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COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4887

FOLDER TITLE:

April 1-9, 1994 [1]

2018-0662-S

rs3092

RESTRICTION CODES

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

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

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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]

pent
4/8

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: *Michelle Ballentyne*

Fax Number:

Phone Number:

393-5510

FROM:

*Fran Wessel (456-2702
456-2215 fax)*

SUBJECT:

DATE: *4-8-94*

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

MESSAGE:

*see attached. fax
directly back to Ted Wentzel
at 456-2498*

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

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THE WHITE HOUSE

PRESIDENTIAL PERSONNEL OFFICE

Boards & Commissions
Old Executive Office Building
Washington, D.C. 20500
Tel: 202-456-1663
Fax: 202-456-2498

94 APR 8 P3:09

FAX COVER SHEET

DATE: 4/7
PLEASE DELIVER TO: John Podesta
OFFICE: _____
FAX NUMBER: 62215
SENDER: Ted Wentzel
ROOM NO./BUILDING: _____
TELEPHONE NO.: _____
NUMBER OF PAGES: 2
(including cover sheet)

COMMENTS:

Please get the following information from
Anthony and return the attached form
to me. Thanks

Ted

If you have any problems with the fax transmission, please contact the sender at the above number. Thank you.

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Candidate Information Summary

Agencies: Please explain carefully to the candidate that the solicitation of this information does not guarantee a position in the administration. In the event the candidate is nominated for a Presidential appointment, this information will be used for governmental as well as other White House purposes. A copy of this form should be sent to OPM.

Essential Information

Date Entered _____

Name: Anthony Podesta

(As you want it to appear on formal records)

Date of Birth: _____ Social Security Number: _____

Place of Birth: _____

Exact statutory position/title/area: memberDepartment or Agency: President's Committee on the Arts & Humanities☒ PA PAS Non-Career-SES Schedule C (Circle One)

EOD: _____

Term Limit: _____ PAY GRADE: _____

Name of person who previously held the position: (for PAS/PA only) vacant

Personal Data:

(The provision of diversity/political data is entirely optional and is for internal use only)

Gender: _____

Political Party Affiliation: _____

Disability: _____

Campaign Experience: _____

Race/Ethnicity: AA AP C H NA
(Circle One)

Domicile/Hometown: _____

Send forms to ☐ Home ☐ Business

Business Address: _____

Home Address: _____

Business Telephone: _____

Home Telephone: _____

Name and Phone of Persons Completing this form: _____

Comments: _____

For PPO use only:

Date Approved ☐ _____ Disapproved ☐ _____ Reviewed ☐ _____

Sponsors: _____



NATIONAL RETAIL FEDERATION

April 8, 1994

Ricki
This is
Probably
worth
consideration
John
4-8-94

Mr. John Podesta
Assistant to the President
and Staff Secretary
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear John:

I know your schedule is beyond hectic, but I wanted you to know of an invitation that has been extended to the President, and I further wanted to seek any assistance or advice you might offer to secure his acceptance of this invitation.

The National Retail Federation (NRF) represents an industry that employs one in five working Americans and has created a large majority of new jobs over the past few years. Retailing is the "portal" through which pass young, first-time workers seeking jobs skills, older Americans who still have much to offer, part-time and seasonal workers who wish to supplement family incomes, and those Americans who have lost other employment and are looking for a private sector safety net.

On May 3 and 4, NRF is holding its 59th Annual Washington Leadership Conference which brings together the CEOs and senior executives of the nation's retailing companies. Parenthetically, for the first 57 years, the President of the United States has always met with these industry leaders. Last year, that tradition was broken for the first time. It is our hope that this fruitful relationship can be re-instituted this year and will continue on into the future.

X | This industry has been very supportive of the Administration's goals in two key areas. We were the only major business group to endorse the Family and Medical Leave bill early last year, giving a early boost to the Administration. Last year, retailers played a crucial role in the

The World's Largest Retail Trade Association

Liberty Place, 325 7th Street NW, Suite 1000
Washington, DC 20004
202.783.7971 Fax: 202.737.2849

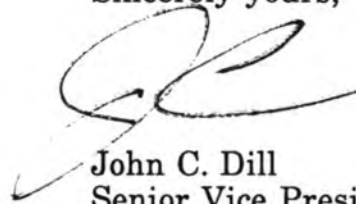
Mr. John Podesta
April 8, 1994
Page Two

pro-NAFTA debate, and remain strong advocates of the President's free trade policies. Candidly, John, we have our differences with the Administration on health care reform surrounding the economic impact of the employer mandate. It is my hope that such differences will not halt a dialogue with this industry, and furthermore, that the Administration would seek to reach out and talk to those who might hold different views in hopes of forging a public policy consensus.

Attached is a copy of the letter of invitation that was sent to the President. I thank you in advance for any help you can provide us in this matter.

With best wishes,

Sincerely yours,



John C. Dill
Senior Vice President,
Government Affairs

Attachment

John - hope all is well, JCD

NATIONAL RETAIL FEDERATION

701 PENNSYLVANIA AVENUE, N.W. • SUITE 710 • WASHINGTON, D.C. 20004 • (202) 783-7971

TRACY MULLIN
PRESIDENT

January 27, 1994

The President
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the Board of Directors and members of the National Retail Federation, I would like to invite you to address retailing's top executives when they convene for the industry's Annual Washington Leadership Conference May 3-4, 1994. A meeting with the nation's chief executive at the White House has long been a highlight of this annual event and has given retail executives the opportunity to be briefed on the major issues confronting the country and our industry. It has also afforded the President an opportunity to enlist the support of our industry for his legislative goals, and I would invite you to use this gathering to ask for retailing's support of your proposals. Clearly, health care reform, international trade matters and your crime bill would be of the most compelling interest at the time of our Conference.

We are fortunate to have serving on the Federation's Board of Directors the industry's most prominent and influential chief executive officers, and the majority of them will be present at the Conference in May. They join me in extending this invitation. We expect an audience of 200 to 250 retail CEOs and senior executives.

By way of background, the National Retail Federation is the nation's largest trade group which speaks for retailing on matters of governmental and public policy. The organization's membership includes large and small corporate retailers representing the entire spectrum of the industry, as well as some 27 national retail associations and all 50 state retail associations. In total, the Federation's membership encompasses over one million retail establishments, employs nearly 20 million workers -- one in five working Americans -- and registered sales in excess of \$1.8 trillion in 1991.

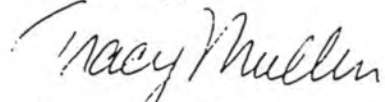
The NRF was pleased to be the only major business group to endorse the Family and Medical Leave Act, has been working closely with the First Lady's Task Force on Health Care Reform to positively effect the process, and worked closely with your Administration to ensure passage of NAFTA and the successful conclusion of the Uruguay Round of the GATT. NRF is also developing voluntary job-based skill standards for retail employees under an award received from the

The President
January 27, 1994
Page two

Department of Labor. A number of our member companies are involved in the process and we are optimistic that the results of this endeavor will be of great benefit to the nation's schools, our industry and, most important, to future workers who often find their first employment in retailing.

Again, on behalf of the directors and members of the National Retail Federation, I hope you will address attendees of the Washington Leadership Conference May 3-4. Should you have any questions regarding this invitation, please have a member of your staff contact me or Katherine Mance, NRF Vice President, Public Affairs, at 202/ 783-7971.

Sincerely,

A handwritten signature in cursive script that reads "Tracy Mullin".

Tracy Mullin

Enclosure

NATIONAL RETAIL FEDERATION

701 PENNSYLVANIA AVENUE, N.W. • SUITE 710 • WASHINGTON, D.C. 20004 • (202) 783-7971

RETAILING IN THE U. S.

Retailing in the United States is a \$1.96 trillion industry. Sales of goods and services are widely distributed among numerous types of retail establishments, from the largest department or specialty chain to the corner drug store or convenience store. Retailers market virtually everything the consumer demands, from apparel, footwear or jewelry to food, pharmacy items, hardware and building materials, furniture, books, videos and appliances. Goods are marketed in malls, shopping centers and warehouse outlets, in stores on every Main Street, by phone, through mail-order catalogs, in machines and direct home sales.

Almost every other sector of manufacturing and the service industries -- textiles, durable goods, agriculture, banking, advertising, transportation, telecommunications and real estate, to name a few -- is directly impacted by retailing. Therefore, a healthy retail industry is critical to a strong economy.

Retailing employs nearly 20 million Americans, about one in five workers. The retail employment base, as large as that of manufacturing, is exceeded only by that of the services industry. Employment in retailing has been growing at an average annual rate of about 2 percent since 1985, faster than the rate of employment growth of the economy as a whole.

More than half of total retail employees are women; one-fourth of the women working in the private sector are employed by retail establishments. The industry is also a significant employer of teenagers and others for whom only part-time employment is possible.

All retailing, despite its diversity, is directly impacted by a wide range of legislative and regulatory actions. As the voice of retailing in Washington, the **National Retail Federation** represents the industry before the Congress and Administration. The Federation is the nation's largest retail trade organization, including under its umbrella all 50 state retail associations and some 27 national retail associations, as well as corporate retailers from the largest national chains to the smallest independent companies. The NRF also has a sizable international membership in 50 nations.

THE WHITE HOUSE
WASHINGTON

94 APR 8 P8:37

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Mike Berman
Fax Number: 202 728-1123 **Phone Number:**
FROM: John Podesta
SUBJECT: your bio request
DATE: 04/08/94
NUMBER OF PAGES (including cover sheet): 2
MESSAGE:

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JOHN D. PODESTA

John D. Podesta serves in the Clinton Administration as Assistant to the President and Staff Secretary. He also serves as a member of the Council of the Administrative Conference of the United States.

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

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

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

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

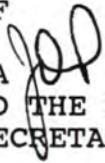
His publications include Protecting Electronic Messaging: A Guide to the Electronic Communications Privacy Act of 1986 and Access to and Use and Disclosure of Electronic Mail Company Computer Systems: A Tool Kit for Formulating Your Company's Policy, with David Johnson.

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

THE WHITE HOUSE
WASHINGTON

April 7, 1994

MEMORANDUM FOR SENIOR STAFF

FROM: JOHN PODESTA 
ASSISTANT TO THE PRESIDENT
AND STAFF SECRETARY

SUBJECT: 1993 Financial Disclosure Report (SF-278)

The White House Gifts Office is finalizing the gift portion of the President's 1993 Financial Disclosure Report (SF-278). The Ethics in Government Act requires the annual filing of this report on May 15.

This memorandum is a final reminder that if you received any gifts on behalf of the First Family during calendar year 1993 and they are still in your possession, the gifts must be immediately forwarded to the White House Gifts Office (OEOP 457). These gifts must be accompanied by a completed Presidential Gift Form. Please remember that you must promptly forward all gifts given to any member of the First Family directly to the White House Gifts Office.

The Ethics in Government Act also requires certain White House officials to file an annual Financial Disclosure Report. Questions about who is required to file should be directed to the Office of the Counsel to the President. To assist you in the preparation of the gifts portion of the Financial Disclosure Report, the White House Gifts Office will provide for you by May 2nd a list of those gifts forwarded to that office which you received in 1993.

I appreciate your bringing this matter to the attention of your entire staff.

*Don
He's open*

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

3.4.6.94

94 MAR 30 P7:47

March 30, 1994

RECOMMENDED TELEPHONE CALL

TO: Governor Mike Sullivan (D-WY)
(O) 307/777-7434
(H) 307/632-1717

DATE: 3/30/94

RECOMMENDED BY: Joan Baggett and Linda Moore, Political Affairs

PURPOSE: To encourage the Governor to enter this year's U.S. Senate race.

BACKGROUND: Senator Malcolm Wallop (R) will not seek re-election this year. As you know, Governor Sullivan has been considering running for the Senate for several months now. Sullivan begins a week-long vacation tomorrow, 3/31/94, and will return on 4/7/94. He is expected to announce his intentions on 4/11/94. Sources inside the state believe that he has not made up his mind yet and that he and his wife plan to use the vacation to seriously discuss their options. Before he decides, you may wish to weigh in and support a Senate bid one last time.

Sullivan is very popular. He won a second term in 1990 with 65% of the vote and the most recent in depth polling, a DNC poll conducted in January, reported that 61% of those tested rated his job performance as excellent or good while 38% rated it as just fair or poor. A smaller poll conducted this month, designed to test the popularity of a ballot initiative regarding gambling, reported that two-thirds of the people in Wyoming like the way he is doing his job.

If Sullivan runs, the Democrats have a good shot at winning this seat. It would, however, be a very close contest. Representative-at-Large Craig Thomas (R), who has won three statewide elections to the House, will be the Republican nominee. The DNC poll reports that he leads Sullivan by a 49%-45% margin.

TOPICS OF
DISCUSSION

Some observers report that what most intrigues Sullivan about a U.S. Senate bid is that he does feel he can make a difference for Wyoming in the Senate, especially on grangeland reform issues. You may wish to reinforce this by pointing out the major role that senators have played in the land use debate and that given his experience as Governor, he is especially knowledgeable about these issues and would be very well-positioned to carve out a niche on the subject.

If Governor Sullivan decides to run, he can count on the Administration, the DNC and the DSCC to pull out all of the stops to help him win. The DSCC is in a position to contribute the maximum allowable amount to his campaign and will do so.

Recent developments, such as Senator Mitchell's announcement that he will not seek another term, may make our post-1994 margin in the U.S. Senate narrower than previously expected. This makes picking up a currently Republican Senate seat more important than ever.

Sullivan loves living in Wyoming. There are rumors that the main obstacle to Sullivan's entry in the race is that he is not thrilled with the idea of leaving the state for Washington, a city he is not particularly fond of, for six years or more. His wife is rumored to be particularly opposed to the idea. You may wish to draw upon the more positive aspects of your and the First Lady's experiences living in D.C., where appropriate, to address this.

Sullivan may express concern that he, as a former executive, will become frustrated if he is unable to accomplish things in Washington. You may wish to point out that you could use the help of a former Governor -- someone who understands the problems people face at the state level and will tackle them with innovative, non-bureaucratic solutions -- in the U.S. Senate.

DATE OF
SUBMISSION:

March 30, 1994

ACTION:

3/17/94

MEMBER INSTITUTIONS

Look into this -
probably should form from
UNCF dinner - advise

Cost into
this - prob. should
form UNCF dinner
advise

Chavez/Rein

Barber-Scotia College
Concord, North Carolina

Benedict College
Columbia, South Carolina

Bennett College
Greensboro, North Carolina

Bethune-Cookman College
Daytona Beach, Florida

Cleflin College
Orangeburg, South Carolina

Clark Atlanta University
Atlanta, Georgia

Dillard University
New Orleans, Louisiana

Edward Waters College
Jacksonville, Florida

Fisk University
Nashville, Tennessee

Florida Memorial College
Miami, Florida

Huston-Tillotson College
Austin, Texas

Interdenominational Theological Center
Atlanta, Georgia

Jarvis Christian College
Hawkins, Texas

Johnson C. Smith University
Charlotte, North Carolina

Knoxville College
Knoxville, Tennessee

Lane College
Jackson, Tennessee

LeMoyne-Owen College
Memphis, Tennessee

Livingstone College
Salisbury, North Carolina

Miles College
Birmingham, Alabama

Morehouse College
Atlanta, Georgia

Morris College
Sumter, South Carolina

Morris Brown College
Atlanta, Georgia

Oakwood College
Huntsville, Alabama

Paine College
Augusta, Georgia

Paul Quinn College
Dallas, Texas

Philander Smith College
Little Rock, Arkansas

Rust College
Holly Springs, Mississippi

Saint Augustine's College
Raleigh, North Carolina

Saint Paul's College
Lawrenceville, Virginia

Shaw University
Raleigh, North Carolina

Spelman College
Atlanta, Georgia

Stillman College
Tuscaloosa, Alabama

Talladega College
Talladega, Alabama

Texas College
Tyler, Texas

Tougaloo College
Tougaloo, Mississippi

Tuskegee University
Tuskegee, Alabama

Virginia Union University
Richmond, Virginia

Voorhees College
Denmark, South Carolina

Wilberforce University
Wilberforce, Ohio

Wiley College
Marshall, Texas

Xavier University
New Orleans, Louisiana

sent
Rishi
copy
4/6/94
S

From
Marva Collins

NOTES

THE PRESIDENT HAS SEEN

3/17/94

Mr. President,

While many
cities fight crime,
Mediocrity & poor
schools I & God
have proven over
& over again that all
children can learn—
The Ida B. Wells
Housing development
school proves again
that children can

learn.

* I have written eight
requests asking you
to visit us. Please
not for me, but to show
others it can be done.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

4/4/94

March 24, 1994

RECOMMENDED TELEPHONE CALL

TO: Philadelphia Mayor Ed Rendell

DATE: Monday, April 4, 1994

RECOMMENDED
BY: Joan Baggett, Political Affairs JB
Reta J. Lewis, Political Affairs

PURPOSE: To demonstrate the President's support of Mayor Ed Rendell's role in the Wofford re-election campaign.

BACKGROUND: Mayor Rendell has agreed to play a leading role in Senator Wofford's 1994 re-election effort. The Mayor's support will be critical to Wofford's success in the Philadelphia-area.

On April 4th, Rendell will host a dinner for 20 of his top supporters to begin discussing strategy for the Wofford campaign. Senator Wofford has requested that the President make a brief call to Mayor Rendell and his supporters during the April 4th meeting.

CONTACT
NUMBER: Philadelphia City Hall (6:00 p.m. - 8:00 p.m.)
Specific Speaker Phone Number TBD

1/Calvin
but he wants
him to call before
6-8 - set it up

(TO NANCY H.)

4/6/94

cc in my pen. fin

Supreme Court of the United States
Washington, D. C. 20543

THE PRESIDENT HAS SEEN
4/6/94

CHAMBERS OF
JUSTICE HARRY A. BLACKMUN

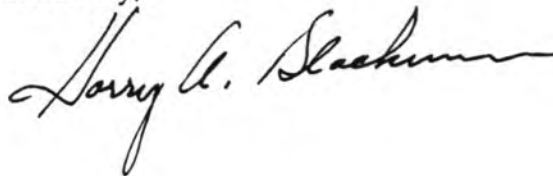
April 6, 1994

Dear Mr. President:

I advised you some time ago that I had concluded that the Supreme Court's present Term was to be my last as an active Justice. Therefore, pursuant to 28 U.S.C. § 371(b), I shall assume retirement status as of the date this Court "rises" for the summer recess (presumably on a day in late June) or as of the date my successor has qualified, whichever is later, but, in any event, not subsequent to September 25, 1994.

It has been a distinct privilege to have served on the Federal Bench since November 4, 1959, a period of over 34 years, and on this Court since June 9, 1970, a period embracing 24 Terms. It has been an extraordinary experience, one that comes to very few lawyers. Being a Justice places one in a position of controversy — as Justice Holmes described it, "in the fray" — but the Federal Judiciary is in the business of resolving controversy, developing the law, and seeking and determining "justice." One does the very best he can with such talent as he possesses. Through you, as Chief Executive, I express my gratitude to the Nation.

Sincerely,



The President
The White House
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

DATE: 04/05/94

TO: NSC

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

For your action.

3/18

Potus would
like NSC to review
and get back to
him.

B

Sara Ehrman
Senior Political Advisor

Democratic Party Headquarters
Phone: 202.863.8036
FAX: 202.863.8140

430 South Capitol Street, S.E. Washington, D.C. 20003

DEMOCRATIC ★ NATIONAL ★ COMMITTEE



Gail Pressberg
Co-Director

APN Center for Israeli
Peace and Security

2025 Pennsylvania Ave., N.W.
Suite 1114
Washington, DC 20006
202/728-1893
Fax 202/728-1895

**WEST BANK/GAZA SETTLEMENTS AND SECURITY
NEW POLICY OPTIONS**

**SETTLEMENT WATCH TASK FORCE REPORT
OF THE PEACE NOW MOVEMENT
JERUSALEM, ISRAEL**

Principal Authors:

Professor Amiram Goldblum
Tzaly Reshef
Eyal Ben Ari

March 16, 1994

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CHAPTER II: The 'Security Price' of Safeguarding the Settlements During the "Interim Accord"	6
CHAPTER III: Financial Assistance for Evacuating a Residential Unit Over the Green Line	8
CHAPTER IV: Policy Recommendations	10

INTRODUCTION

Throughout all the years of Israeli rule in the West Bank and the Gaza Strip, the governments of Israel have attempted to obscure the boundaries of jurisdiction between the State of Israel and "the territories." The attempt to integrate the territories into the mesh of Israel's economy, ideology and society was almost successful. The main objective deterrent was the existence of a sizable Palestinian population living in the territories.

With the aim of presenting the actual facts, the "Settlement Watch Committee of Peace Now" published a demographic and geographic analysis of the population in the West Bank and the Gaza Strip. The report included, for the first time, a demographic map depicting the concentrations of Palestinians and Jews in the territories.

The main goal of the publication was to fill the information gap within the general public, out of a belief that the debate over the issue of the territories should be based on a real awareness of the facts. This remains our main objective in this report as well.

This report deals with the foci of friction between Israelis and Palestinians in the territories. It classifies the settlements into various groups and offers solutions, given the plans and intention to reach a peace agreement with the Palestinians. The report follows the transportation routes which present sites of anticipated conflict, as well as a map showing the existing impediments to changing these routes and paving new "by-pass" roads.

The urgency to write and release this report arises from three factors:

- a. The signing of the Declaration of Principles by the PLO and Israel in September 1993 created a new reality in the region. The Interim Self-Government Agreement necessitates re-grouping by the IDF -- not only in the Jericho and Gaza Strip regions, but in all areas characterized by dense Palestinian population;
- b. Israeli television news recently announced the Israeli government's intention to build hundreds of kilometers of "by-pass" roads in the territories, at a cost of about \$650 million;
- c. Safeguarding the settlers and the access routes to the settlements are major elements in the negotiations between

Israel and the Palestinians. It is therefore fitting that the price to Israel of safeguarding the settlers be clear, and that this price be compared with the alternative options.

RESEARCH METHODS

The data for the report were compiled from two main sources: the figures on the Palestinian population were drawn from the Civil Administration, as published in Report No. 5 in November of 1992. The numbers were revised to correspond to the beginning of 1994. The revision was performed using an average annual increase of 2.88% (from the Civil Administration's data), so that the total number of Palestinians living in the West Bank and the Gaza Strip today stands at 1,985,000 inhabitants.

The data on the Jewish population of the settlers were drawn from conversations with settlers and from institutions within the settlements themselves. These figures show that the estimated Jewish population in the territories now stands at 108,000.

CHAPTER I: CLASSIFICATION OF THE WEST BANK SETTLEMENTS BY POTENTIAL FOR FRICTION

In this chapter, settlements are divided into five groups, based on the following criteria:

Group A

Settlements or "settlers' posts" located in the heart of Palestinian population concentrations, where entry and exit necessitate passage through this population.

One settlement and two posts fall into this category: Hebron, Joseph's Tomb in Nablus and the synagogue in Jericho. (Only those residing in the synagogue should be evacuated; access to worship in the synagogue must be allowed.) (Total: 500 inhabitants).

Group B

Settlements where incoming traffic or travel to Israel necessitate passage through -- or in close proximity to -- Palestinian populations in villages or cities.

This group consists of 52 settlements: Beit Hagai, Otniel, P'nei Hever, Qiryat Arba, Telem, Alon Shvut, Elazar, Efrat, Har Gilo, Kfar Etzion, Karmei Tzur, Migdal Oz, Meitzad, Ma'aleh Amos, Neveh Daniel, Nokdim, Tzoref, Keidar, Rosh Tzurim, Teko'ah, Abir, Ya'aqov, Beit El, Beit El B', Dolev, Talmon (A', B' and C'), Ma'aleh Levonah, Mitzpeh Rachel, Nahllei, Nill, Na'aleh, Ateret, Eli, Alei Zahav, Ofrah, Psagot, Shiloh, Avnei, Hefetz, Itamar, Eilon Moreh, Brachah, Ganim, Homesh, Hermesh, Yitzhar, Mevoh Dotan, Einav, Kedumim, Sa-Nur, Shavei Shomron (total: 26,000 inhabitants).

Group C

Settlements located in areas which are not populated by Palestinians and, while incoming and outgoing traffic has to pass through or near the Palestinian population, the roads are wide and well-guarded (for example, the Trans-Samaria roads). This group also includes settlements located close to Palestinian cities and villages, where the roads leading in and out are travelled by many Palestinians.

This group includes 56 settlements: Adorah, Eshkolot, Carmel, Ma'on, Sussya, Shim'ah, Beitar, Hadar Beitar, Adam, Beit Aryeh, Beit Horon, Giv'on Hahadashah, Givat Ze'ev, Giv'on, Kohav Hashahar, Migdalim, Ma'aleh Ephraim, Ma'aleh Mihmash, Mattityahu, Almon, Ofarim, Rimoni, Alfei Menashe, Elkanah, Ariel, Barkan, Hinanit, Yakir, Kfar Tapuah, Ma'aleh Shomron, Nofim, Immanuel, Etz Ephraim, Tzofim, Karmel Shomron, Ginot Shomron, Qiryat Netafim, Revavah, Reihan, Sha'arei Tikvah, Shaked, Na'ama (total: 50,000 inhabitants).

Group D

Settlements where access roads are close to Palestinian-owned land, and relatively far from dense concentrations of Palestinian population.

This group includes 24 settlements: Almog, Argaman, Beit Ha'aravah, Beka'ot, Gilgal, Gittit, Vered Yericho, Hamrah, Yeitav, Yafit, Mehola, Mehora, Mitzpeh Yericho, Masuah, Na'aran, Netiv Hagdud, Fatza'el, Kalla, Ro'l, Shdemot Mehola, Tomer, Alon, Kfar Edumim, Ma'aleh Edumim (total: 20,000 inhabitants).

Group E

Settlements with no limitations on traffic to and from Israel.

This group includes 8 settlements: Beit Yatir, Teneh, Livneh, Har Adar, Hashmona'im, Mevoh Horon, Oranit, Sal'it (total: 7,000 inhabitants).

CHAPTER II: THE 'SECURITY PRICE' OF SAFEGUARDING THE SETTLEMENTS DURING THE "INTERIM ACCORD"

According to the agreement reached between the Israelis and Palestinians, all routes travelled by the settlers will be safeguarded by the IDF. It is difficult to assess the number of troops required to safeguard the settlers' movements on the main routes in the territories. Still, we can assume, as a basis for an estimate, that a large number of troops will be required for all the main routes in the West Bank. These roads have the most potential for friction, so that anyone wishing to minimize the incidents will have to "crowd" the troops into these roads during the interim period. At this point, it is not yet clear whether agreements have been reached on cooperation between the Palestinian and Israeli police forces, so that we will not consider the implications of this possibility.

The level of security ought to reflect the classification presented in Chapter II: In the Group A area, tighter security measures by permanent troops are anticipated; in Group B, both permanent and mobile forces are anticipated; and in their other locations the level of security will be more moderate.

Group A

The number of soldiers required for tight security can be gauged with the help of the data published for the settlement of Netzarim (the settlement in Gaza that has been the subject of discussion in Israel - PLO negotiations on the Oslo accords). One military company is required to safeguard the settlement, inhabited by 100 settlers. Based on this figure, Hebron will require the presence of several companies (4-5), the Kfar Derom region will require one company, and the synagogues in Jericho and Nablus will require a platoon. This amounts to 7-8 companies, of about 60-75 people each, or 500 people (182,500 annual working days).

Groups B & C

In an effort to gauge the number of troops needed to safeguard the settlers on the roads leading from the settlements into the Green Line, the total length of the roads used by settlers which pass through/near Palestinian towns was measured. The total came to 750 km. Along these roads there are some densely populated areas (e.g., Ramallah or Bethlehem), as well as areas which are more sparsely populated (e.g. segments of the Trans-Samaria Road).

According to military sources, 40,000 vehicles belonging to settlers travel throughout the territories, but only some of them travel these roads on a daily basis. A small part of the traffic is via public transportation.

The number of troops required is proportional, first and foremost, to the measure of risk on the roads -- and therefore, to the number of Palestinians living nearby.

It can be roughly estimated that, on an average, each 10 km of these roads will require a platoon. These troops will necessitate augmented administrative forces, due to the necessity for mobility, with all the attendant logistics involved. In addition, security forces will be required for the settlements themselves.

A modest estimate, based on these assumptions, amounts to 50 platoons in the territories (2500 troops) which will administer the defense of settlers along the roads. These soldiers will be needed along these routes to provide logistical support. In addition to this, another 2,000 soldiers at least will be required to safeguard the settlements themselves. It is therefore anticipated that a minimum of 7,000 soldiers will serve in the territories during the period of the interim accord. Their main task will be to safeguard the settlements and the settlers.

CHAPTER IV: FINANCIAL ASSISTANCE FOR EVACUATING A RESIDENTIAL UNIT OVER THE GREEN LINE

In the framework of the comprehensive agreement between Israel and the Palestinians, Israel will have to enable the residents of the various settlements which come under Palestinian rule to return to the borders of Israel, within the Green Line.

Following is a computation of the cost of evacuating the settlements. The assumption is that the evacuation will be carried out in stages, by groups of settlements - divided, as detailed above, according to their potential for friction.

The proposed principle accord includes the allocation of land belonging to the State of Israel and held by the Israel Land Authority, for the purpose of founding new residential neighborhoods and/or towns within the Green Line. On land designated and prepared for these new neighborhoods, residential units will be built by private contractors and ordered by the Ministry of Housing, which will issue tenders.

The residents will be eligible for residential units which are similar in size to the residential units they presently occupy in the territories. The location of the units offered will be at a distance from the center of the country similar to the distance between their current settlement from the center of the country.

Assuming that each residential unit offered in the settlements is 120 square meters, we gauge the building expenses, including local and surrounding development, to be in the range of \$100,000 per residential unit (\$830 per square meter). Since the land belongs to the State, there will not be any real cost for the land.

This means that the cost of resettling an average family will be \$100,000. Still, it is clear that the value of the units provided to the settlers will be substantially higher than \$100,000, due to the value of the land provided to the settlers at no cost. The settlers will have the choice of accepting the proffered units or, alternately, an average sum of \$100,000. In cases where settlers have mortgages on their homes, they will be allowed to transfer the mortgage, at the original terms, to the new residential unit.

A general estimate of the number of residential units for the various regional groups is as follows:

Group A: 150 residential units

Group B: 5,200 residential units

Group C: 12,500 residential units

Group D: 5,400 residential units

Group E: 2,000 residential units

The significance of these figures is that the total cost for the evacuation of the settlers from the West Bank and Gaza Strip amounts to \$2.5 billion. A gradual evacuation over 5 years -- during which the permanent accord will be finalized -- will cost \$500 million per year, for the next 5 years. This amount is less than 1% of Israel's gross domestic product.

The immediate evacuation required for the settlers of Group A will amount of \$15 million alone. The evacuation of Groups A and B will cost \$500 million alone, and can be implemented immediately.

The financial sources for the funds required for the evacuation will come from both Israeli and foreign sources. Israel must announce its plan to evacuate the settlements, which would probably gain widespread international support. An international fund could be created, consisting of American, European and Arab funds, which could finance a large portion of the evacuation cost.

Furthermore, Israel should conduct negotiations on monetary compensation for the residential units evacuated in the territories which are transferred to Palestinian ownership. An effort must be made to transfer the residential units to the Palestinians in fit condition, and to prevent demolition of the sort which took place in the Sinai evacuation.

CHAPTER IV: POLICY RECOMMENDATIONS

The "Peace Now" movement has always believed that settlements constitute an obstacle to peace and that their presence in the territories will bring friction and foment. For this reason, we never believed there was a chance for a peace agreement with the Palestinians while settlements remained in the territories.

This report focuses on the various levels of friction prior to the permanent accord with the Palestinians. From the report, it becomes clear that not all settlements constitute an "obstacle" of the same degree, and that there are even a number of settlements which present no danger to the interim period or the accord which will follow.

However, this report presents the need to contest the government's policy of ignoring the difficulties inherent in a large number of the settlements, and to challenge its decision not to consider this problem until discussions on a permanent accord begin. Postponing the issue of the settlements jeopardizes the entire peace process, and very possibly the hegemony of the Labor Party and its coalition partners in the coming elections. We therefore call upon the Government of Israel to act on the recommendations resulting from the facts and security considerations presented in the report.

First, all settlements in regions being transferred to Palestinian rule must be evacuated. Maintaining the settlements in the Katif Region and the northern Gaza Strip for the duration of the interim accord is a certain recipe for disappointment and frustration with the process, for breeding lack of trust regarding the continuation of the process and, worst of all, for the fostering of violence and bloodshed between the settlers and the Palestinians in the Gaza Strip.

At the same time as these regions are being transferred to the Palestinians, all settlements in Group A should be evacuated: Hebron, Joseph's Tomb in Nablus and the synagogue in Jericho. The danger of confrontation at these locations is great and immediate. It is not possible to sustain the security measures currently in operation in Hebron and other places for any length of time; nor is it possible to maintain a population of hundreds of thousands under continuous curfew. Therefore, in order to avoid further loss of human life, immediate evacuation of Hebron and the two "day posts" is imperative.

Group B consists of approximately 50 settlements, largely populated by settlers affiliated with the National-Religious Bloc. Most of the settlements are concentrated along the Hebron-Jerusalem-Nablus road, and among them are some of the first settlements in the territories. These settlements are, for the

most part, the ones defined as "political settlements" by Prime Minister Rabin.

The presence of these settlements jeopardizes the interim accord and engenders the urgency of dealing with this issue immediately upon completion of the current phase in the agreement between ourselves and the Palestinians. Due to the great risk to the interim accord, we call upon the Government of Israel to take one of two possible courses of action: either shorten the interim period significantly, or have the government deal immediately with the issue of these settlements, with the aim of evacuating them. Most of the settlers in Group A will not willingly leave in return for financial compensation, so that more complex action on the part of the government will be required in order to minimize the risk they present.

In our opinion, there is no prospect for creating an atmosphere conducive to advancing towards an accord while these settlements are on site. We caution of the grave danger of attacks on settlers by radical Palestinians during the interim period, and of revenge by the settlers in response. The 25,000 inhabitants of these settlements, who constitute less than 0.5% of Israel's population, cannot remain an obstacle to the State of Israel's prospects for peace. Contrary to the opinions recently voiced by various public figures, there is no possibility for co-existence between the two populations -- especially not under Palestinian rule.

If the Government of Israel does not act quickly to deal with the issue of these settlements at the onset of the interim accord, chances are great not only for obstructions and crises in the peace process with the Palestinians -- in view of bloody confrontations in the territories -- but also for the continuation of the Labor Party's rule after the next elections.

Group B also includes the settlements in the Etzion Bloc which will, in the future, be connected to the "by pass" road -- aimed at significantly reducing the amount of direct friction with the Palestinian population along the settlers' transportation routes. The use of the by-pass road will of course reduce the risk of attacks, and the Etzion settlements will then be in a lower friction group. Of course, the diversion of traffic to other routes (the Elah Valley) works in a similar fashion. Still, we do not see a chance for solving all problems of friction along the routes between settlers and Palestinians by paving "by-pass" roads.

In Group C, most of the inhabitants are settlers who moved to the territories in an effort to improve their quality of life. The sustained attacks on the quality of life since the beginning of the Intifada, along with the growing risks, afflict the settlers

in these groups, first and foremost, and have already brought many of them to the conclusion that it is preferable to return within the borders of the State of Israel. Some of them have even approached the various authorities in order to advance their relocation into Israel.

We exhort the government to begin immediately encouraging residents of these settlements to accept financial assistance and return to the borders of the State of Israel. The government of Israel must announce a regulated plan for the evacuation, set up counselling centers for settlers, and create the new infrastructure necessary, in an effort to make the return of these citizens as easy and convenient as possible. The main guidelines for the compensation program were outlined in the former chapter of this report.

Group D includes, in part, the "security" settlements, as well as Ma'aleh Edumim and its environs. We contest the security value of any settlements, regardless of their location, so that the government must consider the chances for advancing towards an accord while the settlements are still on site. Voices have been heard in these settlements as well, stating a willingness to leave in return for financial assistance. The government is called on to respond. However, we do not see the issue of this category of settlements as a high priority at this point.

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NEWS RELEASE

March 16, 1994

Contact: Gail Pressberg
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FOLLOWING ISRAELI GOVERNMENT'S ANNOUNCEMENT TO BAN RADICAL SETTLER GROUPS, PEACE NOW ISSUES NEW PLAN TO REMOVE ISRAELI SETTLEMENTS BASED ON CIVILIAN SECURITY NEEDS

Americans for Peace Now (APN) announced the release of a new report today, issued by Israel's Peace Now movement, entitled "West Bank/Gaza Settlements and Security: New Policy Options" which outlines a plan for the removal of Israeli settlements in stages based on the need to protect Israeli and Palestinian civilian lives.

The report deals with the likelihood of friction between Israelis and Palestinians in the territories. It calls for the staged withdrawal of Israeli settlers and recommends methods of financial assistance to allow settlers to return to within Israel's 1967 borders. It points out the great dangers of conflict along roads where there is significant Palestinian presence.

The authors of the report conclude that the settlements issue ought to be addressed immediately with priority given to settlements in areas heavily populated by Palestinians. "We caution of the grave danger of attacks on settlers by radical Palestinians during the interim period proposed in the Israel-P.L.O. peace accords, and of revenge attacks in response by settlers against Palestinians," states the report.

Specific recommendations from the report include:

1) All settlements in Gaza and Jericho (which will be transferred to Palestinians in the context of the Israel-P.L.O. accords) must be removed because it is not possible to sustain an adequate level of Israeli army presence for any length of time.

2) In addition, all settlers should be removed from downtown Hebron and Joseph's Tomb in Nablus where they live as a tiny minority within densely populated Palestinian areas.

(more)

3) Fifty settlements concentrated along the Hebron - Jerusalem - Nablus road constitute a security threat because they are located in areas on heavily populated Palestinian traffic routes. Therefore, the government should either unilaterally evacuate these settlements, or shorten the interim period called for in the Oslo peace accords, in order to begin negotiations on final status issues so that the future of settlements can be put on the agenda of talks with the Palestinians within an expedited time framework. Fifty-six settlements are located in areas which are not near dense Palestinian population centers.

4) Many of the settlers have expressed a desire to move back to Israel but cannot sell their homes due to declining property values. The report urges the Israeli government to announce a financial assistance package for all settlers who want to move back to Israel. The authors estimate the cost of moving each family to be \$100,000.

"The settlements are a major impediment to a successful peace process," stated Linda Heller Kamm, Co-President of APN. "The most provocative settlements must be removed promptly and mechanisms put in place to move other settlers who wish to return to pre-1967 Israel now."

"If Israelis and Palestinians are involved in rounds of violence and terror, the confidence building aspects of the interim period will be jeopardized," said Richard Gunther, Co-President of APN. "We hope the recommendations of this report, designed to reduce friction between Palestinians and Israeli settlers, have an impact on the policies of the Israeli government."

The report was published by the Peace Now movement's Settlement Watch Task Force in Jerusalem, after extensive field research of the geographic placement of settlements in the West Bank and Gaza Strip. The principal authors of the report are: Hebrew University Professor Amiram Goldblum, Jerusalem attorney Tzaly Reshef and researcher Eyal Ben Ari. "West Bank/Gaza Settlements and Security: New Policy Options" is the sixth in the series of reports.

Founded in 1981 to support the activities of the Peace Now movement in Israel, Americans for Peace Now is the leading U.S. advocate for peace in the Middle East. Time magazine described Peace Now as "Israel's leading movement for reconciliation with the Arabs."

Peace Now and APN experts are available for interview. A full copy of the report is available from APN's Center for Israeli Peace and Security: 2025 Pennsylvania Avenue, NW, Suite 1114, Washington, DC 20006; phone: (202) 728-1893; fax: (202) 728-1895.

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Peace Now: Government will need at least \$2.5 billion to move settlers back to Israel

HERB KEINON

JERUSALEM POST, TUESDAY, MARCH 15TH, 1994.

Reshef warned that if these settlements are not removed, violent incidents are likely on the roads, and they "will lead to a decrease in public support for the agreement, and a danger that bloodshed could endanger the peace agreement" and the standing of the Labor government.

"The presence of these settlements jeopardize the interim accord," the Peace Now report reads. "In our opinion, there is no prospect for creating an atmosphere conducive to advancing toward an accord while these set-

tlements are on site. We caution of the grave danger of attacks on settlers by radical Palestinians during the interim period, and of revenge by the settlers in response."

Aharon Domb, spokesman for the Council of Jewish Communities in Judea, Samaria and Gaza, dismissed the report as "annoying," and said it "shames its authors."

But, he said, "I am happy that Peace Now has also come to the conclusion the interim agreement will lead to more blood-

shed, and is not a peace agreement."

The report, written by Reshef, Peace Now head Amiram Goldblum, and Eyal Ben-Ari, head of its settlement watch committee, divided the settlements into five categories, based on whether they are located in densely populated Palestinian areas, and whether roads to them pass through densely populated villages.

The classification ranges from Hebron, Joseph's Tomb, and Jericho in "Group A," to the eight settlements of "Group E," where

traffic to and from Israel need not go through populated areas. These settlements, the only ones Peace Now does not say will eventually need to be evacuated, are Beit Yotir, Teneh, Livneh, Havi Adar, Hashmonaim, Mevo Horon, Oranit, and Salit.

Goldblum estimated that the IDF will need to station 7,000 soldiers in the territories during the interim period to secure the roads and protect the settlements. "This is triple the number of soldiers stationed there during the worst days of the intifada," he said.

THE cost of moving a majority of settlers in the territories into comparable housing across the Green Line would be about \$2.5 billion, according to a Peace Now report on the settlements released yesterday.

Tzali Reshef, one of the leaders of Peace Now, said the figure is based on the assumption that the government would allocate land held by the Israel Lands Administration for this purpose.

The report, entitled "Potential for Conflict During the Interim Period," proposes the government provide settlers with housing comparable to what they have now, in new communities to be built at a distance from the center of the country, equal to that of the communities in which their homes are now located.

Peace Now estimates that the average cost of the new housing units would be about \$100,000. It places the number of settlers at 108,000, while the Council of Jewish Communities in Judea, Samaria and Gaza says there are more than 140,000.

"The world has an interest in helping us carry this out," Reshef said. "It would be possible to raise funds from America, Europe, and Arab countries."

Reshef called on the government to immediately evacuate settlers from the Gaza Strip, Hebron, Joseph's Tomb in Nablus, and the synagogue in Jericho, where they are located in the heart of Palestinian population centers.

Further, he said that settlements where travel necessitates passage through densely populated Palestinian areas - the "political settlements" largely along the Nablus-Bethlehem-Hebron road - should either be evacuated immediately, or the interim period of autonomy should be shortened to reduce the potential of conflict between Palestinians and Jews sharing the same roads.

Israeli Peace Group Says Settlers Should Come Home

■ **Mideast:** Report offers a phased plan. It would leave no Jews in occupied lands after five years.

By MICHAEL PARKS
TIMES STAFF WRITER

JERUSALEM—Israel's leading peace group urged Prime Minister Yitzhak Rabin on Monday to bring home 30,000 Jewish settlers from the occupied West Bank and Gaza Strip to avert widespread bloodshed during the Palestinian self-government there and to remove all settlers in five years.

Arguing that Israel's 144 West Bank and Gaza settlements are both a target for Palestinian radicals and a source of Jewish extremists, Peace Now said their continued presence, "fostering violence and bloodshed between settlers and Palestinians," endangers peace prospects.

As Israel turns over control of Gaza, the West Bank district of Jericho and eventually all the West Bank to a Palestinian administration, there will be more clashes, the group said, asserting that "there is no possibility for coexistence between the two populations, especially not under Palestinian rule."

Peace Now leader Tzvi Reshef warned: "Real agreement with the Palestinians cannot be achieved without removal of the settlers. If the government wants this agree-



Reuters

The imam of the Hebron mosque leads Arabs in prayers for those killed in last month's massacre.

ment to work, it has to be courageous and evacuate the settlers."

With a phase-by-phase plan for the settlers' removal from the most volatile areas first, Peace Now is seeking to prove to Rabin, who opposes any immediate evacuation, that the problem can be solved and that he stands to lose more by delaying than by acting soon.

"The Hebron massacre showed that the government cannot put off the question of settlements until the final negotiations with the Palestinians—it must deal with this issue

now or see everything collapse," said Galia Golan of Peace Now.

The group called for the immediate removal of 450 Israelis who have settled in four neighborhoods of Hebron, where a settler massacred about 30 Palestinians as they prayed last month. Fearing revenge attacks on Israelis, the army has imposed a curfew on the city of 70,000 for more than two weeks, allowing Palestinians out for only two hours every three days to buy food.

"The army cannot keep tens of thousands of people locked in their homes indefinitely to protect these settlers," said Amiram Goldblum, an author of the Peace Now report. "This is not sustainable; it's not viable. . . . The only solution is evacuating those settlers—for their own safety."

A majority of ministers already favor this, Israeli political sources say. But Rabin continues to resist, believing it would reopen the agreement signed with the Palestine Liberation Organization on self-government that left all settlements in place for five years.

But Foreign Minister Shimon Peres hinted at new flexibility Monday. "If communities have to be moved, it is an Israeli decision, not part of the negotiations with the Palestinians," Peres said.

More controversial, however, would be the next phase in Peace Now's plan—closure of 52 settlements close to Palestinian villages and reachable only on roads through

Palestinian towns. Most of their 26,000 residents are religiously and ideologically motivated in their desire to settle the entire biblical Land of Israel; they will resist moving.

Peace Now, which has opposed the settler movement since the group was founded in 1978, advocates either the settlers' immediate evacuation or a shortening of the time in which an agreement will be reached with the Palestinians on these settlements' future.

Peace Now also proposed the

immediate evacuation of the 4,500 Israeli settlers from the Gaza Strip, although the agreement with the PLO allows them to remain for the five-year interim period of autonomy.

Another category of settlements, not near Palestinian towns and reachable on well-guarded roads, could be left until later, Peace Now said, but the 50,000 residents, who moved there largely for a better lifestyle, should be encouraged to return to Israel.

In the government crackdown on Jewish extremist groups, police arrested two more ultranationalist leaders Monday with the intent of

detaining them for three months. They also searched the Jerusalem and West Bank homes of activists for weapons.

But police said they were waiting for precise instructions from attorney general on how to proceed with the Cabinet decision outlawing two groups, Kach and Kahane, as "terrorist organizations."

In the Knesset, Israel's Parliament, the government survived three no-confidence votes Monday after members of the opposition Likud Party condemned the decision to ban the groups rather than charge their leaders with crimes and bring them to trial.

Lake
fir?

~~yes~~

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HERMAN	☐	☐		☐	☐
LAKE	☐	☒		☐	☐
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Ext. 2702

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMINGDate Correspondence Received (YY/MM/DD) 94/03/30

94 MAR 31 AM 1:47

Name of Correspondent: The Honorable William J. Perry☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Submits for the President's approval, an Agreement of Indemnity Between the Secretary of Defense and the Secretary of Transportation dated 12/21/93, and 2/28/94, respectively, and a proposed Memorandum for the same, evidencing the approval of the request.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>MO (Joni Stevens)</u>	ORIGINATOR	<u>94/03/30</u>		<u>C</u>	<u>94/03/30</u>
<u>EL Heis</u>	Referral Note: <u>A</u>	<u>94/03/30</u>		<u>C</u>	<u>94/03/31</u>
<u>SS Pote</u>	Referral Note: <u>A</u>	<u>94/03/31</u>			<u>1/1</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: Not for the President's Initial to the Congress.

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOP).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1000

29 MAR 1994

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Vessel War Risk Insurance

Title XII of the Merchant Marine Act, 1936, as amended, 46 App., USC, section 1281, and all other sections that follow, authorizes the Secretary of Transportation, with the approval of the President, to provide war risk and marine risk and liability insurance. Section 1205 of the Merchant Marine Act authorizes any department or agency of the United States, with the approval of the President, to procure insurance from the Secretary of Transportation. Section 1205 also authorizes the Secretary of Transportation, with the approval of the President, to provide this insurance without premium to the Department of Defense and other agencies as the President may prescribe, in consideration of the Secretary of Defense or agency indemnification of the Secretary of Transportation against all losses covered by the insurance, and authorizes the Secretary of Defense and other agencies to make indemnity agreement. These insurance programs are administered by the Maritime Administration, Department of Transportation.

This nonpremium war risk insurance was recently used by the Department of Defense in connection with privately owned ships under contract or charter in support of military operations in the Middle East War and resulted in direct savings to the Government of over \$350 million. It was also used successfully in support of Operation RESTORE HOPE in Somalia, for which savings are still being calculated. Without Government-provided insurance, the Government is liable for any increases in commercial insurance premiums that result from ordering the ships into areas of the world designated "war zones" by commercial insurers. If commercial insurance is unavailable for such areas, as the Department of Transportation has indicated may be a possibility for areas formerly within Yugoslavia, privately owned ships may have the right to refuse to enter those areas unless Government insurance is provided.

Enclosed for your approval and signature is the "Agreement of Indemnity Between the Secretary of Defense and the Secretary of Transportation" providing for the Secretary of Defense's indemnification of the Secretary of Transportation and the Secretary of Transportation's agreement to provide insurance. In light of the foregoing, I request your approval for the Department

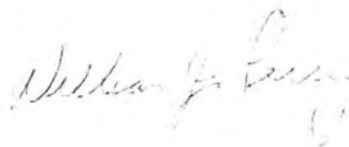
of Defense to obtain the insurance set forth in the indemnity agreement and for the Secretary of Transportation to issue insurance without premium when requested by the Secretary of Defense subject to the following limitations:

a. During periods of national emergency declared by the President or the Congress;

b. During the existence of a contingency operation as defined in 10 USC 101(a) (13);

c. Or when armed conflict in a region is imminent or occurring and the Secretary of Defense determines that such insurance is necessary for uninterrupted sealift operations.

Also enclosed for your signature is a proposed memorandum for the Secretary of Defense and the Secretary of Transportation evidencing your approval of this request.

A handwritten signature in dark ink, appearing to read "William G. Perry", is written over a faint circular stamp.

Attachment

AGREEMENT OF INDEMNITY
BETWEEN THE SECRETARY OF DEFENSE AND
THE SECRETARY OF TRANSPORTATION

WHEREAS, the Department of Defense charters privately owned ships, contracts for the operation of Government-owned ships, and enters into contracts, on a common carrier or contract carrier basis, for the ocean transportation of military and humanitarian assistance cargo, and for other purposes;

WHEREAS, such operations may be jeopardized to the detriment of national defense, by reason of the unavailability of adequate insurance on reasonable terms and conditions to persons designated by the Department of Defense to perform these operations;

WHEREAS, pursuant to Title XII of the Merchant Marine Act, 1936 (hereinafter referred to as the "Act"), section 1205(a), 46 App., USC, section 1285(a), the Secretary of Defense seeks the approval of the President of the United States to procure from the Secretary of Transportation insurance authorized by Title XII of the Act, for such vessels, when required, in order to ensure uninterrupted sealift operations;

WHEREAS, pursuant to section 1205(b) of the Act, 46 App., USC, section 1285 (b), the Secretary of Transportation is authorized with this approval to provide such insurance without premium, at the request of the Secretary of Defense, in consideration of the agreement of the Secretary of Defense to indemnify the Secretary of Transportation against all losses covered by such insurance;

WHEREAS, pursuant to section 1205(b) of the Act, 46 App., USC, section 1285(b), the Secretary of Defense is authorized to execute such indemnity agreement with the Secretary of Transportation;

NOW THEREFORE, the parties hereto agree as follows:

1. The Secretary of Defense, pursuant to section 1205(b) of the Act, 46 App., USC, section 1285(b), requests that the Secretary of Transportation provide insurance as authorized by Title XII of the Act, without premium.

2. Upon approval of the President as set forth above, the Secretary of Defense hereby agrees to indemnify the Secretary of Transportation, to the extent contemplated by section 1205(b) of the Act, 46 App., USC, section 1285(b), against all losses covered by insurance made available by the Secretary of Transportation, at the request of the Secretary of Defense, in connection with Department of Defense sealift contracts, tenders, or agreements with persons designated by the Department of Defense, as herein

above described, and subject to the following limitations:

a. During periods of national emergency declared by the President or the Congress;

b. During the existence of a contingency operation as defined in 10 USC 101(a) 13;

c. Or when armed conflict in a region is imminent or occurring and the Secretary of Defense determines that such insurance is necessary for uninterrupted sealift operations.

3. In consideration of this agreement to indemnify, upon approval of the President as set forth above, the Secretary of Transportation hereby agrees to provide, at the request of the Secretary of Defense, without premium and to the extent permitted by the Act and implementing regulations now or hereafter adopted by the Secretary of Transportation, insurance to those persons designated by the Department of Defense.



Secretary of Defense
Date: 21 DEC 1993



Secretary of Transportation
Date: February 28, 1994

Approved: _____, 1994

The President of the United States

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE
THE SECRETARY OF TRANSPORTATION

SUBJECT: Vessel War Risk Insurance Under Title XII of the
Merchant Marine Act, 1936

By virtue of the authority vested in me by section 1205 of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1285), I hereby approve the procurement of any insurance within the scope of section 1205 from the Secretary of Transportation by the Department of Defense for vessels under charter, contract, tender, or agreement with the Department of Defense, whenever the Secretary of Defense or his designee determines such insurance to be necessary.

MEMORANDUM FOR: Secretary of Defense
Secretary of Transportation

Subject: Vessel War Risk Insurance Under Title XII of the
Merchant Marine Act of 1936

By virtue of the authority vested in me by section 1205 of the Merchant Marine Act, 1936, as amended (46 App., USC, section 1285), I hereby approve the procurement of any insurance within the scope of section 1205 from the Secretary of Transportation by the Department of Defense for vessels under charter, contract, tender, or agreement with the Department of Defense, whenever the Secretary of Defense or his designee determines such insurance to be necessary.

The President of the United States

Original from DoD.



94 MAR 8 P4:04

HOLLYWOOD WOMEN'S POLITICAL COMMITTEE

3679 Motor Avenue, Suite 300, Los Angeles, California 90034

310-287-2803
FAX 310-287-2815

MEMORANDUM

TO: John Podesta
FROM: Margery Tabankin
RE: HWPC 10th Anniversary Celebration
DATE: March 3, 1994

*Ricki
me we
Don't
anything
with this
John
4-5-94*

This letter was Fed-Exed to President Clinton today. Please make sure it is given serious consideration. It is important to us.

Thanks.



COPY

HOLLYWOOD WOMEN'S POLITICAL COMMITTEE

3679 Motor Avenue, Suite 300, Los Angeles, California 90034

310-287-2803
FAX 310-287-2815

March 3, 1994

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Clinton:

This year is the Hollywood Women's Political Committee's (HWPC) 10th Anniversary. We have decided to mark this occasion with a fundraising event. A Decade of Voices: HWPC 10th Anniversary Celebration will take place on Friday, May 13, 1994.

As President of the United States, there is no one more appropriate to keynote this event than you. We sincerely hope you will join us at for our Anniversary Celebration. The HWPC has accomplished a lot over the years, in addition to our work for your election. We all know how important California is to the future of the Democratic party, and to the realization of so many of your initiatives, especially your Health Care proposal for universal coverage. We are actively supporting your various initiatives for women, children, and working people. Our event will be the perfect forum for you to speak about these programs to the creative community. We would be extremely honored to have you be a part of this evening.

When the HWPC began 10 years ago, the United States was a very different place. Ronald Reagan was President, individuals' liberties and rights were assaulted, the arts were being censored and poverty was reaching new levels. Faced with this political landscape, a small group of woman got together to form this organization, committed to creating a different reality.

Since the creation of the HWPC and with the group's efforts, you have been elected President of the United States, there are now 5 Democratic women serving in the U.S. Senate and 36 Democratic women in the House. Democrats again control the U.S. Senate. Ann Richards and Barbara Roberts are Governors of Texas and Oregon respectively.

Concrete successes have resulted from 10 years of the HWPC's work. *Roe vs. Wade* is still the law of the land and you have repealed the Gag Rule; the creation of a nuclear

dump site at Ward Valley has been put on hold and the peril of nuclear annihilation has lessened; RU-486 is now being tested in the United States; a climate change treaty has been agreed to by the family of nations; aid to the Nicaraguan Contras has ended; Nelson Mandela is free after 27 years of imprisonment and providing health care to all Americans is at least being seriously considered.

As you know, over the years the Hollywood Women's Political Committee has been the forum for a varied group of world renowned speakers addressing the entertainment community. In addition to Vice President Al Gore and many of your cabinet -- Ambassador Madeleine Albright, Secretary Donna Shalala, Administrator Carol Browner, Chairwoman Jane Alexander and Secretary Robert Reich -- some of those that have participated include: Governor Richard Celeste, Sarah Brady, John Kenneth Galbraith, Reverend Jesse Jackson, Laurence Tribe, Dr. Mathilde Krim, Denis Hayes, Walter Russell Mead, Michael Oppenheimer, Alan Bosak, Norman Ornstein, Barbara Ehrenreich and Bill Schneider.

We have also made it a priority to recognize people of courage and honor them with the Barbara Jordan Award for Political Courage and Commitment. In addition to its namesake, the award has also been presented to Rosa Parks, Morris Dees and Marian Wright Edelman.

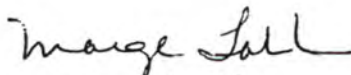
The HWPC has demonstrated enormous fundraising ability. Since our inception, we have raised over \$5 million to support those issues and individuals who make the group's goals a reality.

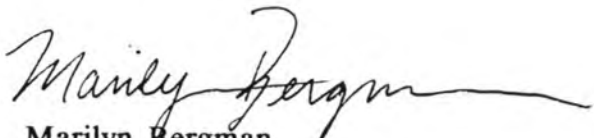
Although our successes have been real, you know better than anyone the many problems that still exist. Thirty-seven million Americans still have no health care; a polluted environment still spins out of control; a generation of youth has no hope; fear besets neighborhoods due to increasing crime; racism and hate crimes are ever present; abortion is still not accessible for all women in many states, and the list goes on.

We have accomplished a great deal but so much more needs to be done. We are committed to join with you in your efforts to ensure that this democracy be as good as it can be. We hope you will accept our invitation to be the keynote speaker at A Decade of Voices: HWPC 10th Anniversary Celebration.

The dinner will be held on Friday, May 13, 1994. Please have your scheduling office call Marge Tabankin or Michele Breslauer, our Political Director, at (310) 287-2803 if you have any questions. We look forward to hearing from you soon.

Best Personal Regards,


Margery Tabankin
Executive Director


Marilyn Bergman
Founding Board Member

THE WHITE HOUSE
WASHINGTON

DATE: 4/5/94

TO: ANTHONY LAKE
BOB RUBIN

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

For Response.

John C. Fair
They should have
draft prepared asap
for Pres. signature
Nakamura is a close
friend of the President
W.H.



DAIWA STEEL TUBE INDUSTRIES CO., LTD.

NAKANOSHIMA CENTER BLDG. 22ND FL., 6-2-27 NAKANOSHIMA, KITA-KU, OSAKA 530, JAPAN

PHONE (06)448-5201 FAX (06)448-6415 CABLE DAIWASTEELTUBE OSAKA TELEX 63877 DAITUBE

March 29, 1994

The President of the United States of America
WHITE HOUSE
WASHINGTON, D.C., 20500
U. S. A.

Dear President Clinton,

Thank you very much for your personal letter of February 11, which arrived in my office on February 24 via Ambassador Mondale in Tokyo. However, I was on a business trip to Arkansas at that time, and I just opened and read it recently when I came back to Osaka.

Regarding a proposed joint economic conference between U.S. and Japan, I regret that other commitments will not allow you to participate in such conference for this time, but I wish to expect another chance.

We strongly expected to see a settlement of the U.S.-Japan economic dispute during the Summit meeting held on February 11 between Mr. President and Japanese Prime Minister Hosokawa, and yet to our regret, it failed without reaching to any mutual agreement since Mr. Hosokawa attended the meeting in Washington without having any concrete proposal. In Japan, presently, people show much distrust of the political leadership of Prime Minister Hosokawa after that meeting. As I was previously concerned about, Mr. Hosokawa's political foundation is very weak, and Japanese government is under the control of the bureaucrats, and therefore, he is not able to show his leadership under such circumstances. When Prime Minister Hosokawa visited Beijing on March 19 to have a meeting with Chinese government leaders, he spoke that he could not agree with U.S. government in requesting to China an improvement on human rights matter. It is clear that many people in China want a democracy, and I was greatly disappointed with him in that he had such an anachronous opinion.

I suppose that a lot of informations reach Mr. President, but most of them are from the U.S. government people. I wonder if informations like what Japanese influential politicians and Japanese common people think about are conveyed to Mr. President? As I have previously mentioned, it is very important for Mr. President to get informations not only from official source but also from the common people and to examine the both before carrying out political performances. After the Summit meeting on February 11, Japanese newspaper reported that there was no human pipeline to properly explain the present situation of Japan to WHITE HOUSE. If you want, I can, for instance, see the Japanese influential politicians and economic men, draw their true intentions based on such a sense of common people's and report to Mr. President. In such a case, I appreciate gratefully a title position like "President's private advisor on Japanese matter" or "President's personal consultant". The most concern for the present Japan is that the ideas or opinions of the Japanese influential politicians and leading economic men do not reach the WHITE HOUSE due to the big barrier of Japanese bureaucracy. I, therefore, wish to ask you again to examine both informations of Japanese governmental officers level and also of common people level before making political decisions on Japanese matter.

Japanese newspapers report that the U.S.-Japan relationship is in a critical situation due to the present trade disputes between the U.S. and Japan. Japanese people are anxious for the friendly relationship between the U.S. and Japan over one half century being spoiled by such trade disputes.

When I visited Pine Bluff, Arkansas the other day, I was invited for the Industry Appreciation Day sponsored by the Pine Bluff Rotary clubs, and given a very honorable opportunity to make a speech as a guest speaker at the Pine Bluff Convention Center. I addressed an audience of the business leaders in the community, my opinion regarding economic issues between the U.S. and Japan. Enclosed please find a copy of my speech, an article in the local newspaper and a photo.

By the way, The Whitewater investigation has been reported also in Japanese newspapers on a large scale. This might be the most difficult hardship in your first four years service as a President. However, you have overcome many other hardships before you gained a present steadfast position of the President. I hope you to settle the issue successfully soon and make your best efforts to solve many other important problems in the world.

Please take a good care of your health, and I look forward to your continued powerful leadership for the future.

Yours sincerely



M. Nakamura

President and Chairman of the Board
Daiwa Steel Tube Industries Co., Ltd.

Draft Speech — Industry Appreciation Day (March 1, 1994)
at the Pine Bluff Convention Center
sponsored by the Pine Bluff Rotary Clubs

Distinguished Ladies and Gentlemen,

First of all, I would like to sincerely thank you very much for inviting me to "Industry Appreciation Day" sponsored by Pine Bluff Rotary Club and giving me a very honorable opportunity to make a speech as a guest speaker today. This year we will have 15th anniversary since we came here in Pine Bluff in 1979 to establish our steel tube manufacturing plant. I wish to express my deep and sincere appreciation for the warm supports and great cooperations rendered to us, during the past years, by the Arkansas State Government people, the local community people, and especially the community leaders present here today.

As you know, trade friction issue between the United States and Japan is getting so serious, and the President Clinton, who came into White House from this State of Arkansas, is now working very hard on this issue.

Now that Japan's trade surplus with the United States exceeds 60 billion US dollars, I think that this issue is very important one to be settled imperatively by and between the both nations.

After the World War II, during one half century, Japan, starting from its major cities like Tokyo and Osaka, has grown up from the destroyed states to the present country with 2nd largest economic power in the world. What supported this growth are the great contributions and cooperations offered to Japan by the United States, and I think all the Japanese people understand that present Japan would not exist without such contributions and cooperations by the United States even though Japanese people are thought diligent and excellent.

All of the Japanese basic industries received technology transfers from U.S., and have produced worldwide products such as steel, automobiles, TV and so on based on such technologies.

Thus, when we consider the fact that many basic technologies have been granted to Japan by the United States, and that today's prosperity of Japan has been attained thanks to introductions of such U.S. technologies, and now that the United States carry a very difficult issue of the reduction of its huge financial deficit and now that the United States front-tackle this issue in order to restore its nation power and its sound economy, I think it is very natural that Japan should cooperate with the United States who buy many Japanese products, which results in Japan's trade surplus of 60 million US dollars.

To my regret, the Summit meeting held on February 11 between Japanese Prime Minister Hosokawa and U.S. President Bill Clinton failed without reaching to their mutual agreement. Presently, Japanese government is under the control of the bureaucrats, and Mr. Hosokawa is not able to show his leadership under such circumstances.

However, from a civilian standpoint, nobody doubts the importance of Japan's maintaining a friendly economic relationship with the United States when we consider the fact that today's Japan exists thanks to the various supports and assistances rendered in the past by the United States to Japan.

Japanese markets, in general, not like in the United States, remain to have many closed aspects. For example, business hours of department stores cannot be altered at the discretion of each department store according to each sales policy, and it requires the permission by the Ministry of International Trade and Industry. As another example, autonomous determinations by each company of the transportation fares for the airplane and the railroad are also forbidden, and an authorization by the Ministry of Transport is required for such changes. As another example, when branches of the bank are opened, an authorization by the Ministry of Finance is required for the numbers and the locations of such branches.

Now that Japan came to hold the economic power which competes with US, I think it necessary to reduce these governmental regulations and put companies in the competitive state like in the United States.

In consideration of the above, today's consumers in Japan are compelled to buy merchandises for very high prices. For example, Japanese rice is a few times more expensive than California rice for which embargo has been partially removed recently. For another example, one can of "budwiser" beer costs 70 cents in the United States, and while 2 dollars and 30 cents here in Japan. Thus, all the merchandises in Japan cost very high. If various import regulations were taken away, consumers in Japan could fully enjoy the value of the money just like those in the United States.

Presently, trade dispute between U.S. and Japanese governments has come to a deadlock, but I would like to point out one important thing to you. Please do not misunderstand as if views or opinions of the Japanese government led by the bureaucrats is same as those of all the Japanese people. I expect President Clinton and US government people to try harder to inform Japanese consumers of the fact that there are too many regulations in Japan, and Japanese consumers are compelled to buy too expensive merchandises. There is no other country, except the United States, which buys so many Japanese goods, which results in its trade deficit of 60 billion US dollars. Most of us, Japanese, understand very well the importance to maintain a friendly US-Japan relationship.

When we think about the present economic situations of the East European countries, or Asian countries which were governed by the Communist countries after the World War II, we feel keenly that today we live in an affluent society, in Japan, thanks to Japan's having grown under the liberal democratic system of the United States.

I have three overseas production bases, outside Japan. Century Tube here in U.S., Daitube in Belgium in Europe and Pacific Tube in Hong Kong in Asia. The total number of the workers at our overseas operations exceeds that of domestic workers in Japan. Our basic company policy is "Global & Local" and it means a marriage of the widespread capabilities of a world-class business, and the talents and abilities of the local community.

I think that Japanese companies in each industry, from now on, should make orderly exports and refrain from one-sided exports which creates the economic confusion and the big problem of unemployment in the opposing countries. This recognition has gradually penetrated through the entrepreneurs of small-to-medium-sized companies as well as those of large companies in Japan.

We launched our overseas operation here in Arkansas in 1979 as the first Japanese steel tube manufacturer in the United States, and the company has grown steadily for the past 14 years. We are very glad to have a 15th anniversary of our U.S. company this autumn with the best business results in its 15 years history.

Looking back the past, I feel deeply impressed by the fact that Arkansas is, in a sense, very close to Japan and it has brought forth very sensible men of merit for Japan.

The first thing is that Gen. Douglas MacArthur was born here in Arkansas, who made a great contribution in restoring stable order in Japan, after the World War II, from the state of ruins and chaos.

The second is that many Japanese leaders, who play important roles presently in each field in Japan, could have a good experience of life in an affluent society of America and be given a way to study when they were young, thanks to the scholarship founded by Senator Fulbright from Arkansas. The third is that today when the economic dispute between U.S. and Japan is becoming the biggest crisis after the World War II, President Bill Clinton, the first President from the State of Arkansas, is coping with that problem. Since President Clinton knows and understands Japan very well, we expect this issue to be settled peacefully and successfully.

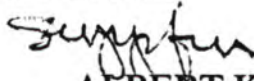
Our Century Tube Corporation's headquarter building commemorating its 15th Anniversary will be completed in coming autumn in the harbour industrial district of Pine Bluff. I hope you to come as our guests at that time by all means, and we wish to confirm each other a good relationship of US and Japan, and toast.

And, finally, I would like to ask you for your continued supports and warm help than ever to our Century Tube Corporation.

Thank you very much today for your kind attention.

Licensed in CT, MA, RI

Notary Public



ALBERT KRANC

Certified Public Accountant

THE PRESIDENT HAS SEEN 4/4/94

(203) 887-9788
FAX (203) 886-4151

507 New London Turnpike
Norwich, CT 06360

4/4/94

THE WHITE HOUSE
WASHINGTON

April 1, 1994

MEMORANDUM FOR THE PRESIDENT

FROM:

CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT:

Summary of Weekly Cabinet Reports
April 1, 1994 through April 8, 1994

CABINET-WIDE ACTIVITY

CRIME AND VIOLENCE

During the Congressional Recess, several Members of the Cabinet are participating in events to draw attention to the Administration's anti-crime initiatives. This past Tuesday, Attorney General Reno, Secretary Cisneros, Director Lee Brown and Assistant Secretary of Treasury Ron Noble conducted a status report for the press on the early results of their Departments' new crime initiatives. In addition, Attorney General Reno participated in a crime event at a Baltimore school and Director Brown attended a Drug Court forum in Portland.

Next week, the Attorney General begins a five day, eight city tour in which she will conduct town hall meetings on crime and community policing forums in congressional districts which are targeted for crime bill passage. Secretary Reich and Director Lee Brown will conduct a town hall meeting on Crime in Baltimore with Congressman Mfume on Monday. The entire Cabinet will begin calling Members of Congress regarding their crime bill votes by the end of next week.

* * * * *

DEPARTMENT SUMMARIES

Department of the Treasury

- **First Bentsen/Withrow Dollars:** The first dollar bills bearing the signatures of the Secretary Bentsen and U.S. Treasurer Mary Ellen Withrow will be unveiled at the Fort Worth facility of the Bureau of Engraving and Printing on Thursday, April 7.

Department of Commerce

- **Business Development Mission to Russia:** Secretary Brown will conclude his business development mission to Russia. The trip has received excellent press coverage both in the U.S. and in Russia. The Secretary met with President Yeltsin and Prime Minister Chernomyrdin, co-chaired the Business Development Committee meeting, opened the first U.S. Consulate in Yekaterinburg and announced the opening of two new American business centers to facilitate U.S. companies exploration of trade and investment market opportunities. The Secretary signed other major initiatives with Russia to increase U.S. Russia market access, and a specific joint statement of cooperation for the Improvement of Business in the Medical Industries. In addition, six major contracts were signed between U.S. companies on the delegation and their Russian counterparts. The U.S. companies involved include: McDermott International (CA); Halliburton (TX); U.S. West (CO); Allen and Associates International (DC); Cytran, Inc. (WA) and Westinghouse (PA).
- **New Hazardous Weather Warning System:** On Thursday, March 31, the Vice President, Deputy Secretary Barram and the NOAA Under Secretary announced a new early warning system using NOAA Weather Radio to enable the rural public to be better warned about impending hazardous weather.
- **CoCom/Licensing Liberalization Proposal:** Commerce announced the Administration's new General License GLX, approving certain shipments of dual-use items to civilian end users in formerly CoCom-prescribed destinations (including Russia and China). While maintaining controls for National Security and non-proliferation reasons, this new procedure helps U.S. business to be more competitive abroad. This proposal takes effect April 1 and has been well-received.

Department of Labor

- **Enforcement Action:** On Thursday, March 31, Secretary Reich announced a series of Labor enforcement actions against fraudulent MEWA's (multiple employer welfare arrangements). MEWA's provide a useful means for small businesses to provide their employees with health benefits or worker's compensation insurance. However, fraudulent MEWA's are occasionally utilized to steal money from small businesses and their workers.

Department of Transportation

- **Teamster Negotiations/Possible Strike:** The Teamsters are in intensive negotiations with Trucking Employers, Inc. on renewal of the National Master Freight Agreement (NMFA), the contract which covers Teamster-represented truckload carriers. About 110,000 employees are covered by the contract, which expired last night, March 31. Job security, money (wages and health and welfare contributions), and "double

breasting" (setting up a non-union subsidiary to conduct certain portions of the employers business) are the principal issues. Despite assertions that he would not extend the contract, on March 31, Ron Carey agreed to extend the contract until Tuesday, April 4. Bargaining sessions are expected to continue this weekend. DOT rates the odds of settlement at slightly better than even.

- **Corporitization of Air Traffic Control:** Secretary Pena continues to promote the corporitization of air traffic control, traveling extensively and conducting media interviews.
- **ATX Decision:** The Department expects to make a decision on the controversial question of whether or not to grant Frank Lorenzo the license to own and operate a new airline.
- **New Airplane:** Boeing's new 777 airplane will be introduced in Seattle next week.

Department of Justice

- **Abortion Clinic Access Case:** Today, the Department will file a friend of the court brief in Madsen vs. Women's Health Center, in support of a Florida state court injunction against a blockade of an abortion clinic.
- **Congressional Redistricting:** Yesterday, the Department moved to participate as a friend of the court in the South Carolina redistricting case. On March 25, the Department moved to intervene as a defendant in Vera vs. Richards, a Texas redistricting challenge. On March 28, the trial began in Shaw vs. Hunt, the challenge to North Carolina's redistricting plan. On March 30, the court granted the Department's motion to intervene in a redistricting challenge in Georgia.
- **SAT tests for Disabled Students:** The Department announced yesterday that it has reached a settlement with the Educational Testing Service and the College Board that will result in enhanced opportunities for students with disabilities to take the SAT test.
- **Election of Alabama Judges:** By April 8, the Department will determine whether proposed voting changes in the method of electing Alabama's appellate and Supreme Court judges satisfies the Voting Rights Act. Senator Heflin is particularly interested in this issue.
- **ATM Case:** The Department is reviewing a proposed consent decree with Electronic Payment Systems, owner of the MAC ATM network. This network, the nation's largest, has engaged in exclusionary practices that have resulted in its monopoly power as the only ATM network in six eastern states.

Health and Human Services

- **Hyde Amendment:** Louisiana has formally asked for an extension to implement the 1993 Hyde Amendment policy changes. Louisiana requires a statutory change to implement the changes, and its legislature does not meet again in regular session before June 1995. Senator Breaux and Congressman Jefferson have inquired into this issue. The Department is negotiating with the state over its compliance.
- **Genetically Engineered Tomatoes:** On April 6-8, the Food Advisory Committee of the Food and Drug Administration will meet to discuss the review process for foods produced by new technologies. The genetically modified tomato (FlavrSavr) is the first such food to go through the review process. There is significant press and consumer interest in this issue.
- **Breast Cancer Study Fraud at National Cancer Institute:** In light of recent allegations of fraud in the breast cancer study, the NCI has taken steps to avoid future fraud. First, the Pittsburgh group that conducted the allegedly fraudulent study has submitted it to the New England Journal of Medicine for reanalysis. Second, NCI is reanalyzing the raw data itself. Third, NCI has asked the University of Pittsburgh to remove Dr. Bernard Fisher as principal investigator of the Pittsburgh study group and to stop adding patients to all the studies they conduct with NCI support. Finally, NCI will conduct a review of its oversight procedures.

Office of National Drug Control Policy

- **International Drug Certifications:** Today or early next week, the Administration will announce and present to Congress your determination of which nations should be certified as major drug producing or transit countries.

Department of the Interior

- **Rhinos and Tigers:** You will receive a decision memo from the Department and the NSC this weekend. On Monday, April 4, the announcement will be made as to whether trade sanctions are necessary against China or Taiwan. The announcement is expected to attract significant media attention.
- **National Parks:** Next week, Secretary Babbitt will begin a series of public appearances in national parks. During these trips, he will highlight the need to preserve natural and cultural resources, the need to address various park employee problems, the need to look for more revenue for parks, and issues relevant to potential new parks.

Department of Agriculture

- **Canadian Wheat:** Discussions will continue next week with Canada regarding the Section 22 investigation of Canadian wheat imports. On April 8, the International Trade Commission will hold a field hearing in Shelby, Montana, to examine the effects of the massive increase in Canadian grain imports on domestic U.S. farm policies.
- **Forest Plan:** The one-year anniversary of the Forest Conference is April 2. Industry and environmental groups indicate they are planning to highlight the perceived lack of progress on Pacific Northwest timber issues. An anniversary strategy has been developed by USDA, Interior, the White House Office of Environmental Policy and the Regional Ecosystem office which includes a press release and press availability to highlight areas of progress.
- **Midwest Flood Disaster:** USDA has transmitted to OMB the criteria that USDA wishes to use in approving levees for repair under the \$50 million appropriation in the emergency supplemental. Secretary Espy hopes to be able to announce the criteria by the end of next week in advance of his upcoming trip to Missouri and Iowa.
- **National Voter Act Registration Act:** The Food and Nutrition Service notified all Regional Food Stamp Program Directors and WIC directors asking them to advise State agencies of their obligations to conduct voter registration in food stamp and WIC offices.

Department of Energy

- **Energy Technology Engineering Center:** This facility, 26 miles northwest of Los Angeles, was slated for closing due to budget cuts. DOE identified a new mission for the facility that will keep it open through fiscal year 1995. The Center will develop the Kalina Cycle, a process that can increase the efficiency of fossil fuel-fired power plants by over 20 percent. The project is funded by DOE and the General Electric Corporation and will save over 200 jobs in southern California. Secretary O'Leary will announce this in California next week.
- **Wall Street Journal:** On Tuesday, April 5, Secretary O'Leary will participate in a roundtable discussion with editors and reporters of the Washington, D.C. bureau of the Journal. The discussion will focus on contract reform, national energy policy, and the role of the National Laboratories in creating jobs and enhancing national competitiveness.

Environmental Protection Agency

- **Superfund:** On Thursday, April 7, Administrator Browner is planning a "National Superfund Day" to generate public momentum behind Superfund reauthorization. Each of the ten EPA regional administrators will visit a Superfund site and hold a press availability. Administrator Browner will spend the day in New Jersey with Senators Lautenberg and Bradley and Congressman Torricelli; the trip will focus on the economic redevelopment and job creation benefits of the Superfund bill.

Department of State

- **Middle East Peace Process:** On March 30, Israeli and Palestinian negotiators reached tentative agreement on a package of steps that will establish an international presence in Heron. The same agreement also paves the way for the early deployment of Palestinian police in Gaza and Jericho and accelerates implementation of the Declaration of Principles. The agreement provides for a temporary international presence in Heron of 160 observers and support personnel drawn from Norway, Denmark and Italy. By next week, Palestinian police could be deployed in Gaza and Jericho.
- **North Korea:** Late on March 31, language was finalized for a statement by the UN Security Council President on the North Korean nuclear issue. China accepted virtually all our desired language. The key phrase "further action by the Council" now reads: "further consideration will take place if necessary in order to achieve full implementation of the IAEA-DPRK safeguards agreement."
- **Haiti:** Aristide will probably not respond positively to Vice President Gore's entreaty and will persist in his demand that the military leadership be removed before he takes any political action. Boutros-Ghali told Ambassador Pezzullo last week that Aristide will never compromise and that we must find a means to end the crippling sanctions.
- **Nominations:** Senators Biden and Pell have resisted the push by Senator Brown to schedule a second hearing on the nomination of Derek Shearer to be Ambassador to Finland. Senator Biden, however, offered the rarely used option of posing written questions to Shearer. State expects increasingly difficult and partisan confirmation battles as we near the election, including a filibuster on Sam Brown.

Department of Defense

- **FY'95 Budget Resolution:** As the House/Senate Conference prepares to convene, the DoD is waging an all out campaign to restore the \$43 billion, five year cut that was sustained in the Senate. These cuts, if not restored, will wreak havoc on the Bottom-Up-Review.

- **Korea:** Ships transporting an Army Patriot Battalion to Korea will depart Oakland, CA on April 3 and 5, and are scheduled to arrive in Korea the week of April 17. Secretary Perry will visit Korea that week to discuss defense planning.
- **NATO Partnership for Peace:** Currently it appears we have resolved most of the differences with the French over Command and Control issues and planning actions regarding PFP. Georgia signed up for PFP on March 23 and Slovenia became the 14th country to sign up on March 30.

United Nations

- **El Salvador:** Next week, the Council may consider a Presidential Statement welcoming the peaceful first round of elections. However, a report of the Secretary-General on the first round will be somewhat critical of voting irregularities and call for these to be addressed before the second round presidential vote, which is scheduled for April 24. The UN Observer Mission has asked, and the election tribunal has agreed, to continue distribution of voter cards and that voter lists be amended to account for those left off in the first round.

United States Trade Representative

- **Uruguay Round:** Ambassador Kantor will meet with Tom Donahue and other labor and business representatives next week regarding worker rights issues and the Uruguay Round Ministerial Declarations. Last week Ambassador Kantor spoke with GATT Director-General Sutherland to reiterate that there must be explicit recognition, at the April 15 signing, of the need to negotiate rules of international labor standards in the new World Trade Organization.
- **Distilled Spirits:** USTR announced a "distinctive product" recognition agreement with the EU on their commitment to allow only distilled spirits products from the United States to use the names "Bourbon" and "Tennessee Whiskey." The U.S. Government committed to recognized Scotch Whiskey, Irish Whiskey, Cognac, Armagnac, Calvados and Brandy de Jerez as distinctive products of the European Union.

cc: Vice President Gore
Mack McLarty

THE PRESIDENT HAS SEEN 4/4/94

THE WHITE HOUSE

WASHINGTON

March 24, 1994

94 MAR 24 P 9:55

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA L. HALE *MH*

SUBJECT: GOVERNOR MIKE SULLIVAN

As you know, Governor Mike Sullivan is considering running for the U.S. Senate. The Governor is going on vacation from April 8 - 13 with his wife, during this time he will make his final decision about the senate race. I believe that, at this time, he is leaning toward running. As you know, this is more a personal decision than professional, but I am sure that a phone call from you, before he leaves for vacation, would be encouraging.

Office: tel. 307/777-7435

Home: tel. 307/632-1717

Ad. can

cc: Harold Ickes

THE PRESIDENT HAS SEEN 4/4/94

THE WHITE HOUSE

WASHINGTON

March 24, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: VICTORIA L. RADD *VR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: TELEPHONE CALL TO SENATOR DANIEL PATRICK MOYNIHAN

As you may recall from the decision memorandum on Judge Jose Cabranes for the New York vacancy on the U.S. Court of Appeals for the Second Circuit (attached), it is important that you place a telephone call to Senator Daniel Patrick Moynihan to express your appreciation for his support of Cabranes. Bernie Nussbaum told Moynihan's people last week (and again today) that you would call at the outset of moving forward with consideration of Cabranes.

We have now contacted Cabranes to begin the process of filling out his forms for consideration by the White House, FBI and ABA. Therefore the telephone call should be made tomorrow if at all possible.

The gist of the call should simply be to thank Moynihan for his help and support in moving ahead towards a Cabranes nomination to the Second Circuit.

Note: If you need any further information, I can be reached this evening at my office (x6-7176) or at my home (337-5166). Unfortunately, from 9:00 a.m until 7:00 p.m. tomorrow, I will be in Boston -- I can be reached on my Sky Pager through the White House switchboard.

Don

THE WHITE HOUSE

WASHINGTON

March 19, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD NUSSBAUM, JOEL KLEIN, BRUCE LINDSEY, JACK QUINN, MELANNE VERVEER, SUSAN BROPHY, ELEANOR ACHESON AND VICTORIA RADD

SUBJECT: COURT OF APPEALS VACANCIES -- DECISION MEMORANDUM

The purpose of this memorandum is to provide an update on the status of two key Court of Appeals vacancies -- the New York seat on the Second Circuit and the D.C. Circuit. We believe that you are now in a position to make a decision on each of these vacancies.

SECOND CIRCUIT:

In November 1993, Judge Richard J. Cardamone took senior status, thereby creating a vacant New York seat on the U.S. Court of Appeals for the Second Circuit. As you know, for some time we have been in contact with the office of Senator Daniel Patrick Moynihan about the possibility of elevating Jose Cabranes, now Chief Judge of the U.S. District Court of Connecticut, but a former long-time resident of New York. Bernie Nussbaum has just been informed that -- despite Cabranes' present Connecticut residency -- Senator Moynihan will support the choice of Cabranes for this seat. Senator Joseph Lieberman also strongly endorses this result.

We recommend that you approve the selection of Cabranes for this vacancy. As set forth in an earlier memorandum (attached), Cabranes is well-respected as an intelligent and non-ideological district judge. His support in the Hispanic community is overwhelming. Cabranes would become the only Hispanic among the Second Circuit's thirteen judges (for a circuit with ten percent Hispanic population), and would provide some diversity to our appointments to that court (the prior two nominees have been white men).

Should you elect to go forward with Cabranes, it would be helpful if you would telephone Senator Moynihan at the outset to express your appreciation for his support of this selection. (It should be noted that no agreement was made with the Senator regarding any future vacancies on this circuit.)

☒ APPROVE

☐ DISAPPROVE

GS/ea
Bridget
Nussbaum

Roger Ailes Wails

THE PRESIDENT HAS SEEN #4/94

CNBC President Roger Ailes, the unrestrained former political operative, made such wild and freewheeling accusations about Bill Clinton and the White House on a syndicated radio show yesterday, you'd have thought he was still working for George Bush.

In between guffaws with Don Imus, heard locally on WTEM-AM, Ailes called former White House counsel Bernie Nussbaum "that little Nussbaum, that little loser," accused the administration of a coverup with regard to Whitewater that includes "moving bodies" and destroying evidence, and even cracked a joke about the president and womanizing.

"He's coming up to New York today . . . and he's up here because he heard Nancy Kerrigan's on 'Saturday Night Live,'" he blurted. "She's the only one he hasn't hit on."

Ailes, who heads the news and talk cable channel owned by NBC, offered his strong opinion that Whitewater is a gargantuan scandal with "land fraud, illegal contributions, abuse of power . . . suicide coverup—possible murder."

And there's more. On Hillary Clinton, he mentioned the three lawyers she brought to



Roger Ailes: not exactly diplomatic.

Washington and how one is being investigated at Justice, "one was forced to resign . . . and one's dead. I wouldn't stand too close to her."

And finally, he had some rather dubious praise for his two star employees.

Of Mary Matalin and Jane Wallace, who co-host "Equal Time" on CNBC-TV, Ailes quipped, "These are girls who if you went into a bar around 7, you wouldn't pay a lot of attention, but [they] get to be 10s around closing time."

Laughed Matalin from Florida: "This is another example of Roger's astounding creativity. He has great fantasies."

Brian Lewis, a spokesman for CNBC, said yesterday that "it was a joke. It's Don Imus. Don't take it out of context."

THE PRESIDENT HAS SEEN ^{4/4/94}

THE WHITE HOUSE

WASHINGTON

94 MAR 21 P1:05

March 21, 1994

RECOMMENDED PHONE CALL

TO:

Janet McDonald
(Widow of slain NYC officer Sean McDonald)

(516) 242-8072 -- [her sister's house -- will be there through 3/25/94]

DATE:

March 22-25, 1994

RECOMMENDED BY:

Rahm Emanuel

PURPOSE:

To express sympathy to Mrs. McDonald on the tragic death of her husband.

BACKGROUND:

Sean McDonald was born in Dublin, Ireland and grew up in Queens, NY. He joined the army and then became a police officer, assigned to a tough precinct in the Bronx.

On March 15, Sean was shot while handcuffing two robbers. He was fatally wounded when four shots hit him, two through the side vents of his bulletproof vest. His brother Andrew, also an officer was one of the cops that responded to the officer down "10-13" call.

Officer McDonald is survived by his wife Janet and their two children, Sean, 3 and Kerry, 1.

Assistant Treasury Secretary Ron Noble attended Officer McDonald's funeral on Saturday and presented the family with a letter from the President. Noble said that Mrs. McDonald expressed a desire for the Administration to push for the death penalty in NY.

CONTACT PERSON:

Liz Bernstein

DATE OF SUBMISSION:

March 21, 1994

ACTION:

*Call - didn't
do a nice letter
to her - keep cap
talking about crime
men*



OCCIDENTAL COLLEGE
LOS ANGELES, CALIFORNIA 90041-3392

PUBLIC POLICY CENTER
DIRECTOR, DEREK SHEARER
(213) 259-2539
FAX (213) 259-2734

Friday, March 25

Dear Bill,

I think that you did a fine job in yesterday's press conference--but there's a lot more that I think you need to do internally, in order to move ahead, govern, and win reelection. Cody has talked some to Hillary, and so has another of my friends who could be a great asset to you.

If it would be helpful to you, Ruth and I would be happy to come down to San Diego some evening for dinner and talk among friends. Alternatively, if you'd like to come up to our house one night for dinner or go to some place in Santa Monica--just the four of us--we have a flexible schedule all week. And, if you don't want any serious talk, we're happy to just help you relax for a bit.

Ruth and I are going to Palm Springs this afternoon for a few days of de-stressing ourselves. We'll be back home on Sunday afternoon. Our number in Palm Springs for Friday afternoon to Sunday, AM is: La Mancha Villas: 619-323-1773

Casey will be in and out of our place in Santa Monica, and Anthony comes home Saturday night, after his UC Santa Cruz graduation. So, someone will be around to get phone messages.

Anyway, you know that we're friends to both of you for the long term, even though we haven't really talked in a long time.

I hope that you're taking some of the mysteries along on your vacation.

Ruth sends her regards.

Derek

PS We will be in D.C. from April 10 - 19 for our Ambassadorial school. Ruth would like the opportunity to come to dinner at your house one evening, and perhaps spend a night, if it isn't inconvenient.

THE PRESIDENT HAS SEEN 4/4/94

~~Check~~
on run in this
~~PS~~

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Invitation List (9 pages)	03/30/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4887

FOLDER TITLE:

April 1-9, 1994 [1]

2018-0662-S

rs3092

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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



THE PRESIDENT HAS SEEN

4/4/94

515 SECOND STREET NE
WASHINGTON DC 20002
TEL 202 547 5200
FAX 202 544 7020

94 APR 11 P7:01

Date: April 1, 1994
To: President Bill Clinton
Hillary Rodham Clinton
From: Stan Greenberg

RE: BARNSTORMING FOR HEALTH CARE

The press conference and week's vacation have changed the tone of reporting on Whitewater and, to some extent, the mood of the country. Consistent with the public polls, we show a slight improvement on job performance and a marked improvement on handling the Whitewater issue. The public seems much clearer now that this involves minor mistakes, not a major scandal.

But we have a long way to go. Overall trust and confidence have not risen; voters still see mainly gridlock in Washington, and, thus, we have not regained our earlier standing on effectiveness and getting things done; support for health care remains weak; and the First Lady's position has not improved at all.

It is important in this recess week for the President and First Lady to barnstorm the country for your agenda -- particularly health care. Voters need to feel your determination and optimism. In the press conference, they focused on your Whitewater responses and did not make the key turn: it's time to address the people's business. This next week we must show you taking up the issues that you were elected to solve -- undeterred by Washington. Indeed, there is real value here in going to the people and showing that you (and they) have their priorities right.

We are suggesting a series of town meetings under a common theme -- to take this week above just a series of health care events. The multiple town meetings in different regions across the country allow us to underscore your determination, in the face of unbelievable odds, to make your case on the issues you care about. These meetings will be characterized, we hope, by determination, optimism, and the charts. The plan was described (5 points) in the press conference but little noticed. This is, in effect, the President's first opportunity to use the charts and show his determination to educate the public, give them vital information, and create pressure on the Congress to act.



The town meetings could degenerate into minutia which is why we have been cautious in the past. But the charts, we hope, change that. They provide the main points of conversation and enable us to bring small points back to the main general points. It is important that the town meeting schedule allow for some preparation, both on the presentation and on turning questions to the general issues. To that end, I would expect Boorstin and Mandy to accompany you on some portion of the trip.

I hope that the First Lady joins you for the last town meeting. She too needs to be part of the barnstorming story.

When Congress returns, we will turn to crime. This will provide you with an opportunity to show determination and results in a fairly short period. Rahm has organized an extraordinary schedule of events. Our hope is that this concentrated demonstration of breaking gridlock will begin to clear some of the fog that has blocked people's view of your work and progress.

We may want to consider a daytime press conference during the crime week -- with an introductory statement on crime and some foreign policy issues. The President would obviously answer any Whitewater questions. Our goal should be to continually diffuse the issue with openness and not confine our response to any single event, like the prime time press conference of last week. (As you may know, James is doing a Sperling Breakfast on Wednesday of next week to expose the network of rightwing sleaze artists who are driving this story out of Arkansas and trying to derail the Clinton Presidency.)

Obviously, we have a long way to go to regain the initiative, but the last couple of weeks have put us in a stronger position. I am hoping that the strong schedule next week will keep us on track.

I hope the two of you have enjoyed your vacation. Nobody deserves it more.

TIME OF TRANSMISSION

TIME OF RECEIPT

**WHITE HOUSE
SITUATION ROOM**

94 APR 11 P7:58

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINERELEASED: David R. GaltDTG: 020110Z Apr 94

MESSAGE NO. 147 CLASSIFICATION UNCLASSIFIED PAGES 2
FROM Todd Stern x62702
(NAME) (PHONE NUMBER) (ROOM NO.)
MESSAGE DESCRIPTION Greenberg/Health Care

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
<u>SAN DIEGO</u>	<u>ANDREW FRIENDLY (FOR THE PRESIDENT)</u>		
	<u>THE FIRST LADY</u>		

REMARKS:

THE PRESIDENT HAS SEEN

4/4/94

Remarks As Delivered
Vice President Al Gore
International Telecommunications Union
Monday, March 21, 1994

I have come here, 8,000 kilometers from my home, to ask you to help create a Global Information Infrastructure. To explain why, I want to begin by reading you something that I first read in high school, 30 years ago.

"By means of electricity, the world of matter has become a great nerve, vibrating thousands of miles in a breathless point of time. The round globe is a vast . . . brain, instinct with intelligence!"

This was not the observation of a physicist -- or a neurologist. Instead, these visionary words were written in 1851 by Nathaniel Hawthorne, one of my country's greatest writers, who was inspired by the development of the telegraph. Much as Jules Verne foresaw submarines and moon landings, Hawthorne foresaw what we are now poised to bring into being.

The ITU was created only 14 years later, in major part for the purpose of fostering an internationally compatible system of telegraphy.

For almost 150 years, people have aspired to fulfill Hawthorne's vision--to wrap nerves of communications around the globe, linking all human knowledge.

In this decade, at this conference, we now have at hand the technological breakthroughs and economic means to bring all the communities of the world together. We now can at last create a planetary information network that transmits messages and images with the speed of light from the largest city to the smallest village on every continent.

I am very proud to have the opportunity to address the first development conference of the ITU because President Clinton and I believe that an essential prerequisite to sustainable development, for all members of the human family, is the creation of this network of networks. To accomplish this purpose, legislators, regulators, and businesspeople must do this: build and operate a Global Information Infrastructure. This GII will circle the globe with information superhighways on which all people can travel.

These highways--or, more accurately, networks of distributed intelligence--will allow us to share information, to connect, and to communicate as a global community. From these connections we will derive robust and sustainable economic progress, strong democracies, better solutions to global and local environmental challenges, improved health care, and--ultimately--a greater sense of shared stewardship of our small planet.

The Global Information Infrastructure will help educate our children and allow us to exchange ideas within a community and among nations. It will be a means by which families and friends will transcend the barriers of time and distance. It will make possible a global information marketplace, where consumers can buy or sell products.

AG
This is a
speech + really
interesting - then can the
President
bring the new to see
President
Bos

I ask you, the delegates to this conference, to set an ambitious agenda that will help all governments, in their own sovereign nations and in international cooperation, to build this Global Information Infrastructure. For my country's part, I pledge our vigorous, continued participation in achieving this goal--in the development sector of the ITU, in other sectors and in plenipotentiary gatherings of the ITU, and in bilateral discussions held by our Departments of State and Commerce and our Federal Communications Commission.

The development of the GII must be a cooperative effort among governments and peoples. It cannot be dictated or built by a single country. It must be a democratic effort.

And the distributed intelligence of the GII will spread participatory democracy.

To illustrate why, I'd like to use an example from computer science.

In the past, all computers were huge mainframes with a single central processing unit, solving problems in sequence, one by one, each bit of information sent back and forth between the CPU and the vast field of memory surrounding it. Now, we have massively parallel computers with hundreds -- or thousands --- of tiny self-contained processors distributed throughout the memory field, all interconnected, and together far more powerful and more versatile than even the most sophisticated single processor, because they each solve a tiny piece of the problem simultaneously and when all the pieces are assembled, the problem is solved.

Similarly, the GII will be an assemblage of local, national, and regional networks, that are not only like parallel computers but in their most advanced state will in fact be a distributed, parallel computer.

In a sense, the GII will be a metaphor for democracy itself. Representative democracy does not work with an all-powerful central government, arrogating all decisions to itself. That is why communism collapsed.

Instead, representative democracy relies on the assumption that the best way for a nation to make its political decisions is for each citizen -- the human equivalent of the self-contained processor -- to have the power to control his or her own life.

To do that, people must have available the information they need. And be allowed to express their conclusions in free speech and in votes that are combined with those of millions of others. That's what guides the system as a whole.

The GII will not only be a metaphor for a functioning democracy, it will in fact promote the functioning of democracy by greatly enhancing the participation of citizens in decision-making. And it will greatly promote the ability of nations to cooperate with each other. I see an new Athenian Age of democracy forged in the fora the GII will create.

The GII will be the key to economic growth for national and international economies. For us in the United States, the information infrastructure already is to the U.S. economy of the 1990s what transportation infrastructure was to the economy of the mid-20th century.

The integration of computing and information networks into the economy makes U.S. manufacturing companies more productive, more competitive, and more adaptive to

changing conditions and it will do the same for the economies of other nations.

These same technologies are also enabling the service sectors of the U.S. economy to grow, to increase their scale and productivity and expand their range of product offerings and ability to respond to customer demands.

Approximately 60% of all U.S. workers are "knowledge workers"--people whose jobs depend on the information they generate and receive over our information infrastructure. As we create new jobs, 8 out of 10 are in information-intensive sectors of our economy. And these new jobs are well-paying jobs for financial analysts, computer programmers, and other educated workers.

The global economy also will be driven by the growth of the Information Age. Hundreds of billions of dollars can be added to world growth if we commit to the GII. I fervently hope this conference will take full advantage of this potential for economic growth, and not deny any country or community its right to participate in this growth.

As the GII spreads, more and more people realize that information is a treasure that must be shared to be valuable. When two people communicate, they each can be enriched--and unlike traditional resources, the more you share, the more you have. As Thomas Jefferson said, "He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without darkening me."

Now we all realize that, even as we meet here, the Global Information Infrastructure is being built, although many countries have yet to see any benefits.

Digital telecommunications technology, fiber optics, and new high-capacity satellite systems are transforming telecommunications.

And all over the world, under the seas and along the roads, pipelines, and railroads, companies are laying fiber optic cable that carries thousands of telephone calls per second over a single strand of glass.

These developments are greatly reducing the cost of building the GII.

In the past, it could take years to build a network. Linking a single country's major cities might require laying thousands of kilometers of expensive wires. Today, a single satellite and a few dozen ground stations can be installed in a few months -- at much lower cost.

The economics of networks have changed so radically that the operation of a competitive, private market can build much of the GII. This is dependent, however, upon sensible regulation.

Within the national boundaries of the U.S. we aspire to build our information highways according to a set of principles that I outlined in January in California. The National Information Infrastructure, as we call it, will be built and maintained by the private sector.

It will consist of hundreds of different networks, run by different companies and using different technologies, all connected together in a giant "network of networks," providing telephone and interactive digital video to almost every American.

Our plan is based on five principles:

First, encourage private investment;

Second, promote competition;

Third, create a flexible regulatory framework that can keep pace with rapid technological and market changes;

Fourth, provide open access to the network for all information providers; and

Fifth, ensure universal service;

Are these principles unique to the United States? Hardly. Many are accepted international principles endorsed by many of you. I believe these principles can inform and aid the development of the Global Information Infrastructure and urge this Conference to incorporate them, as appropriate, into the Buenos Aires Declaration, which will be drafted this week.

Let me elaborate briefly on these principles.

First, we propose that private investment and competition be the foundation for development of the GII. In the U.S., we are in the process of opening our communications markets to all domestic private participants.

In recent years, many countries, particularly here in Latin America, have opted to privatize their state-owned telephone companies in order to obtain the benefits and incentives that drive competitive private enterprises, including innovation, increased investment, efficiency and responsiveness to market needs.

Adopting policies that allow increased private sector participation in the telecommunications sector has provided an enormous spur to telecommunications development in dozens of countries, including Argentina, Venezuela, Chile, and Mexico. I urge you to follow their lead.

But privatization is not enough. Competition is needed as well. In the past, it did make sense to have telecommunications monopolies.

In many cases, the technology and the economies of scale meant it was inefficient to build more than one network. In other cases--Finland, Canada, and the U.S., for example--national networks were built in the early part of this century by hundreds of small, independent phone companies and cooperatives.

Today, there are many more technology options than in the past and it is not only possible, but desirable, to have different companies running competing--but interconnected--networks, because competition is the best way to make the telecommunications sector more efficient, more innovative--and more profitable as consumers make more calls and prices decline.

That is why allowing other companies to compete with AT&T, once the world's largest telephone monopoly, was so useful for the United States.

Over the last ten years, it has cut the cost of a long-distance telephone call in the U.S. more than 50%.

To promote competition and investment in global telecommunications, we need to adopt cost-based collection and accounting rates. Doing so will accelerate development of the GII.

International standards to ensure interconnection and interoperability are needed as well. National networks must connect effectively with each other to make real the simple vision of linking schools, hospitals, businesses, and homes to a Global Information Infrastructure.

Hand in hand with the need for private investment and competition is the necessity of appropriate and flexible regulations developed by an authoritative regulatory body.

In order for the private sector to invest and for initiatives opening a market to competition to be successful, it is necessary to create a regulatory environment that fosters and protects competition and private sector investments, while at the same time protecting consumers' interests.

Without the protection of an independent regulator, a potential private investor would be hesitant to provide service in competition with the incumbent provider for fear that the incumbent's market power would not be adequately controlled.

Decisions and the basis for making them must also be made public so that consumers and potential competitors are assured that their interests are being protected.

This is why in the U.S., we have delegated significant regulatory powers to an independent agency, the Federal Communications Commission. This expert body is well-equipped to make difficult technical decisions and to monitor, in conjunction with the National Telecommunications and Information Administration and the Department of Justice, changing market conditions.

We commend this approach to you.

We need a flexible, effective system for resolution of international issues, too--one that can keep up with the ever-accelerating pace of technological change.

I understand that the ITU has just gone through a major reorganization designed to increase its effectiveness. This will enable the ITU, under the able leadership of Mr. Tarjanne, to streamline its operations and redirect resources to where they are needed most. This will ensure that the ITU can adapt to future and unimaginable technologies.

Our fourth principle is open access. By this I mean that telephone and video network owners should charge non-discriminatory prices for access to their networks. This principle will guarantee every user of the GII can use thousands of different sources of information--video programming, electronic newspapers, computer bulletin boards--from every country, in every language.

With new technologies like direct broadcast satellites, a few networks will no longer be able to control your access to information--as long as government policies permit new entrants into the information marketplace.

Countries and companies will not be able to compete in the global economy if they cannot get access to up-to-date information, if they cannot communicate instantly with customers around the globe. Ready access to information is also essential for training the skilled workforce needed for high-tech industries.

The countries that flourish in the twenty-first century will be those that have telecommunications policies and copyright laws that provide their citizens access to a wide choice of information services.

Protecting intellectual property is absolutely essential.

The final and most important principle is to ensure universal service so that the Global Information Infrastructure is available to all members of our societies. Our goal is a kind of global conversation, in which everyone who wants can have his or her say.

We must ensure that whatever steps we take to expand our worldwide telecommunications infrastructure, we keep that goal in mind.

Although the details of universal service will vary from country to country and from service to service, several aspects of universal service apply everywhere. Access clearly includes making service available at affordable prices to persons at all income levels.

It also includes making high quality service available regardless of geographic location or other restrictions such as disability.

Constellations of hundreds of satellites in low earth orbit may soon provide telephone or data services to any point on the globe. Such systems could make universal service both practical and affordable.

An equally important part of universal access is teaching consumers how to use communications effectively. That means developing easy-to-use applications for a variety of contexts, and teaching people how to use them. The most sophisticated and cost-efficient networks will be completely useless if users are unable to understand how to access and take full advantage of their offerings.

Another dimension of universal service is the recognition that marketplace economics should not be the sole determinant of the reach of the information infrastructure.

The President and I have called for positive government action in the United States to extend the NII to every classroom, library, hospital, and clinic in the U.S. by the end of the century.

I want to urge that this conference include in its agenda for action the commitment to determine how every school and library in every country can be connected to the Internet, the world's largest computer network, in order to create a Global Digital Library. Each library could maintain a server containing books and journals in electronic form, along with indexes to help users find other materials. As more and more information is stored electronically, this global library would become more and more useful.

It would allow millions of students, scholars and businesspeople to find the information they need whether it be in Albania or Ecuador.

Private investment ... competition ... flexibility ... open access ... universal service.

In addition to urging the delegates of this conference to adopt these principles as part of the Buenos Aires Declaration, guiding the next four years of telecommunications development, I assure you that the U.S. will be discussing in many fora, inside and outside the ITU, whether these principles might be usefully adopted by all countries.

The commitment of all nations to enforcing regulatory regimes to build the GII is vital to world development and many global social goals.

But the power of the Global Information Infrastructure will be diminished if it cannot reach large segments of the world population.

We have heard together Dr. Tarjanne's eloquent speech setting forth the challenges we face. As he points out: the 24 countries of the OECD have only 16 percent of the world's population. But they account for 70 percent of global telephone mainlines and 90 percent of mobile phone subscribers.

There are those who say the lack of economic development causes poor

telecommunications. I believe they have it exactly backwards. A primitive telecommunications systems causes poor economic development.

So we cannot be complacent about the disparity between the high and low income nations, whether in how many phones are available to people or in whether they have such new technologies as high speed computer networks or videoconferencing.

The United States delegation is devoted to working with each of you at this Conference to address the many problems that hinder development.

And there are many.

Financing is a problem in almost every country, even though telecommunications has proven itself to be an excellent investment.

Even where telecommunications has been identified as a top development priority, countries lack trained personnel and up-to-date information.

And in too many parts of the world, political unrest makes it difficult or impossible to maintain existing infrastructure, let alone lay new wire or deploy new capacity.

How can we work together to overcome these hurdles? Let me mention a few things industrialized countries can do to help.

First, we can use the Global Information Infrastructure for technical collaboration between industrialized nations and developing countries. All agencies of the U.S. government are potential sources of information and knowledge that can be shared with partners across the globe.

The Global Information Infrastructure can help development agencies link experts from every nation and enable them to solve common problems. For instance, the Pan American Health Organization has conducted hemisphere-wide teleconferences to present new methods to diagnose and prevent the spread of AIDS.

Second, multilateral institutions like the World Bank, can help nations finance the building of telecommunications infrastructure.

Third, the U.S. can help provide the technical know-how needed to deploy and use these new technologies. USAID and U.S. businesses have helped the U.S. Telecommunications Training Institute train more than 3500 telecommunications professionals from the developing world, including many in this room.

In the future, USTTI plans also to help businesspeople, bankers, farmers, and others from the developing world find ways that computer networking, wireless technology, satellites, video links, and other telecommunications technology could improve their effectiveness and efficiency.

I challenge other nations, the development banks, and the UN system to create similar training opportunities.

The head of our Peace Corps, Carol Bellamy, intends to use Peace Corps volunteers both to help deploy telecommunications and computer systems and to find innovative uses for them.

Here in Argentina, a Peace Corps volunteer is doing just that.

To join the GII to the effort to protect and preserve the global environment, our Administration will soon propose using satellite and personal communication technology to create a global network of environmental information.

We will propose using the schools and students of the world to gather and study environmental information on a daily basis and communicate that data to the world through television.

But regulatory reform must accompany this technical assistance and financial aid for it to work. This requires top-level leadership and commitment--commitment to foster investment in telecommunications and commitment to adopt policies that ensure the rapid deployment and widespread use of the information infrastructure.

I opened by quoting Nathaniel Hawthorne, inspired by Samuel Morse's invention of the telegraph.

Morse was also a famous portrait artist in the U.S.-- his portrait of President James Monroe hangs today in the White House. While Morse was working on a portrait of General Lafayette in Washington, his wife, who lived about 500 kilometers away, grew ill and died. But it took seven days for the news to reach him.

In his grief and remorse, he began to wonder if it were possible to erase barriers of time and space, so that no one would be unable to reach a loved one in time of need. Pursuing this thought, he came to discover how to use electricity to convey messages, and so he invented the telegraph and, indirectly, the ITU.

The Global Information Infrastructure offers instant communication to the great human family.

It can provide us the information we need to dramatically improve the quality of their lives. By linking clinics and hospitals together, it will ensure that doctors treating patients have access to the best possible information on diseases and treatments. By providing early warning on natural disasters like volcanic eruptions, tsunamis, or typhoons, it can save the lives of thousands of people.

By linking villages and towns, it can help people organize and work together to solve local and regional problems ranging from improving water supplies to preventing deforestation.

To promote; to protect; to preserve freedom and democracy, we must make telecommunications development an integral part of every nation's development. Each link we create strengthens the bonds of liberty and democracy around the world. By opening markets to stimulate the development of the global information infrastructure, we open lines of communication.

By opening lines of communication, we open minds. This summer, from my country cameras will bring the World Cup Championship to well over one billion people.

To those of you from the 23 visiting countries whose teams are in the Finals, I wish you luck--although I'll be rooting for the home team.

The Global Information Infrastructure carries implications even more important than soccer.

It has brought us images of earthquakes in California, of Boris Yeltsin on a tank in Red Square, of the effects of mortar shells in Sarajevo and Somalia, of the fall of the Berlin Wall. It has brought us images of war and peace, and tragedy and joy, in which we all can share.

There's a Dutch relief worker, Wam Kat, who has been broadcasting an electronic

diary from Zagreb for more than a year and a half on the Internet, sharing his observations of life in Croatia.

After reading Kat's Croatian diary, people around the world began to send money for relief efforts. The result: 25 houses have been rebuilt in a town destroyed by war.

Governments didn't do this. People did. But such events are the hope of the future.

When I began proposing the NII in the U.S., I said that my hope is that the United States, born in revolution, can lead the way to this new, peaceful revolution. However, I believe we will reach our goal faster and with greater certainty if we walk down that path together. As Antonio Machado, Spanish poet, once said, "Pathwalker, there is no path, we create the path as we walk."

Let us build a global community in which the people of neighboring countries view each other not as potential enemies, but as potential partners, as members of the same family in the vast, increasingly interconnected human family.

Let us seize this moment.

Let us work to link the people of the world.

Let us create this new path as we walk it together.