from deporting anyone seeking asylum to avoid China's family planning policy. There is ABC and CNN news interest in this case.
- o **Freedom of Speech/Persian Gulf Protester Case:** On February 23, the Department will present oral argument as a friend of the court in City of Ladue vs. Gilleo. In this case, a city ordinance that prohibits the display of signs for traffic or aesthetic reasons was applied to prohibit an individual from displaying a small sign opposing the Persian Gulf War in the window of her home. The Department will argue that the city ordinance is too broad.
- o **Gay Games IV:** HHS has designated attendance at the Gay Games in NYC from June 18 to 25 as being "in the public interest." Now the INS is working on a waiver of the HIV exclusion grounds for aliens entering the country to see these games.

Department of Health and Human Services

- o **Waivers:** AFDC waivers for California and South Dakota are likely to be released next week. The South Dakota waiver established time limits on benefits and established transitional benefits. The California waiver consolidates AFDC, Food Stamps and Child Care benefits and allows participants to choose child care and Medicaid in lieu of cash grants.
- o **TennCare:** ABC News, 60 Minutes, CNN and USA Today are all researching stories on the TennCare demonstration for which we granted a waiver. They have spoken with opponents of the program and have spent time answering the state's beneficiary hotline.

Office of National Drug Control Policy

- o **One Church - One Addict:** On Tuesday, Dr. Brown will announce the One Church - One Addict Program, a privately funded program that identifies religious communities of all types that will "adopt" a recovering addict and support him or her through the recovery process.

Department of Education

- o **ESEA Reauthorization:** The Improving America's Schools Act is expected to be considered on the House floor at the end of next week. Senate hearings begin in early March.
- o **American Council of Education Speech:** Secretary Riley will address the ACE on Sunday in advance of your visit there on Tuesday.

Department of Interior

- o **Grazing:** Next week, Interior will make the second of four grazing announcements. The announcement will emphasize the shift from a national approach to a regional approach with respect to standards and guidelines.

Department of Agriculture

- o **Farmers Home Administration Taskforce:** Today, Secretary Espy announced the formation of a working group designed to continue the Department's aggressive action to address loan delinquencies. The group will include representatives from IRS, DOJ, OMB and the Farm Credit Administration. Ron Blackley, current USDA chief of staff, will move over to head the taskforce.
- o **Medfly:** After a series of unsuccessful court appeals by the city of Corona, the first of ten aerial malathion treatments began on February 15.

- o **Northwest Forest Plan:** The Environmental Impact Statement (EIS) regarding timber harvest, recreation and habitat protection is scheduled to be published in the Federal Register in two weeks. Congressional, media and constituent briefings are scheduled for next week.
- o **Reverse Discrimination:** On February 20, a new CNN newsmagazine "CNN Presents" will air a story on alleged reverse discrimination against males in the Forest Service.
- o **Japanese Rice Sales:** The Japanese government began selling California rice to domestic wholesalers on February 8, at prices 16% below domestically produced government-held rice. U.S. rice, which has been given the highest quality rating of all imported rice, will be sold to wholesalers at a higher price than any other imported rice.

Environmental Protection Agency

- o **California Smog Check Program:** As EPA staff and California legislators move toward agreement on a smog check program for the state, Administrator Browner is concerned other states may interpret the agreement as special treatment for California. EPA staff has begun outreach efforts to other states to assure them that the California program, though not ideal, will meet EPA standards. Provisions favored by California may result in substantially higher costs to consumers, which is likely to make California's approach less desirable to other states.

Department of State

- o **North Korea:** In the wake of North Korea's acceptance of inspections satisfactory to the IAEA, the State Department is pressing for early completion of the inspections and fulfillment of the North-South dialogue conditions necessary for entering into a third formal round of U.S.-North Korean talks. The third round of talks would begin approximately one month after the start of the inspections.
- o **Somalia:** There is evidence of a serious dialogue among the various Somali clan and factional leaders and a realization that they must take greater responsibility for themselves. There is also disturbing news of increasing banditry and renewed clan fighting which threaten international relief assistance.
- o **Congressional Testimony:** Next week, Secretary Christopher will appear before both the House Foreign Affairs and Senate Foreign Relations Committees. State anticipates tough questioning on both Bosnia and Somalia.

THE WHITE HOUSE
WASHINGTON

DATE: 2/22

NOTE FOR: LAURA TYSON

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

Information ☐

Action ☒

CAN someone in your
SHOP follow up

JDP

Thank you.

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

cc:

2/18/94

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Earnings Increase for Auto Companies. The Big Three U.S. auto companies reported combined 1993 net income (before special accounting charges) of \$7.1 billion, in contrast to 1992 combined losses of \$2.7 billion. In the fourth quarter, Chrysler reported record quarterly earnings and GM's North American operation reported its first profits since the second quarter of 1989.

Commercial Office Vacancy Rates Fall with Rents. A survey of over 50 metropolitan markets—including downtown and suburban areas separately—found that office vacancy rates in most markets have begun to decline. Another survey found that in 1993 effective rents received by landlords increased in only three of twelve markets—Washington, downtown New York, and midtown New York. The biggest decline in average adjusted rent was in Chicago, where landlords were losing money on leases. Downtown Los Angeles was the only other market surveyed where landlords were losing money.

Aerospace Materials Replace Steel and Concrete in Bridges. The California and Nevada Departments of Transportation have successfully experimented with using fiberglass and Kevlar composite materials derived from stealth technology to strengthen existing highway bridges. Future tests will experiment with using the composites in new bridge and roadbed construction. Engineers must determine if savings in construction time, labor, and maintenance costs for the new composites justify their considerably higher cost compared with traditional steel and concrete.

Billary, the Fiscally Responsible Choice. For every case of beer sold, Cleveland-based Presidential Bottlers Inc., the brewer of Billary Beer, plans to contribute 25 cents to reduce the Federal debt. A check for \$5,000 has already been sent to the Bureau of Public Debt in Parkersburg, West Virginia. It would take sales of more than 14 trillion cases of Billary to retire the national debt.

What are they doing? Supporting the federal debt?