

THE PRESIDENT HAS SEEN

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see reply
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April 7, 1994

Dear President Clinton,

Welcome to Minneapolis! I wasn't able to get a seat at your News Conference Friday night so I won't be able to ask you this in person however, I am very excited about an idea that I have that may be the answer to a lot of our problems. It's very unique so please bear with me - I know it could have great potential!

THESIS: KIDS ARE OUR FUTURE!!

**PROBLEMS: CRIME
VALUES
EDUCATION SYSTEM
DRUGS/ALCOHOL
TEEN PREGNANCY**

REASON: BREAKDOWN OF FAMILY VALUES

CRIME:

- o Not enough personal relationships in kids lives - lose respect for life.
- o Not enough activities/adult role models to keep kids busy in healthy activities - too much TV with bad ideas/crime.
- o Both of these results of parents not being involved enough in kids lives.

VALUES:

- o Pay Structure is out of whack! Professions that mold children are underpaid and undervalued; teachers, social workers, pastors, mothers, fathers.
- o Success in this day is power and money - Families not the media need to show what success is through spending time with children.

EDUCATION SYSTEM:

- o Kids have no respect for authority!
- o Parents show little involvement in schools!
- o Teachers have very little control without parents approval/participation.

DRUGS/ALCOHOL:

- o Kids are bored/no supervision or activities to keep them out of trouble.
- o Looking for companionship through empty means – kids need families!

TEEN PREGNANCY:

- o Lack of education – from schools and families.
- o Kids have too much independence and free time on their hands.

SOLUTION: CREATE A MOTHER/FATHER JOB!!!

Pay (or deduct taxes from) Mothers or Fathers to stay home with their family!

REQUIREMENTS: EDUCATION INVOLVEMENT WITH CHILDREN
 o Academics
 o Extra Curricular Activities
COMMUNITY INVOLVEMENT WITH CHILDREN
BUSINESS INVOLVEMENT WITH CHILDREN

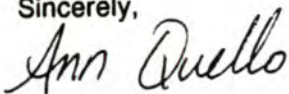
Since children are our country's most important asset and are the key to the success of our country's future – we need to develop them and prepare them just as a successful business does – and what business would be successful without an owner spending time with the company!!

What do you think? In a letter of course, I am not able to lay out all of the details but, I just wanted to run the idea by you. I would love to discuss this further with you and hear your thoughts about the idea. My home phone number is 612-333-7964 and my work number is 612-370-6115. My address is the following:

Ann Quello
111 Marquette Ave. S.
Apt. #403
Minneapolis, MN 55401

I hope your visit goes well in Minneapolis – I am looking forward to seeing you Friday afternoon at the IDS Building. Thank you for your time.

Sincerely,


Ann Quello



Hurt Porter
Carol Porter. R.N.

President Clinton
The White House
Washington D.C.

April 20, 1994

THE PRESIDENT HAS SEEN

4 22 94

*Chasro
Sullivan showed
a call her — with
a volunteer award
B*

Dear Mr. President,

In the event I am unable to share a few moments speaking with you, I have taken the opportunity to write you this note to express not only how humble I feel having won this honor, but also the great opportunity we both have to change the lives of millions of hungry children in American.

Hunger in America is at epidemic proportions. A meals on wheels for children in American communities can help reach the children that the food pantry networks and Kids' Cafe are unable to assist, as well as the children in households receiving food stamps which run out in the second or third week of each month.

In America children are seen eating out of dumpsters. Children are seen begging in the streets like the scenes from the Great Depression.

In 1994, it is not law but economics that condemns the children of the very poor to an inheritance of a diminished destiny. If America continues to fail to make our children the #1 item on our agenda, our inaction will affect the quality of life not only for the children we fail now but also the children of generations to come.

What greater honor could there be than to be remembered as the children's President, a President who challenged America to end hunger among children within this century.

Best Regards,

Carol Doe Porter R.N.

Carol Doe Porter, R.N.

4/22

THE WHITE HOUSE
WASHINGTON

April 21, 1994

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MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT E. RUBIN 

SUBJECT: Draft Announcement of Candidates for the Federal Reserve Board

- I. ACTION-FORCING EVENT: The announcement tomorrow of your two candidates for the Federal Reserve Board of Governors.
- II. BACKGROUND/ANALYSIS: The attached draft announcement has been prepared for your consideration. This announcement, along with a photograph to be taken at tomorrow's 9:45 a.m. meeting (see attached event memo), will be used to inform the media of your decision.
- III. RECOMMENDATION: That you review the attached draft statement and make any adjustments, so that it may be finalized.
- IV. DECISION:

☒ Approve ☐ Approve as amended ☐ Reject ☐ No action

STATEMENT BY PRESIDENT CLINTON ON HIS NOMINATIONS FOR THE TWO VACANCIES ON THE FEDERAL RESERVE BOARD

A stable monetary system is the platform upon which any efforts for economic renewal must be built. My Administration recognized that our first task was to put our fiscal house in order, so that an ever-growing federal budget deficit did not absorb capital and retard economic growth. I believe that we have now put our Nation on the path to sustainable economic growth. The Federal Reserve Board is the critical institution that preserves the stability of our monetary system and the confidence of our markets. The position of Governor of the Federal Reserve Board requires acute sensitivity to the need to strike a careful balance -- to prudently manage the money supply and avoid the excesses of inflation, while ensuring that the men and women in our economy have the opportunity to prosper and fulfill their dreams.

To fill the vital job of Vice Chairman of the Federal Reserve, I am delighted to nominate Dr. Alan Blinder, currently a member of the Council of Economic Advisers. Dr. Blinder is one of the world's most respected macroeconomists. He is an expert on fiscal and monetary policy and productivity, has served as chairman of the economics department at Princeton, authored countless articles and books, including one of the Nation's top textbooks, Economic Principles and Policy, which he co-authored with William Baumol.

Alan has been an integral part of my economic team over the last 15 months. He has always expressed his views to me freely, with intellectual integrity, force and clarity. He is a keen intellect who reached the top of his profession without losing the common touch or ever forgetting the human implications of the often abstract economic decisions we in government must make. He has served as an economic conscience in my Administration, striving to ensure that our policies met the test of rationality and workability for real people.

I am also pleased to announce my intention to nominate Janet Yellen to a full term on the Federal Reserve Board. Dr. Yellen is one of the most prominent economists of her generation on the intersection of macroeconomics and labor markets. She is also an expert in international economics on such issues as the determinants of the balance of trade. She was a clear and unanimous choice of my top economic advisers who found her to be a top-flight intellect, with a pragmatic approach to monetary policy and a judicious temperament.

I am confident that both candidates, if confirmed, will serve this Nation with distinction as Governors of the Federal Reserve Board.

THE WHITE HOUSE

WASHINGTON

April 21, 1994

DATE: April 22, 1994
LOCATION: Oval Office
TIME: 9:45 a.m.
FROM: Robert E. Rubin *gmut*

I. PURPOSE/BACKGROUND

You will meet briefly with the two candidates for the Federal Reserve Board of Governors and have a photograph taken with them.

II. PARTICIPANTS

President
Vice President Gore
Secretary Bentsen
Laura Tyson
Leon Panetta
George Stephanopoulos
Bob Rubin
Alan Blinder
Janet Yellen

III. PRESS PLAN

No press coverage.

IV. SEQUENCE OF EVENTS

The two Federal Reserve Board candidates and your core economic team will enter, you will be introduced to Janet Yellen and have the opportunity to speak briefly with her and Alan Blinder, then the White House photographer will take pictures of you with your two candidates.

The two candidates then will depart, and you will proceed with your Weekly Economic Facts Briefing.

V. REMARKS

None required.

Analysis of Judicial Nominations

	<u>Clinton</u>	<u>Bush</u>	<u>Reagan</u>	<u>Carter</u>
No. of nominations	78	46	60	39
Male	51	42	56	37
Female	27	4	4	2
White	46	44	58	33
Black	22	1	1	6
Hispanic/Other	10	1	1	0
Rated by ABA Well Qualified	62%	52%	53%	57%

Analysis of Judicial Vacancies

	Total <u>Vacancies</u> a/o 3/31/94	1/20/93 <u>Vacancies</u>
Dist. Ct. vacancies	125 (30 since 1/20/93)	95
Ct. of Appeals vacancies	26 (8 since 1/20/93)	18
Sup. Ct. vacancies	<u>1</u> (1 since 1/20/93)	<u>0</u>
	152	113
confirmed	<u>46</u> (41 Dist., 4CA, 1SC)	<u>41</u>
	106	72
nominations	<u>32</u> (24 Dist. 8 CA)	<u>28</u>
pending		
	74 (60 Dist. 14 CA)	44

Notes: All data are as of March 31, 1994 (and the corresponding date in the terms of President Clinton's predecessors). The ABA data reflect all nominations by Presidents Bush, Reagan and Carter, not only nominations through March 31 in the second year of their terms.

The figures under "1/20/93 Vacancies" refer to vacancies in existence when President Clinton took office and the judges appointed and nominated to fill those vacancies.

Date: 04/08/94 Time: 08:44

Clinton Nominating Judges Faster Than Predecessors Did

WASHINGTON (AP) President Clinton is nominating federal judges faster than his three predecessors and more of his nominees are getting the top rating from the American Bar Association.

Deputy Attorney General Jamie Gorelick said Thursday that Clinton has nominated 78 federal judges since taking office. During a comparable period in their terms, President Bush had nominated 46 judges; President Reagan, 60, and President Carter, 39, she said.

She added that 62 percent of Clinton's nominees had been rated "well-qualified," the highest rating, by American Bar Association screening committees, compared with 52 percent for Bush's, 53 percent for Reagan's and 57 percent for Carter's.

"I promised ... the Senate Judiciary Committee that we would give them as many judicial nominees as the committee could give hearings to each month, and we are on track to live up to that commitment," Gorelick said.

The Judiciary Committee, which must confirm all federal judges, has not been alone in raising concerns about vacant judgeships. Complaints have come from judges themselves and bar groups.

One in eight federal judgeships is vacant 107 out of 846, and 63 of those have been unfilled for more than 18 months.

Ten days into her tenure in the Justice Department's No. 2 job, Gorelick filled in for Attorney General Janet Reno at her weekly news conference. Reno was visiting Texas and Oklahoma to generate public support for the crime bill in Congress.

The Clinton administration inherited 113 judicial vacancies, including 95 on district courts and 18 on appellate courts; 39 other vacancies have occurred since Clinton took office, Gorelick said.

"We obviously have quite a few left to nominate," Gorelick said. "But I wanted to make it clear that we have done quite a bit."

Gorelick also disclosed that:

Reno has decided against merging the Office of Professional Responsibility, which investigates misconduct by department officials, with the Office of Inspector General. Questions had been raised in Congress about the proposed merger because OPR is headed by a career official, Michael Shaheen, and the inspector general is nominated by the president.

Gorelick said additional prosecutors had been assigned temporarily to help OPR clear a backlog of cases. A department official, requesting anonymity, said about 30 senior prosecutors working part-time since January had reduced the backlog from 300 cases to well below 100.

The decision lifted a hold in the Senate on the nomination of Michael Bromwich to become inspector general, another department official said. His confirmation is expected soon.

Associate Attorney General Webster Hubbell, who resigned March 14 to clear up billing questions raised by his former law firm in Little Rock, is leaving the department today. William Bryson, a career official, will replace Hubbell on an acting basis as the department's No. 3 official. Gorelick said she is helping Reno search for a permanent replacement.

APNP-04-08-94 0843EDT

Date: 04/07/94 Time: 14:31

Justice Department fills judges' slots

WASHINGTON, April 7 (April 7) UPI - The U.S. Justice Department said Thursday it has filled 69 of the 113 vacant positions for U.S. judgeships the department said had been left open by the Bush administration.

Since President Bill Clinton's Inauguration Day 14 months ago, 39 additional positions in District Court, the Court of Appeals and the Supreme Court have been vacated, giving the Clinton administration a total of 152 positions to fill. Since that time, the Justice Department has sent up 78 nominations, of which the Senate has confirmed 46.

In comparison, during the first 14 months of the Bush administration, 46 nominations were made, while the Reagan administration named 60 judges and the Carter administration 39.

"The Bush administration stopped processing nominees" during its last year "and left a surprising number of vacancies" for Justice to fill, said Deputy Attorney General Jamie Gorelick at the department's regular weekly news conference.

"We have indeed processed a lot of nominations in a short period of time," Gorelick said, adding that Justice "will keep the pipeline full" as it pushes to fill the remaining 74 spots still lacking for nominees.

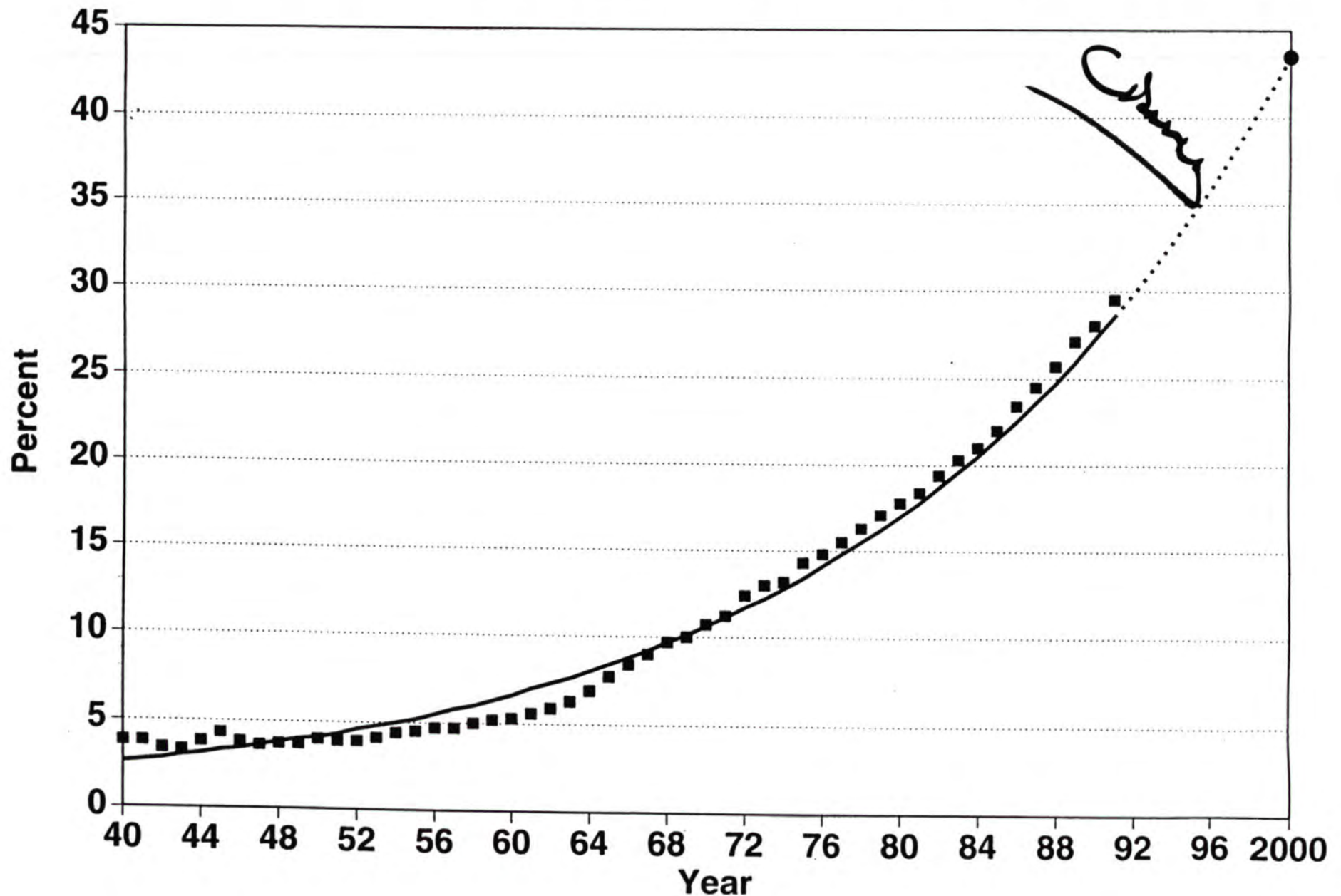
Of those, 60 positions are open for District Court judges and 14 vacancies exist in the federal Court of Appeals. Supreme Court Justice Ruth Bader Ginsberg succeeded Justice Byron White, who retired.

Justice Harry Blackmun's retirement, announced Wednesday, creates another vacancy at the high court. Blackmun said he plans to step down when the court's current term ends this summer.

To date, the Clinton administration has nominated 51 male and 27 female judges. During the same period the Bush administration had approved 42 men and four women; Reagan, 56 men and four women; and Carter 37 men and two women.

Clinton has appointed 46 white judges, 22 black and 10 judges categorized as Hispanic or other. Bush named 44 white judges, one black and one Hispanic; Reagan nominated 58 white, one black and one Hispanic; and Carter, 33 white, six black and no Hispanics, the department said.

**Figure 1. Exponential Regression:
Births to Unmarried Women (All Races) 1940-1991**



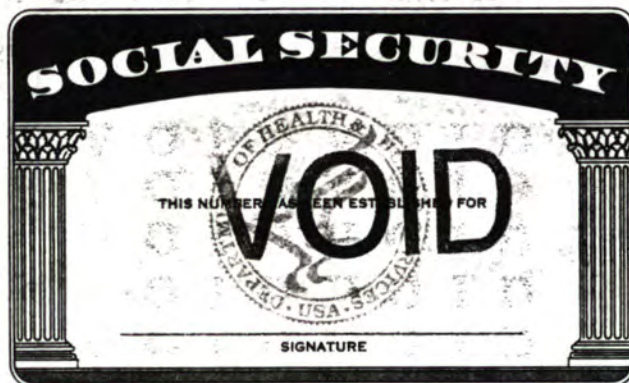
Mass
re: Morgan
Re: Mr. Pitts
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THE PRESIDENT HAS SEEN

4-21-94

YOUR SOCIAL SECURITY CARD

Detach the card below and sign it in ink immediately.
Do not laminate your card.
Carry it in your purse or wallet.



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Medicare.

Do not laminate this card.

This card is invalid if not signed by the number holder unless health or age prevents signature.

Improper use of this card and/or number by the number holder or any other person is punishable by fine, imprisonment or both.

This card is the property of the Social Security Administration and must be returned upon request. If found, return to:

SSA-ATTN: FOUND SSN CARD

P.O. Box 17087 Baltimore, MD 21235

Contact your local Social Security office for any other matter regarding this card.

Department of Health and Human Services
Social Security Administration
Form OA-702 (12-93)

C78836534

Your Social Security Card

The Social Security number shown on your card is yours alone. Record your number elsewhere for safekeeping.

If you lose your card or change your name, you will need to file a new application and submit evidence of identity to obtain a replacement or corrected card. You may also have to submit evidence of U.S. citizenship or legal alien status. Contact any Social Security office immediately to find out what you need to do to obtain a replacement or corrected card with the same number.

Show your card to your employer when you start a new job and make sure your employer copies the number and name correctly so that your earnings will be recorded correctly.

Some private organizations use Social Security numbers for recordkeeping purposes. Such use is neither required nor prohibited by Federal law. The use of a person's Social Security number by such an organization for its own records is purely a private matter between the organization and the person. Knowing your number does not allow these organizations to get information from your Social Security records.

Any Federal, State, or local government agency that asks for your number must tell you whether giving it is mandatory or voluntary, tell you its authority for requesting the number, and tell you how the number will be used.

If you are an alien legally in the U. S. but you do not have permission to work in this country, your Social Security card will be marked "NOT VALID FOR EMPLOYMENT". U. S. immigration officials will be notified if the number is used for unauthorized employment.

Contact any Social Security office immediately if you:

- are unable to work because of a severe disability expected to last a year or more.
- are 62 or older—to ask about possible retirement benefits.
- are within 3 months of age 65, even if you don't plan to retire—to sign up for Medicare.

SOCIAL SECURITY ADMINISTRATION

Personal Earnings and Benefit Estimate Statement

Senator Daniel P. Moynihan
464 SROB
Washington, D.C. 20510

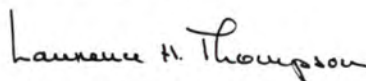
At Social Security, we are committed to providing you with quality public service that meets your needs. That is why I am pleased to send you this Personal Earnings and Benefit Estimate Statement. I hope this statement helps you understand your Social Security program and plan for a secure future.

Inside, we have displayed your Social Security earnings record and, based on the information you have provided us, estimates of the benefits for which you and your family might qualify now and in the future. On the back of this statement you will find more facts about how the Social Security program works.

I encourage you to use the information we have provided to plan for your financial, health, housing and other needs when you retire. It is important that you keep in mind that Social Security is not designed to meet all your financial needs in your retirement years. You will likely need other sources of income, such as savings or a pension, that will provide you and your family the financial security you have worked so hard to achieve. To help you plan, you may want to contact your employer or your local Area Agency on Aging.

As you plan for your own future, I know that you are also interested in the future of Social Security. I want to assure you that Social Security is built on a sound financial foundation. Social Security benefits will be there when you need them.

It has been a pleasure to serve you and we look forward to serving you in the years ahead.



LAWRENCE H. THOMPSON
Acting Commissioner of Social Security

FACTS, CREDITS, AND EARNINGS

THE FACTS YOU GAVE US

Your Name DANIEL PATRICK MOYNIHAN
Your Social Security Number 075-20-3776
Your Date of Birth March 16, 1927
1992 Earnings \$55,500
1993 Earnings Over \$57,600
Your Estimated Future Average Yearly Earnings ..Over \$57,600
The Age You Plan To Retire 66 and 10 months
Other Social Security Numbers You've Used None

We used these facts and the information already on our records to prepare this statement for you.

When we estimated your benefits, we included your 1993 and 1994 earnings and any future earnings you told us about. If you did not estimate your future earnings, we did not project any future earnings for you.

YOUR SOCIAL SECURITY CREDITS

To qualify for Social Security benefits and Medicare, you need credit for a certain amount of work covered by Social Security. The number of credits you need will vary with the type of benefit. Under current law, you do not need more than 40 credits to qualify for any benefit or for Medicare.

Our review of your earnings, including any 1992 and 1993 earnings you told us about, shows that you now have at least 40 credits.

YOUR SOCIAL SECURITY EARNINGS

The chart on the next page shows the earnings on your Social Security record. It also estimates the amount of Social Security taxes you paid each year to finance benefits under Social Security and Medicare. If you have government earnings that help you qualify for Medicare, those earnings also are included on the chart under the heading "Medicare—Your Taxed Earnings."

We show earnings only up to the maximum yearly amount taxable for Social Security. These maximum amounts are shown on the chart. The chart may not include some or all of your earnings from last year because they may not have been added to your record yet.

YOUR EARNINGS RECORD

YEARS	SOCIAL SECURITY			MEDICARE	
	Maximum Taxable Earnings	Your Taxed Earnings ¹	Estimated Taxes You Paid	Your Taxed Earnings ²	Estimated Taxes You Paid
1937-50	\$3,000	\$ 1,615	\$ 16		
1951	3,600	0	0		
1952	3,600	0	0		
1953	3,600	0	0		
1954	3,600	3,600	72		
1955	4,200	0	0		
1956	4,200	4,200	84		
1957	4,200	4,200	94		
1958	4,200	4,200	94		
1959	4,800	4,800	120		
1960	4,800	4,800	144		
1961	4,800	4,800	144		
1962	4,800	2,987	93		
1963	4,800	0	0		
1964	4,800	0	0		
1965	4,800	4,800	174		
1966	6,600	6,600	254	\$ 6,600	\$ 23
1967	6,600	6,600	257	6,600	33
1968	7,800	7,800	296	7,800	47
1969	7,800	1,379	58	1,379	8
1970	7,800	7,454	313	7,454	45
1971	7,800	7,800	359	7,800	47
1972	9,000	9,000	414	9,000	54
1973	10,800	10,800	524	10,800	108
1974	13,200	11,190	554	11,190	101
1975	14,100	14,100	698	14,100	127
1976	15,300	15,300	757	15,300	138
1977	16,500	16,500	816	16,500	148
1978	17,700	17,700	894	17,700	177
1979	22,900	22,900	1,163	22,900	240
1980	25,900	25,900	1,316	25,900	272
1981	29,700	25,804	1,381	25,804	335
1982	32,400	32,400	1,750	32,400	421
1983	35,700	35,700	1,928	35,700	464
1984	37,800	37,800	2,042	37,800	491
1985	39,600	39,600	2,257	39,600	535
1986	42,000	42,000	2,394	42,000	609
1987	43,800	43,800	2,497	43,800	635
1988	45,000	45,000	2,727	45,000	652
1989	48,000	48,000	2,909	48,000	696
1990	51,300	51,300	3,181	51,300	744
1991	53,400	53,400	3,311	105,192	1,525
1992	55,500	55,500	3,441	129,500	1,878
1993	57,600	57,600	3,571	Not Yet Posted	

¹ We did not estimate taxes on any railroad earnings before 1973 (see page 6).

² Earnings were taxed for Medicare beginning in 1966. From 1983 on, these earnings include Medicare-Qualified Government Earnings (see page 7). In 1991, the maximum yearly earnings taxed for Medicare were \$125,000. For 1992, the amount was \$130,200. For 1993, the amount is \$135,000.

ESTIMATED BENEFITS

Retirement

You must have 38 Social Security credits to qualify for retirement benefits. This is the same number of credits you need to qualify for Medicare at age 65. Assuming that you meet all the requirements, here are estimates of your retirement benefits based on your past and any projected earnings. The estimates are in today's dollars, but adjusted to account for average wage growth in the national economy.

The earliest age at which you could have received an unreduced retirement benefit is 65 years of age. We call this your full retirement age. If you retire in January 1994 (at age 66 and 10 months), your monthly benefit would be \$1,259

If you wait until you are 70 to receive benefits, your monthly benefit in today's dollars will be about \$1,470

Survivors

If you have a family, you must have 38 Social Security credits for certain family members to receive benefits if you were to die this year. They may also qualify if you earn 6 credits in the 3 years before your death.

Here is an estimate of the benefits your family could receive if you had enough credits to be insured, they qualified for benefits, and you died this year:

Your child could receive a monthly benefit of about \$ 880

If your child and your surviving spouse who is caring for your child both qualify, they could each receive a monthly benefit of about \$ 880

When your surviving spouse reaches full retirement age, he or she could receive a monthly benefit of about \$1,259

If more family members qualify for benefits (other children, for example), the total amount that we could pay your family each month is about \$2,055

We may also be able to pay your surviving spouse or children a one-time death benefit of \$ 255

Disability

Since you are over age 65, you are no longer eligible for disability benefits.

IF YOUR RECORDS DO NOT AGREE WITH OURS

Please look at the record of your earnings carefully. If your records do not agree with ours, please report this to us right away by calling the 800 number shown below. We can usually help you by phone. When you call, have this statement available along with any W-2 forms, paystips, tax returns or any other proof of your earnings.

IF YOU HAVE ANY QUESTIONS

If you have any other questions about this statement, please read the information on the back of this form. If you worked for a railroad, see page 6. If you expect to get a pension based on work not covered by Social Security, see page 9. If you still have any questions, please call 1-800-SSA-1213.*

* Social Security considers all calls confidential. We also want to ensure that you get accurate and courteous service. That is why we may have a second Social Security representative listen to some calls.

ABOUT YOUR EARNINGS AND BENEFIT ESTIMATE STATEMENT

YOUR EARNINGS RECORD

YOUR EARNINGS RECORD

We keep a lifetime record of the earnings reported under your name and Social Security number. Most wages have been covered under Social Security since 1937 and most self-employment income since 1951.

When you apply for Social Security benefits, we check your earnings record to see if you have enough credits to qualify. Then we use your earnings to decide the amount of your monthly benefit.

MAXIMUM EARNINGS

The maximum amounts of yearly earnings covered by Social Security and by Medicare are set by law. You and each of your employers only pay Social Security and Medicare taxes on earnings up to these maximums. If you pay taxes on more than the yearly maximums, you can ask the Internal Revenue Service (IRS) for a refund. You must be within the time limit, usually your last 3 tax years. (If you have any questions about your refund, please contact a local IRS office.)

MILITARY AND RAILROAD SERVICE

On this statement, we show basic military pay you earned from active duty or active duty for training since 1957 and for inactive duty for training since 1988. You also may qualify for free earnings credits for military service after September 15, 1940. We do not include these free credits on this statement. We will decide if you qualify for them when you apply for benefits.

If you worked in the railroad industry and you have less than 10 years service, your railroad earnings are included on page 3. We considered these earnings when we counted your credits and estimated your benefits. (If you have 10 years or more railroad service, we have *not* included or used those earnings. You should contact a Railroad Retirement Board office for information about railroad pension benefits or the railroad taxes you have paid.)

YOUR SOCIAL SECURITY TAXES

Currently, you and your employer each pay Social Security taxes of 6.2 percent on your first \$57,600 of covered wages. You each also pay Medicare taxes of 1.45 percent on the first \$135,000 of covered wages. If you are self-employed, your Social Security tax is 12.4 percent and your Medicare tax is 2.9 percent.

The earnings chart shows how much tax you paid to finance Social Security benefits and how much you paid to finance Medicare hospital insurance. If you had earnings from employment and self-employment in the same year, we show estimated taxes as if all your earnings were from employment. If you had Social Security covered earnings and Medicare-qualified government earnings in the same year, we show the combined Medicare taxes you paid.

YOUR SOCIAL SECURITY CREDITS

HOW YOU EARN SOCIAL SECURITY CREDITS

To earn credits (previously called "quarters of coverage"), your earnings from work or self-employment must be covered under Social Security. The amount of money you need to earn credits changes each year. In 1993, you earn 1 credit for each \$590 of your covered earnings, up to the maximum of 4 credits for the year. Under certain conditions, we also may use credits you earned under a foreign social security system to help you qualify for benefits.

If you stop working under Social Security, the credits you earned will stay on your record. You can add to them if you later return to covered work. The number of credits you need to qualify for benefits depends on your date of birth or your age when you become disabled or die. We use credits to find out if you qualify for benefits. But we do not use them to figure the amount of your benefit—that's based on the amount of your average covered earnings.

CREDITS FOR MEDICARE- QUALIFIED GOVERNMENT EARNINGS

For those not covered by Social Security, Medicare coverage was extended to Federal Government employees starting in 1983 and newly-hired State and local government employees starting in 1986.

These types of government earnings will help you earn credits to qualify for Medicare hospital insurance but do not help you earn credits to qualify for Social Security benefits.

ESTIMATED BENEFITS

ESTIMATED RETIREMENT BENEFITS

The estimates on this statement are based on your earnings record and any information you gave us. We used current dollar values for these estimates.*

If you qualify, you can start getting reduced retirement benefits as early as age 62. People retiring now get full retirement benefits at age 65. However, starting in 2000, for people born in 1938 or later, this full retirement age will be increased in bi-monthly steps until 2027 when it reaches age 67 for people born after 1959.

Social Security retirement benefits will replace part of your covered preretirement earnings. The replacement rate varies from about 60 percent of preretirement earnings for workers who have always earned the minimum wage to about 26 percent for workers who have always earned the maximum covered by Social Security.

IF YOU CONTINUE TO WORK

There is a limit on how much most people who get Social Security benefits can earn from work without losing some or all of their benefits. If you are under age 70 and you work while you get benefits, your earnings may affect your own payments and those of family members paid on your record. If family members work, their earnings affect only their own benefits.

You may still qualify for some benefits even if you keep working. Check with us for current earnings limits. **Different earnings rules apply to people who get disability benefits.**

BENEFITS FOR YOUR FAMILY

As you work you also build up protection for your family. On the next page, we discuss the kinds of benefits for which your family members might qualify. Keep in mind that there is a maximum monthly amount that we can pay for your family. This amount depends on the amount of your benefit and the number of family members who qualify.

*If you got a statement like this before September 1993, we added 1 percent to your payment estimate for each year up to age 62. We stopped doing this to make your estimate more consistent with methods used in other pension planning programs.

Benefits for Spouses

If you retire or become disabled, your spouse or former spouse may qualify for benefits. We pay benefits as early as age 62, or at any age if your spouse is caring for your child. The child must be under 16 or disabled and get benefits on your record. Your spouse's benefits will be one-half or less of your "full retirement age" monthly benefit.

We also pay benefits to widows and widowers. Benefits are paid at age 60, at age 50 if disabled, or at any age if the widow or widower is caring for your child. The child must be under 16 or disabled and get benefits on your record.

Your spouse's or surviving spouse's benefit can be affected by his or her age, how many family members get benefits on your record and his or her work history. The benefit is permanently reduced if he or she retires before full retirement age and is not caring for a child who gets benefits on your record.

If your spouse works in a job covered by Social Security, he or she may qualify for benefits on his or her own work. Call us and ask how to get a Personal Earnings and Benefit Estimate Statement for your spouse. When both of you have a statement, we can help estimate your spouse's future benefit.

Benefits for Children

Your unmarried children who are under age 18 (under 19 if in high school) or any age if disabled before age 22 also may qualify for benefits.

NONCOVERED PENSIONS AND SOCIAL SECURITY BENEFITS

If you qualify for a pension based on work not covered by Social Security, **your Social Security benefits may be lower than shown on this statement.** These pensions include ones from Federal, State or local governments, nonprofit organizations, or foreign entities. If your spouse qualifies for a government pension, his or her benefits may be lower than the amounts shown on this statement. For free fact sheets, "A Pension From Work Not Covered by Social Security," and "Government Pension Offset," call the 800 number shown on this statement. These fact sheets give more information.

MEDICARE

Medicare hospital and medical insurance help to protect you from the high costs of medical care. Hospital insurance helps pay the cost of inpatient hospital care and certain kinds of followup care. Medical insurance helps pay the costs of physicians' services.

You may qualify for Medicare hospital insurance at age 65 (even if you're still working) or before age 65 if you are disabled or have permanent kidney failure. Almost anyone who is 65 or older or qualifies for Medicare hospital insurance can enroll for medical insurance, although you must pay a monthly premium for it.

OTHER IMPORTANT FACTS

**ABOUT
SOCIAL
SECURITY
BENEFITS**

Your earnings, not the taxes you paid, are the basis for your benefits. When you apply for benefits, we will adjust your past earnings to reflect their current dollar value. Then we average your adjusted earnings from the time you started work. We will use that average to figure your benefit amount.

You also may qualify for a higher benefit if you don't retire until after your retirement age.

A REMINDER

This statement is not a decision on a claim for Social Security benefits. You do not qualify for any of these benefits unless you apply for them, have all the Social Security credits you need, and meet all other requirements. The actual number of Social Security credits and the benefit estimates shown on this statement may change. We will figure the exact number of credits you have and the exact amount of your Social Security benefits, if any, when you apply.

If any of the information you gave us is wrong, the Social Security credits we show and the benefits we estimated in this statement also may be wrong. We base your benefit estimates in part on your future average yearly earnings. How accurately you predict your earnings will affect the accuracy of your benefit estimates. ☐

THE WHITE HOUSE
WASHINGTON

April 21, 1993

Dear Mr. Chairman:

Thank you for your letter of April 10, 1993. I appreciate your support for the concept of a health security card. I have passed on your ideas about combining the Social Security and health care cards to my Task Force on National Health Care Reform. We will continue to talk with you as we progress in our deliberations.

I share your concern about the need to bolster public confidence in the Social Security system. This Administration is fully committed to implementing the legislation requiring mailings of Personal Earnings and Benefit Estimate Statements which you championed so effectively. A planning effort is in place to send citizens statements that include information on their contributions and expected benefits. We will begin to mail these statements to selected populations during FY 1995 in accordance with the law. I am certain that Secretary Shalala would be pleased to talk with you about her specific plans in this area.

The selection of a nominee for Commissioner of Social Security is a high priority, and our search must be thorough and rapid. The Secretary and I agree that the Social Security Commissioner needs to be a person who will provide leadership, vision, and commitment. Social Security is a compact among the generations, and we must see to it that it is honored.

With best wishes,

Sincerely,

B. Clinton

The Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

*An annual
statement to
Social Security.
This is a great idea.*

M. President
Advice from Lader
Smith. on Whitewater

Lader

2/8

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Lader 4-18
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POTUS would
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SMITH WORLDWIDE

Strategic Communications

March 16, 1994

PERSONAL AND ~~CONFIDENTIAL~~

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

THE PRESIDENT HAS SEEN
9/15/99

Dear Mr. President:

Further to your comment to me at Renaissance to share ideas with you from time to time, permit me to be presumptuous enough to lay out some thinking on Whitewater.

Herewith some unsolicited observations and suggestions on a subject you are no doubt exasperated about and tired of considering. They are based upon the assumption that the most venal act involved was lack of attention to detail.

You are behind the curve. You need to get ahead of the curve.

No doubt from your vantage point, and that of your staff, you clearly have been more forthcoming and cooperative than any President in history. The problem is that your message isn't getting through. Daily discussions at unrelated events distract from your agenda, but they also give the impression that you are not in control of events.

The optics are awful. It is not the facts that are killing you. It's the perceptions. Thus, let's change the perceptions, so the facts will get through. To do this requires a major, underscore major, move on your part to get ahead of the curve. Here's how:

1. Let go, or put on leave of absence, every single staff person at any level anywhere in government who has in any way been touched by the situation—no exceptions. Is such a move fair? Certainly not, but the alternative is a daily reminder to all parties on the outside that something or someone is being shielded. You make the announcement. Not from the Oval Office. Not from the press room. Somewhere with less symbolism. It puts you in control of the process.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: DB DATE: 5/15/98

Page Two

2. Every day hold a public meeting with the press, with Republicans, with Democrats, in which you answer every question exhaustively (like the press conference last week). Do it every day without fail. At first it will be big news. But the details are so mind-numbingly boring that the process, with daily repetition, will quickly drive the whole affair from the front pages. Invite the Republicans to come. Invite them to ask any question. It will rapidly become apparent that the whole thing is a red herring, at least as far as you and the First Lady are concerned. Do it everyday. That way when you're trying to get across your jobs message, or your health care message, or trying to appear with a foreign leader, your messages will be less likely to be diluted. It puts you in control of the process.

3. Release every document anybody can lay their hands on—all at the same time. Tell the lawyers to stop being lawyers and start being hard-boiled politicians and PR-types. You can win the "trial" and lose the Administration to public opinion. Releasing every document kills the widespread perception that things are being hidden. Are there impediments to doing this? Sure, lots. But it is too important to let this death of a thousand cuts to go on every day. It puts you in control of the process.

Mr. President, these are outrageously bold steps. Some will say they are too bold. Candidly, you are losing critical mass. Since there is no wrongdoing, the risk is not taking bold steps to get control of events.

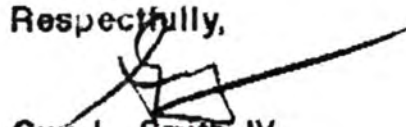
The continued effectiveness of your Presidency requires that you take control of the process. Such moves will be vigorously opposed by some of your team. When all the facts are out, then bring back the "innocent victims." But right now you have to play serious hardball to keep your Administration in a position to effectively govern.

It's not the facts. It's the perception.

Mr. President, the foregoing is an outline. But it is doable. It puts you squarely ahead of the curve.

If you would like more detail or anything else, obviously I am at your service.

Respectfully,



Guy L. Smith IV

FAX MESSAGE

from

SMITH WORLDWIDE INC.
Strategic Communications
171 Madison Avenue
New York, New York 10016
Tel: 212-779-2336
Fax: 212-779-2615

TO: Phil Lader

FROM: Guy L. Smith

MESSAGE:

Phil:

Further to our conversation yesterday, herewith the thoughts in writing. I would be indebted if you would lay them before the President. Call me if I can help.

All the best,



3

Pages, including this one.

Breakthrough Drug Pricing and Biotechnology Investment

It is true that biotech firms are finding it harder to attract the investors they need. But concern about possible drug pricing schemes in health reform is only one of many factors affecting largely perception-driven investment. An explosion of firms in 1991 and 1992, coupled with the recent downturn in the stock market has resulted in too many companies competing for too little capital. There are about 1,300 biotech companies, of which roughly 250 are public.

To succeed, health reform must control drug prices. The Administration has already accommodated most drug industry concerns, and has remained willing to negotiate further. Currently, however, the administration's proposal for a "breakthrough drug advisory council" focuses attention on "breakthrough" drugs -- the heart of many biotech firms. Since breakthrough drugs, by definition, provide a significant, new public health benefit, a good argument could be made that the focus of attention on drug pricing should be elsewhere. A better approach might be to establish the cost-effectiveness of drugs, and thus institute a new axis for competition -- among drugs and between drug and other therapeutic interventions.

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THE PRESIDENT HAS SEEN

4.21.94

THE VICE PRESIDENT
WASHINGTON

20 April 1994

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President

SUBJECT: Drug Export and Breakthrough Drug Pricing

The Export of Unapproved Drugs

Foreign sales of drugs manufactured in the U.S., but not approved for use in the U.S., is governed by the "Drug Export Amendments Act of 1986." Under this act, unapproved new drugs may be exported to 21 countries (attached) listed in the statute, if certain health and safety conditions are met. An exception is made for drugs to treat tropical diseases. Other, more flexible laws, govern the export of medical devices and antibiotics. Prior to the export act, the export of unapproved drugs was illegal.

The law balanced two important, competing sets of interests. There was a strong interest in creating export markets -- keeping jobs, technology, and taxes in the U.S. -- and this could be achieved by allowing U.S. companies to market products that rely on the importing nation's own approval system. This was matched against an equal interest in maintaining appropriate safety and efficacy standards -- avoiding the dumping of drugs on Third World countries, the cheapening of the "Made in U.S.A." label, and the risk of more thalidomide-type incidents -- and this was achieved by limiting exports to 21 countries with credible regulatory systems and requiring sponsors to actively seek U.S. product approval, which requires the completion of safety studies.

Since 1986, efforts have been directed toward eliminating the gaps between U.S. and foreign approval. FDA has improved U.S. review times -- breakthrough AIDS and cancer drugs are now routinely reviewed in six months or less. Also, some foreign countries are adopting more rigorous safety and efficacy testing. FDA also recently announced an historic agreement with Russia where FDA will, in effect, serve as the Russian drug approval agency for U.S. companies. Ultimately, to assist all countries in their decisions, FDA could build on the export law and Russian experience, by using the information highway to provide the world reliable and up-to-the-minute information on drug safety, efficacy, and marketplace performance.

Countries to which a drug may be exported.

Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany
Iceland
Ireland
Italy
Japan
Luxembourg
The Netherlands
New Zealand
Norway
Portugal
Spain
Sweden
Switzerland
The United Kingdom

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THE PRESIDENT HAS SEEN
4-21-94

Whitewater gets weird

National media paint Little Rock as a city of thugs

◆ ANALYSIS ◆

BY JOHN BRUMMETT
Democrat-Gazette Staff Writer

The national media lit into Little Rock last week. The portrayal that emerged from a selective reading was of a city dominated by thugs and sinister conspiracies. By week's end, one would not have been surprised to read something like this:

Elvis' real name is Elvis Aron Blythe. He lives secretly in Little Rock. He hangs out on a grassy knoll. He chubs out-of-state reporters and sets fires. Three weeks ago he seeded the clouds to create a rainstorm that caused the fatal plane crash of Herschel Friday. He was protecting the powerful and sinister Little Rock cabal made up of the Rose Law Firm, Worthen National Bank, Stephens Inc. and the governor's office. This cabal supports and protects Elvis and his half

brother, Bill Clinton.

All this is part of a Little Rock-based plot to overthrow the country. Years ago this cabal dispatched Elvis to introduce rock 'n' roll and pelvic thrusts to the American public and destroy the moral fiber of the youth, the point of which was to prepare the baby boom generation to accept Elvis' slick, philandering half brother as its leader.

The purpose of the plot was to seize control of the one industry that had long evaded the dominance of lawyers, bankers, politicians and investors — doctoring.

We're not sure how Hillary Rodham of suburban Chicago fits into all this, but this writer is working under the influence of a concussion after being mysteriously cold-cocked outside the Legacy Hotel by a masked man who said, "You're in a red zone. Wooo pig soocie."

The preceding is a joke. Every word of it is made up. It is necessary to make that clear because the preceding is an only slightly hyperbolic spoof of the things that were said and written last week about Little Rock and Arkansas in the illegitimate, quasi-legitimate, purely legitimate and highly respected media.

The New York Post, a quasi-legitimate Rupert Murdoch tabloid, published an editorial Thursday titled "Whitewater violence." The editorialist wrote, "We are not big on conspiracy theories." Then the writer went on to suggest a conspiratorial pattern of violence in and around Little Rock by people protecting the president and the business-political establishment of the city against the insurgent, intrepid

See WEIRD, Page 24A

Weird

• Continued from Page 1A

Investigations of brave journalists.

"The editorial likened Arkansas to 'a banana republic and two-bit police state.'"

The day before, *The Wall Street Journal*, legitimate and respected except by those who find its editorial page sophomoric, published an editorial telling the story of a national reporter who might have been knocked out in Little Rock. It brought up allegations by a former Miss Arkansas. It concluded that Arkansas is "a congenitally violent place," a charge that made Arkansans so mad they wanted to kick *The Wall Street Journal's* behind.

The Wall Street Journal is based in New York City, where violence has been known to occur.

It might be instructive at this point to quote a headline appearing in a recent issue of *The Washington Monthly*: "Is the Journal's editorial page shell-shocked or has it simply lost its mind?"

All of the aforementioned was repeated and hammered two days running by the inimitable Rush Limbaugh. It was brought up Friday morning by Paula Zahn on the CBS Morning News.

It's all based on a series of curiosities, incidents and tragedies, an examination of which follows:

• On the evening of Feb. 14, St. Valentine's Day, a writer from New York City named L.J. Davis, who was working on a piece for the highly respected *The New Republic* about the economic and political culture of Little Rock, woke up face down in the foyer of his room at the Legacy Hotel. He had a knot on his head and no clue what had happened to him. None of his money was missing.

He got the heck out of town. Back in New York, his doctor told him the knot by his ear was not inconsistent with a blow from a small, blunt object.

Davis wrote a 8,000-word piece for *The New Republic* that appeared last week. He says he composed the article while suffering the effects of a concussion. Many Arkansans reading his article can believe it. There were references to "Arkia Petroleum" and "Ray Bradbury," the latter apparently Curt Bradbury, chairman of Worthen Bank.

Establishment sources in Little Rock say they have found more than 20 factual errors. For example, Davis writes that Clinton obliged the "financial plutocracy" of Little Rock, mainly Stephens-Rose-Worthen, with a stroke of a pen by approving a constitutional amendment to raise the interest-rate ceiling.

Actually, the amendment was ratified by a vote of the people, requiring no gubernatorial signature, while Frank White was governor. The head of the Arkansas Bankers Association, advocating the amendment, was Bill Bowen, who at the time was a rival of Stephens and Worthen as chairman of First Commercial Bank.

Essentially, Davis' article determined that the Stephens empire dominates Little Rock in business and politics; that the Rose firm is tied to Stephens for its sustenance; that Clinton, as governor, obliged the Stephenses when he could, although he, according to the article, created the Arkansas Development Finance Authority to serve the interests of Dan Lesater in a competing investment banking enterprise.

It is possible that if indeed someone hit Davis in the head, the assailant was someone with a low tolerance for writers who belabor the obvious.

"I would call him eccentric," Derrick Rose, a Finance Authority official who spent considerable time with Davis, said. "He didn't want to stay at the Capitol Hotel because he thought the Stephenses had the phones bugged."

Davis said a highly placed government official had warned him ahead of time to get in and out of Little Rock quickly because he was "entering a red zone."

Davis told the *Democrat-Gazette* last week that the last thing he remembers is unlocking Room 302 at the Legacy about 8:30 p.m. Feb. 14 to dress for dinner. He woke up four hours later inside the room, in the foyer, face down on the carpet, pointed toward the door. His head hurt and his arm was sprained.

He said he didn't call the police or the hotel management because he hadn't a clue whom to trust in the red zone.

He had previously been quoted as saying parts of four pages of his notebook had been torn out, but he said last week that it was possible he had torn the pages himself. Nothing substantive was missing, he said. He said he later discovered that a 1985 prospectus for Worthen Bank was missing from his files. Was he saying someone took it after knocking him out? "I'm saying it was missing, sir," he said.

Furthermore, Davis said that after he had transmitted by modem a third of his article to the offices of *The New Republic*, he received a mysterious phone call at his Manhattan home, where he was working. The caller, who had a "rich baritone," praised his work and said that Davis would make Lawrence Walsh, the Iran-Contra special prosecutor, look like a rank amateur. The caller also said, "Seems to me you've gotten your bell rung too many



times."

Davis said only three people were supposed to have seen his article because he had a hot exclusive, or so he believed. He suspects the caller had already read his computer transmission, though nothing the caller said indicated any specific knowledge. Davis offered no theory on how someone in the Little Rock financial plutocracy could intercept a telephone transmission from Manhattan to Washington, D.C.

• Late one night in September, Jerry L. Parks, who owned a security guard company that had secured the Gazette Building while it was Clinton's campaign headquarters, was shot dead in west Little Rock.

His demise has been a hot topic on late-night call-in radio shows and in London tabloids. He has been described as a "member of Clinton's security detail," though his company merely secured the entrances to the Gazette Building and Parks had no personal access to Clinton.

Parks' son has been quoted as saying his late father had kept a file on Clinton's sexual indiscretions and that his father's home in rural Pulaski County was burglarized shortly before his murder. A check of records at the Pulaski County sheriff's department shows no police report on a burglary. It does show a report in November 1991 in which Parks reported that a teen-aged-sounding

male voice threatened over the telephone to kill his son, who at the time was out of state at Teen Challenge.

• There was a brief fire about a month ago on the 14th floor of the Worthen National Bank building.

The aforementioned L.J. Davis closed his opus in *The New Republic* with this remarkable innuendo: "Oh, and one last thing: When Whitewater special prosecutor Robert Fiske — who once defended Clark Clifford, the famed friend of Jack Stephens' old client, BCCI — arrived in Little Rock, something strange happened. Worthen Bank had a fire. Is this a great country, or what?"

It is a great country that has freedom of the press, even for that kind of thing.

The fire was not in the bank's own offices, but in the bank's building. It occurred in the offices of the Peat Marwick accounting firm on the 14th floor. Peat Marwick had conducted some audits relevant to the Madison Guaranty Savings & Loan Association.

Fire investigators determined that the fire started in a space heater, which ignited fax paper. No documents were destroyed, company officials insist.

• Herschel Friday, leader of a prominent law firm in town, died "mysteriously" in a plane crash, or so *The New York Post* has stated and Rush Limbaugh has repeated.

Friday was flying alone in his own plane, trying to land in bad weather. It is commonly accepted in Little Rock that there is nothing more to it.

• Sally Miller Perdue, a former Miss Arkansas who once called a news conference to deny widely unheard rumors that she was a lesbian (rumors she subsequently endeavored to dispel by alleging she'd had an affair with Bill Clinton), said she'd found a shotgun shell in her vehicle, and that once her back window had been shattered. She said she had received threatening phone calls.

The Wall Street Journal embraced her story in its editorial last week, including her specific charge that a man named Ron Tucker offered her a federal job for her silence. Tucker's response: "Sally Perdue is a flake."

But she is not a lesbian.

★ ★ ★

Some of those matters aren't funny, and none of them is funny to certain civic leaders.

Bill Bowen last week declared the article in *The New Republic* "the worst thing I've ever read." He declared the editorial in *The Wall Street Journal* "absurd." The editorial in *The New York Post*, which he was in the process of reading, elicited what appeared to be mumbled profanity. He said it might be time to shoot all the newspaper editors, which surely was a sarcas-

tic reference to the charge of congenital violence.

Bowen is concerned enough to call a meeting. He plans to assemble Drake Keith of the Greater Little Rock Chamber of Commerce, Ron Russell of the Arkansas State Chamber of Commerce, Bill Cravens of Fifty for the Future, Jim Pledger of the state Finance and Administration Department and maybe Dr. Rex Horne, pastor of Immanuel Baptist Church, to talk about what kind of defense tactic or counteroffensive can be undertaken.

What concerns him most is that Arkansas will be shell-shocked by all the scrutiny and criticism and therefore not try to take advantage of its opportunities. He wants the National Advisory Board of First Commercial Bank to endorse the opening of a Washington office of state government to chase federal money, primarily for research at colleges and universities.

He said the University of Michigan at Ann Arbor gets 10 times the federal grants for research that are bestowed on all the colleges and universities in Arkansas put together. He said that 34 states have such offices in Washington; actually, Bill Clinton opened one in his ill-fated first term and was so heavily criticized that Frank White closed it.

"We can get moving or we can be Bubbas," Bowen said.

Or a two-bit banana republic.

In this becalmed moment before the congressional hearings begin, if they ever do, and with the special counsel's report still only a hint in Robert Fiske's non-committal eye, the semi-good ship Clinton finds itself in smooth seas.

It's time for the president to kick back, turn on the charm and even do a little policy wonking. What a luxury. The storm has passed, and another isn't due for days — well, hours anyway. Bill Clinton was in his old form before the nation's editors the other evening, mixing an air of casual innocence and subdued indignation with just the right amount of self-sympathy. Definitely a man for '90s. Right out of Esquire with a heavy admixture of Congressional Quarterly.

But he can't seem to get off the defensive this time, as if he were seeking sympathy rather than vindication. He comes across less presidential than adolescent, like a teenager who may miss a curfew or two but has a perfectly good excuse each time. Indeed, one wishes he had fewer good excuses; then they might not contradict each another so often. But our Boy President has such a winning way, and the infraction doesn't seem all that serious, whatever it was, and It's Just Not Fair, so, what the heck, Dad, why not just forget it and get on with life? These investigations are going to be an awful lot of bother, you know.

It's a tempting suggestion. And it's meant to be.

♦♦♦♦

On the political front, the first and maybe last line of defense is already being put in place by the pros — James Carville, the president's old handler; George Mitchell, the nose-counting majority leader of the U.S. Senate and the president's idea of what a Supreme Court justice should be; and the president himself, who is his own best manager.

The line is simple and appealing: The issues facing this country are much too important for us to be spending time fooling with some wispy something that may or may not be a scandal — not when the

Whitewater doldrums as tides subside



folksy way, should be doing what he was hired to do.

This administration is also blessed with perfect foils like Bob Dole, the picture of wry cynicism no matter what he says or does, and Alfonse D'Amato, who has a checkered record of his own where ethics are concerned. (If only Iowa's Jim Leach had stayed out of it!)

So the stage is set for George Mitchell to sum up for the defense:

"Sen. Dole is a good friend and he is a very smart man. And I would not want to be him going to the American people and saying, 'We think Whitewater is more important than passing a crime bill, we think Whitewater is more important than passing a health-care bill ... and we're going to stop this government cold until we get some sat-

Only if one substitutes what Whitewater is about for the blurry, boring, inexact and already irritating name itself — namely, the limits of power in a government of checks and balances, and integrity, that is, whether a president and his spouse are what they claim to be — does it become clear why this messy affair should be taken seriously in a republic. But who's got time to spell these things out? Now we think in E-mail, and a 15-second attention span would set records.

If the Clinton Defense sounds familiar, there's a reason. It's been tried before. Another president once explained why the great affairs of the nation must not be held hostage to a little domestic messiness:

"I can assure you that the hope for building a peaceful world rests in

and that leadership, of course, rests in the hands of whoever may be president. ... I shall do nothing to weaken this office. ... We have been together ever since we came to Washington ... as part of this great adventure ... and we shall leave together only when we have completed our service, and we shall leave heads high Jan. 20, 1977." — President Richard M. Nixon, June 9, 1974, speaking at a political rally three months before his resignation.

And here is Carl Curtis, then Republican senator from Nebraska, on the same occasion: "The get-Nixon crowd, including those who conduct a trial by press, are in for a big surprise."

You would think history could at least invent some new lines once in a while.

this time. Whitewater isn't Watergate or anything else clear yet. Despite all the suspicious meetings and contradictions, there is no proof here of anything criminal, or perhaps even of much improper. Besides, doesn't the definition of impropriety in a society have to be elastic, so ethics will have room to grow? And doesn't that mean it also has plenty of room to shrink? So that what seemed highly improper to some of us puritanical types only a few years ago — like a series of meetings between the president's men and the head of the regulatory agency supposedly investigating him — may now seem innocuous in this post-Nixon, Clintonized culture.

What really puzzles is why, in the absence of any proof that the law has been broken, the Clintons responded with such an elaborate and embarrassing series of misstatements and misimpressions about their finances. They couldn't have raised more suspicions if that had been their aim. There would seem something more involved here than faulty memory; there is also the faulty image of just another middle-class couple who invested some money and lost it.

Can they simply never stop posing? Or had the Clintons come to believe their empty image? Or would the Presidents Clinton prefer to be suspected of a crime rather than of upward mobility? Is being revealed as an insider who makes a killing with the the help of a well-placed friend now a fate worse than being suspected of who knows what crimes? Maybe it is in this genuinely phony era. If political imagery is what you're all about, you might go to ridiculous lengths to hold on to it. Even after it's gone.

Paul Greenberg is editorial page editor of the Arkansas Democrat Gazette in Little Rock and a nation-

THE PRESIDENT HAS SEEN
4/21

Maels

a lot of the lightness
has been as the result
of poor understood
responses to press Qs
sometimes by people
who had been told not
to respond —

21 APR 1964 10:04



THE PRESIDENT HAS SEEN 4/20

U.S. COMMISSION ON IMMIGRATION REFORM

1825 Connecticut Avenue, N.W., Suite 511

Washington, DC 20009-5708

TEL (202) 673-5348 • FAX (202) 673-5354

April 15, 1994

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

Dear Mr. President:

When you appointed me to serve as Chair of the U.S. Commission on Immigration Reform, you asked for my best advice on the pressing immigration matters facing this country. I am writing now to urge reconsideration of the Administration's policy on Haitian boat people. I hasten to add that I am writing for myself not the Commission as a whole. While the Commission will address issues related to mass migration emergencies in our September 1994 report, we have not as yet discussed our specific recommendations.

The human rights situation in Haiti is deteriorating. The military government appears bent on blocking delivery of humanitarian assistance while the embargo continues. The combination of physical violence and economic dislocation renders many Haitians vulnerable. Without a political solution, the suffering will only mount. And, for a political solution to occur, it may well be necessary to tighten the very conditions that produce the suffering.

At a recent consultation in Miami, the Commission heard a great deal of testimony about the differential treatment accorded Haitians and Cubans. Even the Cuban experts at the meeting conceded that the conditions in Haiti are far worse than those in Cuba, yet U.S. policy provides substantial benefits to those fleeing Cuba while interdicting and returning Haitians without determining if they have valid need for protection. Administration denials notwithstanding, the differential treatment led many participants to charge racism in the immigration policy -- a charge that is difficult to refute given available evidence.

What is unfortunate is that entry into the United States is not the only solution to the Haitian refugee problem. With sufficient political will and your personal leadership, protection could be provided within the region rather than on our shores. Representatives from the State Department described to the Commission the efforts that were made during the Bush Administration to seek a regional solution. They seemed to be too few and certainly inadequate to the task. In previous situations where the U.S. has asked other countries to provide

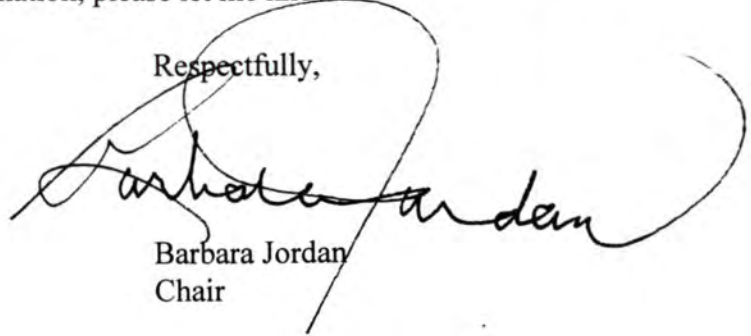
cc VP
Thaler
Tele to Congress
to reply -
B

protection to refugees, it was the personal intervention of the American President or Vice President that led to results. I understand that the U.N. High Commissioner for Refugees has already pledged her help in establishing centers for Haitian boat people if a nearby government agrees to their presence. I urge you to pursue this possibility.

Mr. President, this letter stems from my deep belief that we share the same principles and respect for human and civil rights. U.S. immigration policy should also support these principles.

I plan to keep this letter as a confidential communication between us. If I can provide you additional information, please let me know.

Respectfully,

A large, fluid handwritten signature in black ink, which appears to read 'Barbara Jordan', is written over the typed name and title.

Barbara Jordan
Chair

Razorbaks Commemorative Extra

FOLLOW THE HOGS' TRAIL TO GLORY IN A 48 PAGE SPECIAL REPORT

— SECTION K

RES FIRST LADY/USHER'S OFFICE

Arkans

ADG

ARKANSAS' NEWSPAPER

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LITTLE ROCK, APRIL 17, 1994

532 PAGES

32 SECTIONS

\$1.00

THE PRESIDENT HAS SEEN

4/19/94

SUNDAY

In the news

■ **Lynn Sellers**, 32, an aspiring actress, was awarded \$875,000 by a jury in a malpractice suit against a Boca Raton, Fla., dentist because the acid-based chemical he used to cement cosmetic crowns on her teeth destroyed the nerves, causing such pain that she was forced to have 14 root canals and spend 225 hours in the chair to get relief.

■ **Jimmy Davis**, manager of a recycling plant in North Ridgeville, Ohio, quipped that "recycling does pay" after returning Bill and Julie Marquard's \$2,000 tax refund check that an alert worker spotted at the plant, and Julie Marquard said the envelope apparently got mixed into a stack of old newspapers at their home.

■ **Gov. Edwin Edwards** of Louisiana, known as a high-stakes craps shooter in Las Vegas, reported \$308,000 in gambling winnings, about five times his taxable salary as governor, on his 1993 tax returns.

■ **Theophilus Saunders** was sentenced in Fort Lauderdale, Fla., to three years in prison in the drowning deaths of his co-pilot and two illegal immigrants, including a 16-month-old child, who died when their 19-foot boat packed with 13 people capsized en route from Bimini to Florida on March 28.

■ **Saudi Mehdi Saleh**, speaker of Iraq's legislature, invited Kuwait to send a parliamentary delegation.

A jackpot in the future?

BY ELIZABETH CALDWELL
AND REX NELSON
Democrat-Gazette Staff Writers

Stemming the tide.

That's the goal of Oaklawn Park and Southland Greyhound Park, whose representatives last week introduced a plan to amend the Arkansas Constitution and expand legalized gambling in the state.

If backers of the plan can obtain the 69,641 signatures needed to get the measure on the ballot — and then gain sup-

port of the majority of Arkansas voters Nov. 8 — they believe they can slow the river of greenbacks going to lotteries and casinos across the Mississippi River and over the Ozark Mountains.

But some economists and professors say Arkansas might be coming in on the tail end of a national gambling craze that is peaking.

The Arkansas plan, unveiled Wednesday, would establish a state lottery, legalize charitable bingo and permit cas-

no gambling at Oaklawn in Hot Springs and Southland in West Memphis.

The only legalized gambling in Arkansas is parimutuel wagering at the Hot Springs thoroughbred track and the West Memphis dog track.

Arkansans, however, find their state surrounded by additional gambling opportunities.

Missouri has had a lottery since 1986, from which the state receives 30 percent. The state also has authorized thorough-

bred racing, Indian gaming and a limited form of riverboat gambling.

Louisiana's lottery, which began in September 1991, grossed \$182.6 million in fiscal 1993. The state gets 35 percent of that money. Louisiana also has approved casino gambling.

"Lotteries have a very impressive track record," said Craig Douglass, the Little Rock public relations executive who is director of the Arkansas First

See GAMBLING, Page 18A

British plane shot down over Gorazde

A strategic prize

Victory in Gorazde, a town of 65,000, would give the Serbs control of the Drina River valley, a key link between their holdings in the east and west.



Serbs drive within mile of town center

BY SUSAN LINNEE
Associated Press Writer

SARAJEVO, Bosnia-Herzegovina — A British warplane was shot down Saturday on a NATO mission over the Muslim town of Gorazde. The U.N.-declared safe area appeared on the verge of falling to Bosnian Serb forces reported to have closed within a third of a mile of the town center.

The pilot, who was trying to identify Serb tanks shelling Gorazde, ejected after the plane was struck by a surface-to-air missile, U.N. spokesman Maj. Rob Annink said. The pilot, who

THE WHITE HOUSE
WASHINGTON

DATE: 4/19/94

TO: LAURA TYSON
BOB RUBIN

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



THE CHAIRMAN

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

THE PRESIDENT HAS SEEN

4/19/94

94 APR 18 P7:37

April 15, 1994

MEMORANDUM FOR THE PRESIDENT

FROM:

LAURA D. TYSON

Laura D. Tyson

SUBJECT:

Blue Chip Suggestions for Raising Productivity

You asked about the list of 15 suggestions for raising productivity from the Blue Chip panel of forecasters. The ranking from the April 1994 Blue Chip report is attached. It is based on a survey conducted in 1988, though we believe it would also reflect the current thinking of the panel and the business community.

The attachment also reports the Blue Chip panel's recent evaluation of a list of the benefits of productivity growth that we included in the 1994 *Economic Report of the President*.

Attachment

*These ideas
should be
evaluated*

CC VP
Mack
Rubin
George

B

Special Questions:

I. In June of 1988, we asked the panel members to rate 15 suggestions for boosting U.S. productivity growth on the basis of economic soundness and political feasibility. In this instance, 10 equals great economic soundness and high political feasibility and 1 equals very unsound economically and politically unlikely. The suggestions have been ranked according to the combined consensus scores for economic soundness and political feasibility.

RANK	Suggestions For Boosting Productivity Growth	(1 To 10 Rating Scale) ¹	
		Economic Soundness	Political Feasibility
	1. Increase the quality of education, including appropriate financial support for job training and retraining. Consider partial tax credits for college tuition.	7.8	6.7
	2. Avoid protectionism and let dollar seek competitive levels. Eliminate the restrictive aspects of the 1988 trade bill.	8.6	5.3
	3. Reduce federal deficit which will lower <u>real</u> interest rates and stimulate investment.	7.7	5.6
	④ Support portable pensions and other incentives to encourage workers to move on to high productivity jobs.	6.9	6.0
	⑤ Expand the use of profit-sharing to stimulate individual workers' productivity.	7.0	5.8
?	6. Further improve the climate for market-related capital investments.	7.2	5.3
	⑦ Lessen regulatory impediments – complete deregulation efforts now under way.	7.7	4.7
	⑧ Include productivity and profit-sharing provisions in union contracts. Encourage increased cooperation between management and labor.	6.7	5.7
?	9. Encourage increased private savings by modifying taxes on interest income and the elimination of taxes on dividends. If revenue is needed, expand taxes on consumption.	7.8	4.0
	10. Increase funding and expand tax credits for R&D at both private and university levels.	6.7	5.1
	11. Lower capital gains taxes to encourage useful investments and new technology.	7.4	3.9
	12. Challenge individuals to have more pride in workmanship and encourage greater personal responsibility. Point out that this is each worker's fastest way to fill his pocketbook.	5.2	5.7
	13. Restore income averaging for tax purposes to encourage initiative in risking new ventures.	5.4	3.9
	14. Call a White House conference on productivity. Make greater useful output per unit of labor the president's number one economic goal.	3.0	5.9
	15. Limit federal spending to a percentage of GDP.	5.4	3.2

¹Based on responses from 43 panel members.

II. In this year's "Economic Report of the President," there was a list of some beneficial effects of rising productivity. We asked the panel members to rate each of these effects according to their relative importance to future economic growth. Again, we have used a 1 through 10 rating scale, with 10 equaling great importance and 1 equaling little importance.

RANK	Beneficial Consequences Of Productivity Growth	(10 = Great Importance ¹ 1 = Little Importance)	
	1. <i>Periods of rapid productivity growth have been accompanied by increases in real wages. The prices of products in industries experiencing productivity growth also decline relative to wages. This decline in product prices means that real wages tend to rise during periods of rapid productivity growth.</i>	8.5	
	2. <i>Periods of rapid productivity growth have also been periods of low inflation. Productivity growth allows nominal wages to increase without putting pressure on prices.</i>	8.2	
	3. <i>The prices of goods produced by industries that have had rapid productivity growth have fallen relative to those of goods from industries with slower productivity growth.</i>	7.7	
	4. <i>Periods of rapid productivity growth have not been associated with large increases in unemployment. In periods when productivity growth was more rapid, such as the 1960s, unemployment rates have tended to be low. In contrast, periods with slow rates of productivity growth, such as the 1970s, have been periods of relatively high unemployment.</i>	7.0	

¹Based on responses from 43 panel members.

Women Campaign for New Plan To Curb the World's Population

By SUSAN CHIRA
Special to The New York Times

UNITED NATIONS, April 8 — For decades, when population planners talked about the world's poorest women, they concentrated on how to keep them from having more babies. Vast programs in Asia, Africa and Latin America were geared to sterilizing women, implanting them with IUD's, handing out contraceptives and imposing quotas on family size.

But despite the success achieved by family planning programs in India, Thailand, Kenya and other countries in curbing population growth, women's groups argue that these traditional methods are demeaning and coercive, and that a dramatic shift is needed.

The women's groups have won broad support among many population experts for a new emphasis on expanding health services to include

prenatal care, educating girls and promoting women's equality.

The proponents of change argue that birth rates in poor countries will decline in the future only after the status, health, education and economic opportunities for women rise.

But some longtime population experts criticize the new approach, fearing that money spent for these broader goals, however worthy in principle, will divert resources from the task of curbing population growth and away from programs that have worked in the past.

"As women gain more control over their lives, they will have fewer children," said Dr. Nafis Sadik, executive director of the United Nations Population Fund, who is an advocate of the new policy. "This has been the experience of successful programs that have pursued a broader approach."

THE PRESIDENT HAS SEEN

A debate over how to proceed on population control is taking place this month at a United Nations conference, attended by 170 countries, that will shape how billions of dollars are spent by rich countries, the World Bank and poor countries themselves in the next decade.

The delegates at the conference are arguing over the wording of a document to be adopted at the International Conference on Population and Development in Cairo this fall. The document is to serve as a kind of blueprint for international agencies and countries on how to design population programs and channel money in the future.

The real fights, experts say, will come later: whether to spend scarce

Continued on Page A12, Column 1

DEMOGRAPHICS

A New Approach to Population Control

Some experts have concluded that family planning alone will not adequately curb population growth and that education and prenatal care are essential to success.

	Countries with a higher female education index* ...	... tend to have a lower infant mortality rate ...	... and a lower fertility rate ...
Japan	95.7	5 deaths/1,000 births	1.6 children/woman
France	99.7	7	1.8
United States	97.7	9	1.9
Thailand	66.5	27	2.5
China	67.0	29	2.5
Zimbabwe	66.2	49	4.9
Kenya	57.0	67	6.5
India	50.4	92	4.0
Namibia	72.2	100	5.9
Rwanda	50.2	120	8.3

*The female education index is based on measurements of the enrollment of girls in primary and secondary school, differences in enrollment between girls and boys, and the average level of schooling attained by women.

Source: United Nations

The New York Times

Continued From Page A1

money for, say, implanting intrauterine devices, or on prenatal care and other services that would hopefully lead women to curb the size of their families on their own.

The new approach set forth in the draft plan at the conference has been designed partly by women themselves, and has the support of the Clinton Administration. Delegates say they expect it to be adopted in general form.

The draft plan would offer women and teen-agers a broad range of health services, including prenatal care, counseling about AIDS or other sexually transmitted diseases, child immunization and a free choice of contraceptives.

But there are powerful detractors lobbying for changes in the draft.

The Vatican, for example, is attacking the plan because it does not rule out abortion and because counseling and birth control services would be offered to married and unmarried women alike. There is strong opposition in many countries, including the United States, to offering sexual counseling or contraceptives to adolescents.

Many developing nations also resent any pressure to change traditional customs or interfere with their own programs. Specifically, countries with conservative social traditions resent talk of providing "sexual counseling" to young women, especially if they are unmarried.

Perhaps the most surprising opposition to the new plan comes from advocates of traditional family planning programs that have helped lower birth rates in developing countries by about a third since the 1960's. Many of these experts say that these gains may be imperiled if resources for such programs are cut back.

"They never face the issue of what to do when resources are scarce, and they are," Dr. J. Joseph Speidel, president of Population Action International, said in reference to advocates of the new plan. He argued that widening the services without increasing the money for them would mean that fewer women would benefit.

Feminism vs. Birth Control

In some quarters, the debate has become acrimonious, pitting long-time population control advocates against feminist groups.

"The women don't like to talk about rapid population growth," said Charles F. Westoff, professor of demography and sociology at Princeton University. "See if you can find any unambiguous statement in that document that fertility rates are too high and women should be discouraged

from having children. You're hard put to get some recognition by these women that birth control is one of the best ways to improve women's status."

Providing these services alone, the plan estimates, would cost \$13.2 billion in the year 2000 — an estimate several groups said was not enough to pay for everything envisioned by the new plan.

Breaking with previous policies, the plan also asks men to take responsibility for using birth control and preventing sexually-transmitted diseases.

Despite the criticism from traditionalists, population experts say that the plan reflects an emerging consensus that family planning alone will not work fast enough.

World Population May Double

United Nations demographers project that the world's population, now 5.7 billion, will double to more than 10 billion by 2050, but the conference has set a goal of stabilizing population at 7.8 billion by that year.

Dispensing contraceptives alone does not necessarily lead families to want fewer children or give women a voice in that decision. The demographers cite studies showing that when women are better-educated and when immunization and other health services help children survive into adulthood, birth rates drop.

Many experts also say that slower population growth may well depend on offering counseling or birth control to adolescents so they postpone childbearing.

Delegates say that never before have so many women, in rich and poor countries, participated in the planning and the policies likely to be produced.

"When we say population policy, people think family planning, and we're saying it's far more than that," said Joan Dunlop, president of the International Women's Health Coalition, a nonprofit group. "To talk about gender equity and women's rights in population policy — it's unbelievable. It's such a dramatic change."

Women are a minority among the official delegates, but women from around the world are crowding the corridors here this week, and the conference's Secretary General, Dr. Sadik, is a woman.

"Women's groups really drove this," said Timothy E. Wirth, the State Department Counselor, who said he heeded their advice in drawing up a broader United States population policy.

But opponents to this new approach are working to alter the draft plan over the next few weeks.

There have already been some sharp exchanges at the conference.

Shortly after the Vatican representative, Msgr. Diarmuid Martin, said the plan lacked a "coherent moral vision," the conference's chairman, Dr. Fred Sai of Ghana, rose to disagree, and women from several countries held a news conference to denounce the Vatican position.

The Vatican is particularly troubled by the radical shift on abortion since the last population conference in Mexico City in 1984, when the United States backed a decision not to give aid to family planning programs that offered abortion.

Vatican representatives, who have observer status at the conference, say they will try to persuade member countries to oppose including abortion in family planning services, and to narrow the definition of family to married couples only.

"We would consider abortion absolutely unacceptable as a form of population control," said Gail Quinn, a spokeswoman for the Vatican delegation. "The document broadens the definition of family to a point where it becomes meaningless."

Catholic and Muslim Allies

Allied with the Vatican on these issues are Latin American governments that side with Roman Catholic teaching against abortion and Muslim fundamentalists who are wary of the emphasis on equal rights for women.

The draft plan still allocates the most money to family planning services — \$10.2 billion of the \$13.2 billion, with the rest for expanded health services and AIDS prevention. But Ms. Dunlop argues that some family

planning programs, such as sterilization, are more expensive than efforts to help women.

Defenders of traditional family planning programs argue that the accomplishments of past programs are being overlooked. They cite a recent study published in Scientific American showing that longtime birth control programs have brought dramatic results. Another study at the Population Council estimated family planning programs had already reduced world population by about 400 million people.

But women's groups say that many family planning programs do not help poor women understand their rights or contraceptive choices. Amparo Claro, coordinator of the Latin American & Caribbean Women's Health Network, told of a 17-year-old girl in Chile who waited four hours for a doctor and was then given an IUD with no explanation and no warning she might bleed afterwards.

Bangladeshi Model

Ms. Dunlop, of the International Women's Health Coalition, pointed to a program in Bangladesh as a model for the broader services the United Nations plan envisions.

The Bangladesh Women's Health Coalition began in 1980 by offering abortions. But at the urging of the women it served, it soon expanded to include family planning, basic health care services, child immunizations, legal aid, and training in literacy and employment skills.

According to its director, Sandra Kabir, the coalition now serves 110,000 women a year at 10 clinics around the country.

Easier Arms-Maker Mergers Asked

By KEITH BRADSHAW

Special to The New York Times

WASHINGTON, April 12 — A Federal panel of defense and antitrust experts recommended today that the Government reduce procedural obstacles to mergers of defense contractors, but did not propose the partial exemption from antitrust rules that some companies had sought.

The outcome represented a compromise between the Justice Department, which has opposed giving special consideration to armament builders, and the Defense Department, which has become increasingly interested in helping weapons makers cope with a steep drop in orders. The panel included a lawyer from each agency, as well as military-industry executives and academics.

Industry executives welcomed the report as making it easier to create mergers, but Justice and Defense Department officials were much more cautious, saying they were only trying to improve the process.

Bernard L. Schwartz, a panel member and the chairman and chief executive of the Loral Corporation, a defense electronics producer, said that while he had wanted a change in antitrust rules, he was satisfied with the outcome. "It defines the antitrust issues that both the industry and Government need to focus on," he said.

Pentagon Lawyers' Help Asked

But Senator Howard M. Metzenbaum, Democrat of Ohio and chairman of the Judiciary antitrust subcommittee, an advocate of antitrust laws, was also satisfied. "This report assures American consumers that defense industry mergers will continue to get rigorous scrutiny and will be challenged if they are costly and anti-competitive," he said in a statement.

The panel's main recommendation was that the Defense Department designate one or two of its lawyers to provide advice to the Justice Department on mergers among military contractors, said Stephen Preston, the Pentagon's acting general counsel and a member of the panel. This would make it easier to advise both the Justice Department and the Federal Trade Commission on such mergers, he said.

Paul G. Kaminski, chairman of the Defense Science Board, a Pentagon agency that advises on commercial and technology issues and that organized the panel that produced the report, said the study "concludes that competition among firms in the defense industry is significantly different from competition among firms in other sectors of the economy, but that the antitrust merger guidelines are flexible enough to take into considera-

tion the special circumstances of downsizing in the defense industry."

In previous mergers, officials from different Pentagon agencies have sometimes taken conflicting positions on mergers.

Anne Bingaman, the Justice Department's top antitrust official, remarked that "this gives us a number to call over at the Pentagon."

Officials differed on how much difference the report would make. Mary Lou Steptoe, director of the Federal Trade Commission's bureau of competition, said it would not have changed the outcome of 300 mergers that antitrust-enforcement authorities have looked at over the last 15 years, 297 of which were approved.

But Mr. Schwartz of Loral said it was more significant, producing closer relations between the Defense Department and the antitrust agencies.

Producer Prices Up a Modest 0.2% in March

By ROBERT D. HERSHEY Jr.

Special to The New York Times

WASHINGTON, April 12 — Prices paid to American producers increased a modest two-tenths of 1 percent in March as energy costs steadied after steep advances earlier in the year, the Labor Department reported today.

But while the eagerly awaited figures were seen by economists as fairly reassuring — and did not unhinge the bond or stock markets — analysts predicted that they would do little to dissuade the Federal Reserve Board from raising interest rates further to keep inflation in check.

"The Fed wants to see inflation trending down and this number's not pointing to that," said Carl J. Palash of MCM Moneywatch, a New York advisory firm.

When the volatile food and energy

components are excluded, leaving the core rate of inflation, prices of finished goods rose at an annual rate of 3.3 percent in the first quarter of 1994, compared with nine-tenths of 1 percent in the final 1993 quarter, today's report showed. This acceleration was paced by industrial equipment and consumer durable goods like cars.

Core inflation was calculated at two-tenths of 1 percent for March and a scant four-tenths of 1 percent for the latest 12 months.

The performance at earlier stages of production was mixed, with a jump in energy prices driving raw materials up 2.8 percent, the biggest increase since October 1990, soon after the Iraqi invasion of Kuwait.

But analysts did not fret particularly about higher prices for raw materials — excluding food and energy, they were up nine-tenths of 1 percent for the month and 10.9 percent for the year — on the ground that commod-

ities are a relatively small part of the cost of most products.

The biggest cost for most companies is labor, and this was subdued as companies offset moderately higher pay costs, 3.5 percent in each of the last two years, with aggressive increases in efficiency.

"Unit labor costs in manufacturing almost certainly declined again in the first quarter and will probably decline for the year," Donald H. Straszheim, chief economist for Merrill Lynch & Company, told clients today. "That means companies can enjoy fatter profit margins even without raising prices."

Indeed, higher prices for raw materials like cotton have generally not filtered through even to the intermediate stage of production, which in

Continued on Page D2

Producer Prices Rose

Producer Prices

Index of finished goods prices, 1982 = 100. Seasonally adjusted.

Free-for-All In Tokyo Is Shattering Party Lineup

By JAMES STERNOLD
Special to The New York Times

TOKYO, April 12 — The battle to choose a successor to Morihiro Hosokawa, the departing Prime Minister, has broken out into an opportunistic free-for-all that is shattering the country's once rigid party divisions.

With Mr. Hosokawa's seven-party coalition of conservatives and Socialists feuding, and the once dominant Liberal Democratic Party on the verge of what could become a three-way split, just about every party, except the Communists, seems to have a shot at joining the coalition that will eventually assume power.

In normal times, Japan has a glacial rate of change and opaque politics, but since Mr. Hosokawa resigned last week, the situation has been evolving quickly.

Today the indications after several days of maneuverings were that Tsutomu Hata, the Foreign Minister and the front-runner, was still the most likely candidate, and that he would manage to hold together the wobbly governing coalition, at least for now.

Two Rivals Lose Ground

Two potential competitors to Mr. Hata appeared to lose ground today. The apparent failure of an effort by Michio Watanabe, a former Foreign Minister and Liberal Democrat, to break with his old party and head a new coalition with some of Mr. Hosokawa's supporters seemed to strengthen Mr. Hata, who began his career working for a tour bus company.

In addition, Masayoshi Takemura, a former Hosokawa loyalist who had split with the Prime Minister in recent months, seemed to have given up a separate effort to form a coalition with some conservatives.

"Takemura has changed strategies," said Asahiko Mihara, a member of Mr. Takemura's party, the Harbinger Party. "This afternoon he started to encourage keeping the coalition together. To be honest, I'd have to say we don't have any cards to play."

Despite the apparent removal of those two competitors, the situation remained fluid, and the pleas by party leaders to hold their rank and file in line sounded wishful.

"We don't want to break up just because we don't get along with each other," said Yuichi Ichikawa, a top official of the Buddhist-affiliated Clean Government Party and a leader in Mr. Hosokawa's coalition.

Scars May Last

But his remarks underscored a potentially important fact: Because the squabbling has grown so bitter and so open, it will be difficult for the various parties to resume their activities as if nothing had happened. The scars could keep subsequent governments unusually fragile, making the next government just another way station on the road toward a much broader realignment of the parties.

Indeed, the battling of the last few days has demonstrated that much of the old political glue, which held Japan together for 45 years, has broken down. The distinctions between right and left that polarized politics here are being abandoned, as the various groupings fight over winning formulas, not ideology.

Thus, Yohei Kono, president of the Liberal Democrats — the most conservative party, despite its name — has been courting the Socialists and other disaffected members of Mr. Hosokawa's coalition. Mr. Watanabe, a Liberal Democratic Party stalwart who once stood on the far right, has indicated that he would like to defect with a few dozen other party members and join a centrist coalition.

Ichiro Ozawa, the key strategist behind Mr. Hosokawa's coalition, has made no secret of his desire to dump the Socialists and replace them with more defectors from the Liberal Democratic Party.

Party Governed for 38 Years

And yet another group of several dozen Liberal Democrats eager to clean up the country's scandal-tainted politics were reportedly threatening to complete the disintegration of the party, which controlled the government for 38 years until being ousted last summer.

Mr. Hata does not share Mr. Hosokawa's speaking abilities, and he does not cut nearly as colorful a figure as Mr. Hosokawa, who is known for his Italian-cut suits and breezy, self-confident manner. Mr. Hata is part of the mainstream, and has advocated change in the Japanese economic and political systems, but at a measured pace.

Perhaps his best known comment came several years ago in Washington, when he was the Agriculture Minister and was resisting opening the Japanese beef market to imports. Pressed on the issue, he replied that Japanese intestines were different from those in the West, and so the Japanese could not digest foreign beef very well.

Today, the beef market is opened, the Japanese seem to have little trouble digesting it, and Mr. Hata is a self-described reformer, eager to pick up where Mr. Hosokawa left off, deregulating the economy and taking a more active role in international affairs.

THE PRESIDENT HAS SEEN 4/19

15 Nations Offer Troops For U.N. Force of 54,000

By ERIC SCHMITT
Special to The New York Times

WASHINGTON, April 12 — More than 15 countries have pledged more than 54,000 troops and other specialists toward the creation of a United Nations inventory of peacekeepers and equipment for future operations, a United Nations official said today.

The United States is not among the 15, but the official, Col. Gérard Gambiez of France, said the Clinton Administration is considering his request for transport planes and ships, communications equipment, medical assistance and map reproduction.

Currently, each time the Security Council authorizes a new peacekeeping operation, United Nations officials must go hat-in-hand to countries for troops, equipment and services, a process that can take months. The new plan would allow United Nations officials to quickly deploy forces designated by their governments for peacekeeping missions.

Classic Peacekeeping

The plan applies only to classic peacekeeping operations, such as those in Macedonia and Cambodia, in which troops monitor an agreement with the consensus of all parties on the ground.

It would not cover operations like those in Somalia and Bosnia, in which troops are permitted to use military might to enforce the peace. And countries can place restrictions on how and when their forces are used.

Colonel Gambiez was named by Secretary General Boutros Boutros-Ghali in January 1993 to head a team to broker agreements with many of the United Nations' 184 member nations on troops and equipment that could be used by the United Nations in its peacekeeping efforts. Colonel Gambiez said the plan would take effect on Thursday, after he presents it to the United Nations member countries.

He declined to identify the countries that have promised to send troops, equipment or supplies, but said the number had increased beyond 15 since a status report on the effort was released on March 28.

Goal Is 100,000 Troops

The United Nations' goal is the commitment of 100,000 troops and other specialists, ranging from infantry soldiers to logistic experts to doctors to police officers, who could be deployed on short notice to crisis spots.

The phenomenal growth in peacekeeping operations worldwide has taxed the United Nations' ability to muster enough skilled peacekeepers and to pay for them all. It now has some 70,000 soldiers in the field on 17 operations, an increase from just 10,000 soldiers on five operations in 1987.

A provision in the United Nations' original charter called for countries to designate forces that would be subject to automatic call-up by the United Nations. No country, however, has agreed to relinquish this degree of control over its troops to the United Nations.

Gordon Adams, associate director for national security and international affairs at the White House Office of Management and Budget, said in a luncheon address today that Administration officials were considering the limited step of designating American troops and equipment that could be used for peacekeeping missions.

Not a 'Standing Army'

Colonel Gambiez said he has been consulting State Department and Pentagon officials in recent days. "My American friends, each time I talk with them, understand I'm looking for a standing army, which is not

The U.S. hesitates, fearing the creation of a standing army.

the case," he said in a breakfast meeting with reporters.

Edward C. Luck, president of the United Nations Association of the U.S.A., a private research organization in Manhattan, said the new plan is a modest first step "in the hopes countries get half-pregnant with the idea of committing forces to the U.N."

United Nations officials acknowledge the plan's frailties. Colonel Gambiez said that he had plenty of offers from countries willing to contribute regular infantry troops that would form the backbone of peacekeeping operations, but that only a handful of countries — including Russia and the United States — could provide large cargo planes, transport ships, medical assistance, communications equipment and important satellite lines.

Russian lawmakers are considering legislation to designate specific forces for peacekeeping operations. These forces would receive special training and extra pay.

Colonel Gambiez, who along with six staff assistants visited 50 countries and contacted 130 others to line up written commitments, said many countries were waiting to see what Washington decides. "We can play without the U.S. but it would be a pity," he said.

Safety Board Faults Management In Fatal Crash of FAA Aircraft

By Debbi Wilgoren
Washington Post Staff Writer

The federal agency that polices commercial airlines for safety is not nearly as careful with its own operations, and that laxness helped cause a recent plane crash that killed three of its employees, the National Transportation Safety Board said yesterday.

Federal Aviation Administration officials failed to address repeated complaints from employees that the pilot of the FAA plane, Donald J. Robbins, had shown poor judgment and taken unnecessary risks on earlier flights, the safety board said.

Robbins also was not punished when he failed to notify the FAA immediately after being convicted of drunken driving several years ago, the board said, and the agency did little to monitor his conduct or that of other pilots while they were on the job.

"I think we're all a bit astounded that [the crash] happened inside the FAA," said board Chairman Carl W. Vogt. "The same professionalism [the agency requires of private aircraft] has to apply."

The board met yesterday to discuss the Oct. 26 crash of the twin-engine Beech King Air on a fog-shrouded peak in the Blue Ridge Mountains near Front Royal, Va., about 75 miles west of Washington. Robbins and his two crew members, all based at an FAA flight inspection office in Atlantic City, N.J., died in the fuselage and flames.

The board attributed the crash to Robbins's attempt to navigate in poor weather without flight instruments, but added that the FAA also was responsible because it had failed to monitor pilots and remove the ones whose work was substandard.

Board members called on the FAA to strengthen oversight of its own flight operations; "retrain, reassign or dismiss" employees who perform poorly; and furnish its 55 small aircraft with recording equipment and a warning system that lets pilots know when they are too close to the ground. The planes are used by FAA inspectors who test airport equipment across the country.

"What we're really saying is, 'Apply the same stan-

dards to yourself as you do to the industry,'" said Tim Forte, the board's director of aviation safety.

An FAA spokesman said the agency agrees with the board's recommendations and already has taken several steps to improve safety.

"After the accident, we took a very hard look at our operations," spokesman Pat Carasio said. "We are basically making some real major changes so that this doesn't happen again."

Those include: a new organizational structure, in which pilots and co-pilots report to the same supervisor; beefed-up inspection programs; and the creation of a high-level office charged with overseeing aircraft operations.

"They're going to start treating their own fleet as if it was an airline . . . to receive the same type of scrutiny a private airline would receive," said David Traynham, a staff member on the House subcommittee that oversees the FAA.

The crew aboard the Beech King Air had successfully tested a radio beacon at the Winchester, Va., airport and was headed for an overnight stop at Newport News, Va., when it crashed.

After the crash, safety board investigators interviewed dozens of personnel at the Atlantic City office. Several said Robbins had sometimes communicated through cryptic hand signals and refused to tell fellow crew members where flights were headed or whether he had checked weather conditions. Supervisors said that some co-pilots had refused to fly with Robbins and that the schedule had been adjusted accordingly.

Many of those interviewed by the safety board said they had complained to management about Robbins in vain, or had kept quiet because they were afraid of retribution.

Although the Atlantic City office seemed particularly troubled, the safety board found similar problems at other flight inspection offices, its staff said yesterday.

"There are organizational deficiencies . . . starting in the cockpit and going all the way up the chain of command," board member John K. Lauber said.

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Voodoo Politics

In Impoverished Haiti, Taking Sides Can Be A Life or Death Matter

Aristide's Right-Wing Foes Use Violence, Black Magic To Cut Down His Allies
Shantytown's Faceless Body

By JOSE DE CORDOBA

Staff Reporter of THE WALL STREET JOURNAL

PORT-AU-PRINCE, Haiti — A small crowd gathers around a corpse sprawled in the middle of a market street in Cite Soleil, this city's most fetid slum. Women continue to sell charcoal, sugar-cane stalks and oranges as multicolored buses maneuver between pools of muddy water and the body, which has been shrouded with a plastic tablecloth.

Then a small boy lifts the covering. The crowd shudders, wails and turns away. The dead man has no face.

But he has a name: Dady Pierre, a 33-year-old supporter of President Jean-Bertrand Aristide, who was overthrown and expelled from Haiti by the army in September 1991. Machete-wielding assassins got to Mr. Pierre the night before. "I know his body, I know him," says his wife, Solange. "I saw the top of his head, his ears, his feet." An hour later, an international human-rights team rolls up in a white Jeep. They take photographs and question the widow.

"It's terrible," says a member of the observer team. "Each day, three, four or five bodies. Aristide supporters. And we don't get to all of them."

A Few Each Day

Who killed Mr. Pierre? In this slum so crowded that some people take turns sleeping in tiny tin-and-cardboard shacks, bodies of Aristide supporters appear each day. From the beginning of the year through mid-March, at least 96 people were killed, United Nations officials say. Some have been turning up, like Mr. Pierre, mutilated. No one knows who the killers are. But everyone suspects who they are: attaches, as paramilitary police informers are called, and members of the Front for the Advancement and Progress of Haiti, or Fraph, a military-linked organization that is threatening to become a political movement.

As the prospect of President Aristide's return fades, violent repression has increased sharply in Haiti, especially in the Port-au-Prince slums, which are President Aristide's strongholds. More and more, the future of the country appears to be a mixture of the terror, buffoonery and structure that characterizes Fraph (pronounced frap, like the French and Creole verb meaning "hit"), a right-wing group many here fear is a reincarnation of the late dictator Francois Duvalier's dreaded militia, the Tonton Macoutes.

Membership Drive

Well funded and supported by the army, Haiti's only real power, Fraph has metastasized throughout the country. Now, brightly painted Fraph offices, sometimes wrapped in huge blue and red Haitian flags, can be found in distant villages. Depending on which Fraph official one talks to, the organization's membership is either 150,000 or 300,000, and growing.

Among the illiterate Creole-speaking poor, it doesn't take much to buy a man's allegiance. For a small membership fee—Fraph says about \$5—members get a yellow membership card that some slum residents say is a license to extort and steal. Human-rights monitors, however, say that in the slums here, Fraph has been paying people between \$13 and \$24 dollars to join—a tidy sum in a nation with per-capita annual income of \$205. Sometimes along with the cards go firearms and the prestige and power that carrying them brings.

Getting Attention

Not so, replies Gabriel St. Ulysse, the Fraph leader in Merger-Gressier, a small town a few miles from the open sewers and cratered streets of the capital. A strapping man with a commanding presence and a fixed smile, Mr. St. Ulysse says Fraph is a movement of Haiti's peace-loving people, who have banded together against the violence and anarchy represented by President Aristide, a Roman Catholic priest and advocate of social justice. "The country has lost its finer face," says Mr. St. Ulysse. "We want to see it become beautiful again."

Half the town's 3,000 residents have joined Fraph, he says. Mr. St. Ulysse is explaining how surprised he is that people call Fraph a paramilitary group, when a young man draws himself up and snaps to attention. Mr. St. Ulysse dismisses the man. "The salute is because he works in the rural police, as I do," he says. "But we don't have a military structure."

Members of President Aristide's movement, Lavalas, say that Fraph has been able to lure supporters of the deposed president with promises of food, money and, in some cases, threats. "They tell people that if they don't join Fraph, they will kill you," says Jocelyn Cimeus, an Aristide worker who is in hiding. "There is no other way to survive."

It is difficult to pin individual killings on Fraph. But Juan Mendez, executive director of Human Rights Watch/Americas in New York, says Fraph is responsible for many of the worst human-rights abuse committed in Haiti in recent months. Mr. Mendez, whose organization will soon release a study of Haiti's worsening rights situation, says Fraph functions as a surrogate of the military and has committed violent thuggery and assassinations, among other things. And U.S. diplomats, the Organization of American States and the U.N.—which is investigating a dozen rapes that are believed to be politically motivated—hold Fraph responsible for shooting up and burning a large swath of Cite Soleil two days after Christmas.

Following the slaying of the Fraph treasurer in Cite Soleil, dozens of thugs descended on the shantytown, using gasoline to light the densely packed dwellings. They also began firing guns into the hovels. The blaze swept through an area several football fields long. No fire trucks came for seven hours.

"They took people and threw them into the fire," says Mr. Cimeus, whose shanty burnt. "They shot people." Perhaps as many as 860 houses were destroyed. Estimates of the dead range as high as 50.

Leaders of Fraph deny it had anything to do with the fire, which they say was set by Aristide supporters to discredit Fraph. "If it had been me, there would be no more Cite Soleil," says Emmanuel "Toto" Constant, Fraph's secretary general.

Political Ambitions

The skinny, 37-year-old Mr. Constant, whose father commanded "Papa Doc" Duvalier's army for eight years, is one of the two titular heads of Fraph. Sitting in a tall wicker chair in the backyard of his large, Port-au-Prince house, which seems to serve as Fraph headquarters, Mr. Constant likes to talk.

"We want to organize a real political party in this country," says Mr. Constant. Asked if he would like to be president some day, Mr. Constant replies in Latin: "The voice of the people is the voice of God."

But Western diplomats and Aristide supporters don't see divine handiwork in Fraph. "It started as a paramilitary group to carry out the dirty work of the military, but now they seem to have political pretensions," says one diplomat. "It means the next time there is an election, the results will be a foregone conclusion."

Fraph began to stir in September, but it made its spectacular international debut on Oct. 11, just three weeks before the scheduled return of Mr. Aristide, whose calls for social justice terrified Duvalierists who feared his return would incite lynch mobs and threaten their government jobs. That morning, gun-toting Fraph partisans, protected by Haitian police, were able to turn back a U.S. Navy vessel, which was carrying 200 U.S. and Canadian military instructors. With the USS Harlan

County went any immediate hope of President Aristide's return. Since then, Fraph has advocated establishing an extra-constitutional government and holding elections to replace him. The U.S., which supports a fuel and arms embargo against Haiti, recently has been considering stepping up pressure on the military to cede power.

Diplomats say that Mr. Constant is Fraph's "good cop" who plays against the bad-cop routine of Jodel "Jojo" Chamblain. A stocky man with a knot of white hair, Mr. Chamblain favors sharply cut suits and moves around Port-au-Prince with his bodyguards in a blue Jeep with tinted windows. He says he was a corporal in the army and then a police detective before forming Fraph. He is said to have been involved in a coup attempt by Tonton Macoutes leader Roger Lafontant in January 1991. In the aftermath of the failed coup, says an Aristide organizer, Mr. Chamblain's wife was killed when a mob looking for Mr. Chamblain found his wife and beat her, instead.

M'sieur Big

According to a U.N. report, Mr. Chamblain may have had a role in the killing of Antoine Izmerly, a major backer of President Aristide. Mr. Izmerly was dragged from a Mass in a Port-au-Prince church and slain on the street. The report says Mr. Chamblain was in a white Renault, one of

THE WALL STREET JOURNAL WEDNESDAY, APRIL 6, 1994

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THE PRESIDENT HAS BEEN

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Voodoo Politics: In Haiti, a Group Called Fraph Is Making Life Perilous for Supporters of Aristide

Continued From First Page

three cars used to coordinate the killing. Also in the car was an attache named Gros Fanfan, who allegedly shot Mr. Izmery. After the shooting, the alleged killer got into the Renault, which drove off, the report says.

But most diplomats here say the *eminent* grise behind Fraph is Lt. Col. Michel Francois, the powerful head of the Port-au-Prince police, who in the murky world of Haitian military politics is sometimes depicted as a rival to Lt. Gen. Raoul Cedras, Haiti's military leader.

"I speak with Michel Francois every day," says Mr. Constant. "A lot of people fear him because they don't know him."

Mr. Constant, who greatly admires Col. Francois, says the Fort Benning-trained police colonel "would look like a Marine if he changed uniform." A real drill-sergeant type, Col. Francois has prohibited Haiti's soldiers from wearing gold jewelry while in uniform, says Mr. Constant.

Col. Francois, says Mr. Constant, also

prevailed on Mr. Chamblain to get his men to carry their guns out of sight instead of brandishing them openly. But the guns are there, nonetheless. And many among the two-score hangers-on at Fraph headquarters make little attempt to hide their submachine guns and automatic pistols, despite the colonel's order.

Besides firepower, another essential element in Fraph is voodoo, Haiti's religious synthesis of African and Catholic iconography and ceremony. Like Papa Doc before him, Mr. Constant is attempting to enroll Haiti's gods in his cause.

In his shady garden a few miles from Port-au-Prince, Max Beauvoir, a celebrated voodoo priest and Duvalierist who heads an organization that he says includes 15,000 of Haiti's 40,000 voodoo clerics, smooths out a mango leaf with his fingers. "Frapp's structure is basically military, like the stem and veins of this leaf," says Mr. Beauvoir. "In the middle,"

he says, rubbing the space between the leaf's veins, "it needs people." That's where voodooists come in, he says.

In recent days, Mr. Constant has made it a practice to invite reporters to voodoo ceremonies at his house. At one such session, Mr. Constant, dressed in boxer shorts and a T-shirt, stands barefoot in a circle drawn with flour as a voodoo priest tries to undo the effects of a botched poisoning. Mr. Constant says his enemies tried to end his political career by giving him a poisoned cigarette.

As a half-dozen onlookers sing a hymn in a mixture of Latin, French and Creole, the voodoo priest calls on Samson, David, Solomon and Jesus to come to Mr. Constant's aid. He then holds Mr. Constant's head, arms and legs over the sweetly scented smoke coming from an iron brazier. "You who walk in the mists don't know where you are going," the priest intones. Then he cries: "Out, Satan!"

Feeling cleansed after the ceremony, Mr. Constant talks strategy with his advisers. They include a well-dressed man who goes by the nom de guerre of Patton, plus Frank Pierre, an engineer who says that Haiti has a secret weapon against any U.S. attempt to install President Aristide:

magic.

Patton agrees. "I would use magic against American soldiers, and in my battlefield, we would win," he says.

One thing that Mr. Constant is adamant about is Fraph's nonviolent ways. "No one can say that Fraph has killed anybody," he says, taking a long draw on his cigarette. "No card saying 'Frapp' has ever been found with any body. That's why Fraph is leading politically in this country. Time will show the truth."

But a few miles away, in a hovel in Cite Soleil, a friend of Dady Pierre, the dead Aristide supporter, fears time is running out for him, too. Dieusel Fils, also a backer of Mr. Aristide, is in hiding in a friend's shanty. Two small children sleep on the floor. Shaking with fever, Mr. Fils believes that his support of President Aristide may soon bring him the same fate as his friend. "They killed him for the same reasons they are coming after me," he says.

A few nights ago, he says, Frapp members came looking for him at his wife's shanty. He wasn't there, so they shot a barking dog and left a message: "They say, 'Watch your bones, because we are getting all the Lavalas people, and we will get you, too.'"

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

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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.

cc in my pen file

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THE WHITE HOUSE

WASHINGTON
April 14, 1994

94 APR 14 P5:59

MEMORANDUM FOR THE PRESIDENT

FROM: BILL GALSTON *WAG*
SUBJECT: PROGRESS OF YOUR LIFELONG LEARNING AGENDA

Bob Thawley
John L. ...

On February 22, you set forth your agenda for lifelong learning in a speech to the American Council on Education. The purpose of this memorandum is to report to you on the progress of that agenda during the past six weeks.

Head Start

The administration's Head Start reauthorization proposal was introduced in February with exceptionally broad bipartisan support, including every ranking minority member of key full committees and subcommittees in both the House and Senate. The Senate Labor and Human Resources Committee completed a successful markup yesterday, and the bill was reported out on a vote of 19 to 0. (The only discordant note was a last-minute effort by national Head Start organizations to derail your proposal to extend the program to infants and toddlers, but the timely release of the Carnegie report made it easy to defend the administration's position.) The committee's report is being filed today, and Sen. Kennedy will bring the bill to the floor as soon as possible, perhaps as early as next week.

The House is proceeding with similar speed. The Education and Labor Committee has agreed to skip the subcommittee and go directly to full committee markup on April 21. The hope is then to bring the bill to the House floor under suspension for quick passage and immediate conference. The plan is to have the bill on your desk by May 18, the 29th anniversary of Lyndon Johnson's original White House announcement that set the Head Start process in motion.

Goals 2000

At the San Diego signing of the Goals 2000 bill, you expressed your support for a White House celebration and thank-you for all the supporters who worked so hard for final passage. We are planning a major event, scheduled for early May, in close coordination with the Department of Education.

Secretary Riley has designated a team headed by Mike Cohen to oversee the implementation of the bill. We will carefully monitor it from the White House as well to ensure that it actually catalyzes systemic reform at the state and local level.

Elementary and Secondary Education Act

The administration's ESEA reauthorization proposal was approved by the full House on March 24 with a strong bipartisan vote of 289 to 128, including 45 Republicans. While we did not achieve full success in our effort to target Chapter 1 funds on the poorest schools, we did make substantial progress toward that goal, and most of your other key reform objectives--including support for charter schools--were met.

The Senate Labor and Human Resources Committee held its first hearing today, with others scheduled on April 21 and April 28. The full committee is scheduled to mark up the bill in early May and bring it to the floor sometime in June. We hope to have the bill on your desk for signature by July.

School-to-Work Opportunities Act

As you know, the School-to-Work Opportunities Act would for the first time establish a national framework within which states and localities could create systems of youth apprenticeships involving public schools, community colleges, and workplace-based training. Just today, a House/Senate conference reached agreement on the final text of the bill. Final passage is expected in time for your signature at a ceremony in the last week of April.

Direct lending/income-contingent repayment

Last August, the Congress approved your proposal to phase out the current system of student lending through banks in favor of a new program of direct lending that reduces fees, interest rates, and monthly payments for student borrowers. At the same time, Congress enacted a central promise from your presidential campaign--an option for students to repay their loans as a percentage of income over time.

Since August, we have been working with OMB, the Department of Education, colleges, and students to implement these decisions. On July 1, 1994, the first loans will be extended under the new direct lending system. The Department of Education will soon issue its proposed plan for income-contingent loans. By this fall, final regulations should be in place to permit all students (including those who borrowed under the old system) to select income-contingent repayment if they choose.

Finally, the Congress set in motion a process that could produce significant IRS participation in the collection of student loans. By June, as required by law, a joint Treasury/Education report on the IRS role will be submitted to the Congress. Depending on the nature of the recommendations and the congressional response to them, we may need to ask for additional statutory authority.

The Reemployment Act of 1994

As you know, in spite of encouraging economic indicators, public anxiety about the economic future remains high. According to a comprehensive Times-Mirror survey released last week, Americans are focusing not just on job generation and declining unemployment, but also on stagnant wages and the continuing threat of job loss through technological change and corporate downsizing. The Reemployment Act, introduced a few weeks ago, is designed to address these fears head-on, through programs that emphasize flexibility, the acquisition of new skills, and connection with the job market soon after displaced workers enter the reemployment system.

The House Education and Labor Committee has just committed to an ambitious timetable: full committee markup to be completed by late May, with floor debate and a vote in the full House by June. On the Senate side, the Labor and Human Resources Committee hopes to complete committee action in early June, with a floor vote later that month. (The committee and full Senate schedules are highly dependent on the progress of health care legislation, however.) The House and Senate timetables are consistent with a conference and vote on final passage before the August recess.

I'm worried about this too

You should be aware that the while the bill is well-crafted and forward-looking, it nonetheless faces considerable criticism: from business, which worries about the extension of the FUTA tax; from organized labor, which worries about introducing competition into the Employment Service; from governors concerned that the proposal does not amalgamate enough existing training programs and may restrict some of their prerogatives; from members of Congress who resist combining their cherished categorical programs into a larger, more flexible system; and from DLC-type Democrats (and some Republicans) who believe that the bill should have embraced even more competition and amalgamation of narrow categorical programs.

These challenges can be overcome, we believe, with vigorous White House support for this measure, including a clear high-level signal to the Hill that we want it to pass this year and a presidential/Cabinet schedule that reflects this commitment. We are working with Pat Griffin and Ricki Seidman to ensure that this occurs.

Conclusion

 With continuing hard work and a bit of luck, we have a chance to enact your entire lifelong learning agenda by the end of the 103rd Congress this fall. If so, you will be able to lay claim to the most far-reaching transformation of the education, training, and retraining system in this country since the early days of the Johnson administration, almost thirty years ago. The enactment of your proposed FY 1995 investment budget will further reinforce this agenda of comprehensive reform and renewal.

THE WHITE HOUSE
WASHINGTON

94 APR 15 P7:26

MEMORANDUM TO THE PRESIDENT

FR: Katie McGinty

RE: Forest Plan

DATE: 15 April 1994

This memorandum responds to your comment on my April 7th memorandum on the final forest plan.

You asked why the short-term sales are so low. The short answer is that, as explained below, it will take several years to gear up the sale program because laying out timber sales on the ground and doing the necessary engineering and assessments takes time.

The final plan estimates that the Forest Service and the Bureau of Land Management (BLM) will be able to produce an average annual sale program of 1.1 billion board feet -- down from 1.2 bbf in the draft plan and significantly lower than the boom harvest years of the mid-1980s -- where the unsustainable sale levels reached 4 bbf and gave rise to the litigation and injunctions which have halted the program since 1991.

Since 1991, the sale program has, for all practical purposes, been at zero for the owl forests of the region, and the "pipeline" for new timber sales is empty. This means that both agencies must now begin the process of laying out new sales on the ground, doing the necessary engineering, road building and environmental assessments and surveys that must accompany each sale. This process takes time -- normally two to three years -- and thus it will take time to build up the backlog of planned sales to reach the 1.1 bbf annual levels.

This is a very practical and largely unavoidable constraint, and the agencies are prepared to do everything possible to speed things up. We have searched high and low to avoid this problem -- and have concluded that it is basically unavoidable. Even if higher timber sales were legislated, they simply could not be prepared and sold quickly (unless the legislation radically altered the normal procedures).

I hope this explains the situation. I regret not having the opportunity to discuss this with you earlier, and please let me know if you have any further questions or would like more information.

N. Hermsreich

Tracy

He volunteered: the
 person & would
 like to volunteer
 again. The President
 would like that
 checked out —

WEINBLATT AND DAVIS
SUITE 1816, PIONEER BUILDING
338 ROBERT STREET
SAINT PAUL, MINNESOTA 55101

2012/12/17

Handwritten signature: *W. W. [illegible]*



Office of the Attorney General
Washington, D. C. 20530

94 APR 15 All : 31

April 14, 1994

*Donny
cc: C. R. R.
V. C. R.*

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

Dear Mr. President:

On April 8, 1994, you asked us to work together to devise law enforcement measures that would be effective and constitutionally valid in dealing with the severe problems of violent crime in urban public housing developments such as Robert Taylor Homes and Stateway in Chicago. During the past week, we have worked productively toward that end. This letter outlines the conclusions we have reached regarding a variety of law enforcement techniques that might be used in combatting this grave problem.

You are familiar with the background: In response to the escalation of violence and the prevalence of firearms in public housing projects in Chicago, the Chicago Housing Authority (CHA) instituted a policy of conducting warrantless, apartment-to-apartment searches of CHA public housing projects. On April 7, 1994, a federal court in Chicago held that CHA's search policy violated the Fourth Amendment. On that basis, the court enjoined CHA from undertaking further warrantless apartment-to-apartment searches of CHA housing units. The court made clear, however, that its ruling did not preclude CHA from taking other steps to conduct searches in and around the housing projects.

In the Chicago case, although some tenants opposed the CHA's "sweep search" policy, many others supported the policy and supported CHA's efforts to maintain order and combat gang violence in the housing projects. The case also made vividly clear once again how pervasive violence has become in many of our inner-city housing projects. While striking down the particular "sweep search" policy employed by CHA, the judge recognized that the level of violence in the housing projects represents a grave threat to the lives and safety of innocent persons in and around the CHA buildings.

Following the court's ruling and your request for us to focus intensively on this issue, the Department of Justice consulted with the Department of Housing and Urban Development regarding the

options available to a public housing agency such as CHA in conducting searches on the premises of public housing projects that suffer from very high rates of violent crime. We outline here the options that we considered, and which we concluded are constitutionally valid, at least in the extraordinary circumstances presented by the crime problem in the Robert Taylor Homes and Stateway developments.

1. Securing the Building Entrances and Lobbies. Any effort to stem violence in crime-ridden public housing projects must begin in the lobbies of the buildings. In some high-rise public housing projects, gang members effectively control access to the buildings. They move freely in and out of the buildings. While some buildings are protected by security guards, those guards are often intimidated by gang members, and they therefore let unauthorized persons enter the buildings unchallenged.

It is essential that the housing authority gain control of building lobbies and common areas. To accomplish that end, the authority can erect fences around buildings, issue identification cards to tenants, and install magnetometers or metal detectors at the building entrances. Security personnel should be accorded the authority to conduct follow-up searches with hand-held metal detectors when necessary. They should also be authorized to search packages and clothing, and to refuse entry to anyone who does not submit to inspection. Most importantly, the authority and the local police must cooperate to ensure that the security guards have sufficient protection to do their screening work effectively. If the ground floor of the building is secure, other techniques may not be necessary; if it is not, other techniques are likely to prove futile.

2. Consent Searches. A search is lawful if it is conducted pursuant to an uncoerced consent. Leases in housing projects, as elsewhere, typically include a standard consent clause permitting the housing authority to conduct routine maintenance inspections and to enter the tenant's apartment in case of emergency. Where crime conditions in the housing development make unit-by-unit inspections essential, similar lease consent clauses could be employed to authorize periodic administrative inspections of tenants' units for unlicensed or unauthorized firearms.

As in the case of maintenance inspections, such firearms inspections should be conducted on a routine basis, during daylight hours, and should be no more intrusive than absolutely necessary to determine whether weapons are present in the tenant's unit.

If the agency gives advance notice of the fact that an inspection will be conducted and the general period within which it will take place the intrusiveness of the inspection will be lessened and any constitutional objection to the inspection thereby reduced.

In appropriate circumstances, tenant associations should be encouraged to endorse the use of building entrance security devices and the inclusion of consent clauses in lease agreements. A resolution by a tenant association would demonstrate widespread tenant support for such measures, which is an important factor in determining whether to include such a clause in the lease. In addition, a showing of widespread tenant support would be helpful in responding to challenges by particular tenants to the constitutionality of restrictions on entry and consent clauses in leases.

3. Searches of Common Areas and Vacant Apartments. Experience in Chicago teaches that gangs commonly use vacant apartments as bases of operation. The housing authority can search the common areas of public housing projects and vacant apartments without consent or a warrant, and at any time of the day or night.

4. Weapons Frisks of Suspicious Persons. If police or security personnel have reason to believe that an individual is involved in criminal activity and that he is armed, they may frisk him for weapons. Where police establish a presence in an area and use their lawful power to stop and frisk persons engaged in suspicious behavior, the use of that power can be effective in disrupting and deterring violent crime.

5. Warrant Searches on Probable Cause. Whenever law enforcement officials have probable cause to believe that a specific dwelling contains evidence of a crime, a search may be conducted with a judicial warrant. Police should make use of expedited techniques for obtaining warrants, such as by telephone or by having magistrates readily available to issue warrants.

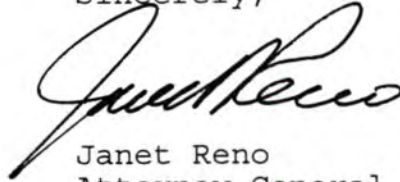
6. Searches Based on Exigent Circumstances. Housing authority officials may conduct warrantless searches of individual units where there is justification for a search but insufficient time to obtain a judicial warrant.

7. Arrest Warrants. Housing or local police may enter a dwelling unit to execute an outstanding arrest warrant if the fugitive resides in the unit and the police have reason to believe he is present.

During staff consultations between the two Departments, we have discussed these alternatives and others in more detail, and we

will continue working together in devising and refining law enforcement strategies that can be applied to deal with this crisis.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Reno", written in a cursive style.

Janet Reno
Attorney General

A handwritten signature in black ink, appearing to read "Henry Cisneros", written in a cursive style.

Henry Cisneros
Secretary of Housing and
Urban Development

THE WHITE HOUSE
WASHINGTON

94 APR 15 P8:16

April 15, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY *CV*
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
April 15, 1994 through April 22, 1994

See our P.H. US

CABINET-WIDE ACTIVITY

HEALTH CARE

This past week, five Cabinet Members travelled to targeted Congressional districts and participated in health care events. Nearly every Cabinet Member took part in regional radio and print interviews.

On Thursday, April 21, Secretary Bentsen and Administrator Bowles briefed several members of the national press on the benefits for businesses under the plan. The briefing received considerable media coverage, and successfully countered a potentially damaging release by the NFIB. We will continue to hold such briefings, rotating Cabinet participants in congruence with our desired message of the week.

This coming week, Secretaries Bentsen, Babbitt, Shalala, and O'Leary, as well as Dr. Lee Brown and Administrator Bowles, will conduct health care events.

CRIME AND VIOLENCE

The Cabinet lobbied Congress week on both the Rule for the Crime Bill and on final passage. Nearly every Cabinet Member participated in these calls, which are continuing as the amendments to the bill are up for consideration.

As the Crime Bill debate continues, the Cabinet is keeping up its schedule of weekly Leadership Days. This past week, the Vice President, Attorney General, Director Lee Brown and Deputy Secretary Kunin addresses constituents of Republican members of Congress. Next week, Leadership Day will focus on the constituents of Texas Democrats.

Selected Cabinet Members are also keeping the Administration's anti-crime efforts in the news. This week, Secretary Riley gave a major address to the National School Boards Association in New Orleans and also paid a visit to a local school where a shooting incident had just occurred. Secretary Cisneros generated a significant amount of attention to the Chicago Housing Authority's crime problems early in the week and today announced some of our responses. The Secretary is likely to participate in some press briefings tomorrow to explain the Administration's position and policy on Constitutional searches, after you announce the new policy in your radio address. Next week, Secretary Shalala will participate in a event highlighting violence against women.

The Vice President, Secretary Bentsen, Attorney General Reno, Director Lee Brown and Deputy Secretary Deutsch will participate in a technology and crime fair on Wednesday, April 20, highlighting the Administration's efforts to use technology to combat crime. Part of this event will include the signing of two memorandums of understanding. The first, between the Treasury and Justice Departments, establishes a national wireless network that will enable officers arresting or stopping people to pull up their records immediately, regardless of their residency. The second, between the Defense and Justice Departments, will make defense technology available to local law enforcement officials.

TEAMSTERS STRIKE

The Teamsters and Trucking Management Incorporated (TMI) have agreed to resume negotiations on Monday, April 18, in Washington, D.C. No formal negotiations have taken place since the strike began on April 6. Secretary Reich and Secretary Pena called Arthur Bunte, the President of TMI, and Teamster President Ron Carey to urge an immediate resumption of negotiations.

MID-WEST FLOODING

Parts of the mid-west, particularly Illinois, Missouri and Oklahoma have been flooded this week. Thus far, six people have died. There has been little interference with interstate commerce in the region, although some individual towns have been deluged by water. Governor Walters of Oklahoma is likely to request federal disaster assistance shortly. Other Governors are considering whether to make a request for Presidential declarations. FEMA and other key federal agencies are closely monitoring the situation.

*** ** *

DEPARTMENT SUMMARIES

Department of the Treasury

- **Interstate Banking/Branching/Consolidation:** The Senate is expected to take the Interstate Banking and Branching Act of 1994 (S.1963) to the floor within the next two to three weeks.
- **Tax Filing Day:** In connection with today's tax filing deadline, Secretary Bentsen conducted a White House news conference highlighting the fact that, contrary to Republican assertions, income tax rates increased for only the top 1.2 percent of taxpayers.

Department of Commerce

- **One-Stop-Shop in LA:** Deputy Secretary Barram will participate in the opening of the Los Angeles Export Assistance Center, the One-Stop-Shop. This is the fourth Export Assistance Center the Department has established across the country to assist the private sector to more easily access information and assistance needed to export products overseas more effectively.
- **Economic Development Grants:** Next week, Commerce will announce thirteen grants for over \$11 million. White House staff is reviewing the grants for your possible participation in the notifications.

Department of Justice

- **Spotted Owl:** The Record of Decision for the spotted owl supplemental environmental impact statement is scheduled to be signed and issued this week.
- **Pornography:** On Thursday, April 14, the Department filed a merits brief in US vs. X-Citement Video, which involves a constitutional challenge to the federal pornography statute. The Department argued that because the statute requires the defendant to know the actor was a minor, it is not subject to a Constitutional challenge.
- **Leader of LULAC Indicted:** On April 5, Jose Velez, President of the League of United Latin American Citizens (LULAC) and three Taiwanese nationals were indicted in Nevada in connection with an alleged scheme to create and supply false documents to allow thousands of illegal aliens to remain in the United States.
- **Florida Immigration:** On April 7, the INS and the State of Florida signed an agreement to expedite the deportation of certain criminal aliens currently serving time



in other states we do

in State prisons. The State will identify several hundred alien inmates who can be excluded or deported before their criminal sentences are completed.

Health and Human Services

- **National Infant Immunization Week:** Next week, the Department will launch the National Immunization Campaign. In addition to your scheduled event to kick off the week, Secretary Shalala, other Members of the Cabinet, and many public and private sector organizations will participate in various activities aimed at highlighting the need to immunize children. The goal is to make the public aware of the need for immunization and how they can get access to free immunizations if needed.
- **Genetically Engineered Tomatoes:** FDA's Food Advisory Committee met and decided that FDA's approach to reviewing genetically altered foods is adequate to ensure food safety, and the Flavr Savr tomato poses no health risks and merits FDA approval.
- **RU-486:** Yesterday, Secretary Shalala met with the heads of the Population Counsel and Hoechst/Roussel Uclaf, the manufacturer of RU-486. There are two outstanding issues in their ongoing negotiations: 1) the manufacturer would like indemnification against lawsuits RU-486 may cause; and, 2) the manufacturer would like the government to take over its patent. Neither issue is well preceded and the Secretary asked that they complete their negotiations without awaiting decisions on those issues.

Department of Education

- **Shorter College:** On Monday, April 18, the Department will begin collecting a debt of \$129,780 from Shorter College, a Historically Black College in Arkansas. By April 25, the school will also be billed for two new audit debts totaling approximately \$1 million.
- **Interviews:** On Thursday, April 21, Secretary Riley will be interviewed on MacNeil-Lehrer about Goals 2000 and will appear on the Larry King Live town hall meeting about crime and education.

Department of Agriculture

- **Reorganization:** On Wednesday, April 20, the Senate passed the USDA reorganization bill which will reorganize the Department's 43 agencies into 28. The House Committee on Agriculture is scheduled to begin consideration of their version of bill late this month or the beginning of May.

Department of Energy

- **Earth Day:** In celebration of Earth Day, Secretary O'Leary will sign a Memorandum of Understanding with the electric utility industry that demonstrates their commitment to voluntarily reduce greenhouse gas emissions. To participate in the program, each company will sign a reduction agreement with DOE and report annually on the progress. The agreement is significant in that it shows the voluntary Climate Change Action Plan can work without imposing costly mandates on the private sector.
- **Pantex:** A story will air on NBC Nightly News next week regarding DOE's nuclear weapons disassembly program at the Pantex facility in Amarillo, Texas. Secretary O'Leary was interviewed for the story which will focus on the temporary interruption of weapons disassembly for safety-related inspections. The story will also highlight the agreement reached with local citizens that allows DOE to continue to dismantle weapons while the environmental impact statement is prepared.
- **Poultry Policy Story:** The Washington Post is still working on an "Inside USDA" story, detailing how USDA efforts are affecting poultry policy. The story will focus on changes and impacts of mandatory labeling of frozen and fresh poultry products in California. It is unclear when the story will run.
- **Forest Service Story:** The New York Times is writing an article on the Forest Service. A reporter travelled with Assistant Secretary Jim Lyons while he was in Seattle last week for the release of the Forest Plan Record of Decision.
- **Ethics Story:** The newspaper in Grand Junction, Colorado, will run a series of investigative stories that may be picked up by the national media. The stories will focus on horse investigations which resulted in disciplinary actions against a number of top Forest Service managers several years ago. Covered in the story will be ethics violations related to the Rose Bowl Parade and the purchase of Missouri foxtrotters.

Environmental Protection Agency

- **Second-Hand Smoke:** On Tuesday, April 19, EPA will release a report on the final analysis of the health and cost effects of second-hand smoke.
- **Superfund:** Chairman Swift has postponed the Superfund mark-up in the House pending resolution of disagreements between environmentalists and industry groups over the clean-up standards of Superfund sites. Chairman Swift will not proceed with the mark-up until there is more consensus on these issues.

Department of State

- **Bosnia:** In reaction to NATO air support of UN forces in Bosnia, Bosnian Serbs have detained Canadian and other peacekeepers. This is not the first such detention and the peacekeepers appear to be in no immediate danger. The State Department is urging Russian Special Envoy Churkin to facilitate their release and to help restart peace negotiations.
- **Japan:** No successor to Prime Minister Hosokawa has yet been named. The frontrunner in the succession, Foreign Minister Hata, will meet with Ambassador Kantor and possibly the Vice President in Marakkesh.
- **Rwanda:** Violence continues in Kigali, complicating last-minute evacuation efforts. UN Security Council deliberations on the withdrawal of UN peacekeepers have reached no conclusions, despite U.S. support for the Belgian calls for orderly withdrawal. The Department is monitoring mounting political and ethnic tensions in Bujumbura, capital of neighboring Burundi, and hope to avoid a repeat of the Rwanda carnage.
- **South Africa:** International mediation efforts collapsed in the deadlock over elections in Kwazulu/Natal and the future of the Zulu monarchy. Henry Kissinger, Lord Carington, and the other mediators will return home late this week, after concluding that the parties were too far apart to conduct meaningful negotiations.

United Nations

- **Bosnia:** The French will table a resolution later this week or early next on Gorazde. Paris would like to have the Council adopt the resolution early next week. The Russians have argued that elements of the "Sarajevo model" be applied to Gorazde.
- **Chad/Libya:** Today, the Secretary General will be sending a ten-person reconnaissance team to the Chad-Libyan border. This team will provide information for a report to the Security Council on the feasibility of a limited UN observer mission to monitor Libya's withdrawal from Chadian territory.

Department of Defense

- **Iraq Incident:** DoD has suspended operations to deny Iraqi use of the airspace over Northern Iraq for 24 hours while they deal with yesterday's accident. Due to the seriousness of the incident, Secretary Perry has postponed his trip to Korea and Japan.
- **Rwanda:** The U.S. Air Force airlifted 147 Americans and 81 multinationals from Bujumbura, Burundi to Nairobi, Kenya following a successful overland evacuation

from Rwanda led by U.S. Marines. The Marines subsequently redeployed to the USS Peleliu and Mombasa, Kenya they remain on 24-hour alert.

- **Admiral Kelso's Retirement:** The Senate Armed Service Committee voted yesterday 20-2 in favor of the nomination to retire Admiral Kelso in his current grade. If all goes as expected, Admiral Boorda will replace Admiral Kelso on Saturday, April 23 in a change of command ceremony at the Naval Academy.
- **Military Health Care Study:** DoD will complete the first post-Cold War, Congressionally mandated, study of its military medical structure. DoD will release the study following the testimony of Bill Lynn, the Director of Program Analysis, before the House Armed Services Committee on Tuesday, April 19. Mr. Lynn met with Ira Magaziner yesterday to brief him on the results of the study.
- **Pope Air Force Base Update:** The number of deceased soldiers remains at 23. Of those hospitalized, 34 are in good condition, 6 are seriously injured and the number of very seriously injured soldiers has increased from 5 to 6.

cc: Vice President Gore
Mack McLarty

THE PRESIDENT HAS SEEN 4/15

THE WHITE HOUSE
WASHINGTON

April 4, 1994

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: JOHN H. GIBBONS, ASSISTANT TO THE PRESIDENT
FOR SCIENCE AND TECHNOLOGY

SUBJECT: "Good News" on Space Station Program

I thought you should be apprised of the positive developments we are seeing as a result of the redesign of the space station and, more broadly, the reinvention of NASA.

Last month I asked Dr. Charles Vest, President of MIT, to reconvene the individual members of the former "Advisory Committee on the Redesign of the Space Station" to review the current status of the space station program. This was not a formal advisory committee meeting, but rather, a working group session aimed at getting the individual perspectives of the previous members of the Advisory Committee. The meeting took place March 25-26.

By all accounts, NASA has made enormous progress in restructuring the program and in reorienting itself for success. Although there are clear challenges ahead, this Administration's approach is beginning to bear fruit. In particular:

- o Cost -- NASA and its contractors now have high confidence that they can achieve the Administration's cost targets of \$2.1 billion/year and \$17.4 billion total program cost;
- o Management -- The removal of unnecessary layers of management and the introduction of new management techniques (such as integrated product teams) have significantly reduced cost and dramatically increased efficiency;
- o Russian Participation -- Russian participation in the space station will advance the schedule by at least 15 months and reduce the costs by over \$1.5 billion while increasing overall station capabilities. The Russian participation has been strongly endorsed by our other international space station partners.

We will continue to monitor progress on this important initiative. For your reference, I have enclosed a more detailed account of the meeting as reported by my Associate Director for Technology, Lionel S. Johns.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20500

April 4, 1994

MEMORANDUM FOR JOHN H. GIBBONS

FROM: LIONEL S. JOHNS,  ASSOCIATE DIRECTOR FOR TECHNOLOGY

SUBJECT: Vest Panel Review of Space Station Program

On March 25-26, I attended a meeting at the Johnson Space Center where NASA provided an informational briefing to the former members of the Advisory Committee on the Redesign of the Space Station (Vest Committee). As you will recall, the Vest Committee was formally disbanded in October. The members agreed to meet one more time and provide their individual perspectives on NASA's progress in implementing guidance the Committee previously provided on the space station program.

The meeting went extremely well. All the former Vest Committee members were impressed with how much had been accomplished and how rapidly their recommendations had been translated into action. Boeing, the new prime contractor, is now fully integrated into the program and is working effectively with NASA to define and control overall costs. The International Partners also expressed their strong support for the current pace and direction of the program and the degree to which they have been integrated into the program.

The former Vest Committee was divided into five working groups, each responsible for an informal analysis of the program's progress. The following points provide a synopsis of some of the more interesting observations made by the working groups:

o Technical and Mission Consideration

- Strongly endorse this new approach, especially the positive attitudes and leadership;
- Based on this review, the space station has every prospect of becoming an outstanding international space research facility;
- Moving and consolidating the program management has been positive in virtually every respect;
- Proposed Russian participation improves the space station in all measures: capability, cost, schedule, and risk containment.
- Endorse the inclusion of "engineering research" as a major purpose of the space station.

o Science

- Major positive changes in issues related to science, technology and engineering utilization since June;
- Refreshing to see scientists working as team with engineers to define capabilities and resolve problems;
- Need to move the science community to active participation by bringing in first rate people to stimulate and innovate.

o Management

- A quality, single contractor has been engaged and is firmly in place;
- There has been an important reduction in unnecessary NASA and contractor staff and unnecessary levels of management have been removed;
- The Integrated Product Team concept has been implemented and seems to have removed the bureaucracy that had previously frustrated decision making;
- The international partners have become much more integrated into the management and operational structure;
- Relationships with subcontractors appear to be effective.

o Costing

- Dramatic improvement in program management, budgeting and contract process;
- Much higher confidence in cost estimates;
- Station consistent with budget authority of \$2.1 B/year and \$17.4 B run-out.

o International Partners

- Remarkable progress has been made in incorporating the international partners in the program;
- We see enormous improvements in efficiency and effective management structure;
- We now have more capability than earlier and are making progress toward common decentralized space station operations.

Although the working groups were very supportive of the changes that have taken place in the station program, they did point out that the station remains a "success oriented" program, in that the current budget and schedule are challenging. In addition, they pointed out some specific unresolved issues:

o Russian Participation

- Uncertainty as to what the Russians intend to contribute as space station partners and what they intend for the U.S. to purchase;
- Need to finalize contractual arrangements for Russian hardware elements we intend to purchase or lease.

o Canadian Participation

- The Canadian arm is essential to the construction and operation of the space station. NASA still negotiating with the Canadian Space Agency regarding potential changes to Canada's role in the station program.

o Science and Engineering Utilization

- Need to attract world-class scientists and engineers to the program;
- Need to focus on advances in engineering as well as science.

o Boeing/NASA Convergence on Cost Estimates

- Boeing and NASA agree that the program is implementable for \$17.4 billion, but continue to disagree on how the budget should be divided between NASA activities and Boeing activities. Boeing currently manages about \$7 billion of the \$17.4 total program cost since many operational costs for NASA do not require prime contractor responsibility.

In summary, this was an extremely positive review and represents a significant step forward for the space station program. It may also become a model for the Administration's broader agenda of reinventing government. In the coming weeks, I will be working closely with NASA and other offices within the White House to ensure that this success story is widely heard. As part of this effort, I have asked each of the former working group leaders to write to you with their candid assessments of our progress. I will, after discussion with NASA and OSTP legal council, be working to see that these viewpoints receive appropriate distribution.

THE WHITE HOUSE

WASHINGTON

94 APR 15 P9:37

April 15, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *RL*

SUBJECT: U.S. Involvement in Bosnia

You might be interested in the attached poll, conducted just before the first NATO air strikes in Bosnia last Sunday.

Substantial majorities favored robust American action: 81% for applying an air strike threat beyond Sarajevo; 66% for American troops joining UNPROFOR's present mission; and 56% for sending a large ground force, including Americans, to occupy contested areas and forcibly stop ethnic cleansing. 59% of the same respondents, however, would not risk a repeat of the "the same mess" we got ourselves into in Somalia.

73% favored joining a multinational effort to enforce a peace agreement. Interestingly, 39% favor UN command of such a force while only 25% favored a NATO command and 29% were indifferent on the command issue.

Attachment
Tab A University of Maryland Poll

*With us could
20 volunteers
March 7330*

cc: Vice President
Chief of Staff



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

MAR 24 1994

94 MAR 29 P3:46

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

Dear Mr. President:

In your election campaign and during your first year in office, you offered a new vision of hope and fairness to the people of our country -- one to which Americans responded eagerly:

- Putting people first
- Investing in our citizens
- Rewarding those who play by the rules
- Restoring fairness, and
- Maintaining family and community at the heart of American life.

Here at the Department of Health and Human Services -- "The People's Department" -- we have taken that vision to heart, turning the enormous resources of the Federal government toward those we serve. We strive to transform hundreds of discreet Federal programs into a coherent whole that will work better for the American people.

It is only natural that HHS would play a central role in establishing what will be a lasting legacy for your Administration. When you and I -- and the American people -- look back at this time in our history, I believe they will make special note of the following:

- **Health care security.** When we entered office, the number of Americans without health insurance was rising and an average of 2.2 million Americans were losing their coverage every month. You rightly declared this a "crisis" and laid out a clear vision of a future of health care security. When we leave office, Americans will be seeing the fruits of our labor.
 - A health care system that provides private coverage to all members of society;
 - Comprehensive coverage with an emphasis on primary care and prevention;

- A secure and stable Medicare program enhanced by prescription drug coverage and much-needed coverage of home and community-based long term care for the severely disabled; and
- A rational rate of cost growth that will free families, businesses, and governments to invest in other critical needs.
- **Welfare reform.** When you told Americans you would put an end to "welfare as we know it," you hit a responsive chord in the American people, including those in the welfare ranks. We will leave:
 - A society where work pays and where individuals take responsibility for their actions and their families;
 - A welfare system that is a way station not a way of life;
 - A new feeling among members of our future generations that opportunity and empowerment are within their grasp.
- **Children.** A special part of our legacy must be to see that America's children have more opportunity and hope. We must give them something to say "yes" to. Our children need the nurturing resources of family and community. They need to see opportunity before them. And they need their communities' affirmation of themselves and their futures. Likewise, they need the fulfilling and productive values that come with long-term commitments. These are great tasks that transcend HHS, and indeed transcend government. But there is much we can do:
 - The Head Start program must fulfill its potential by reaching all who need it and providing high-quality programs. We must leave behind a continuum of development and opportunity for children. Communities should be able to offer full-year and full-day programs. And services for our youngest children must move smoothly to school settings, as envisioned in the Department of Education's "Improving America's Schools Act." You and I know that Head Start can make a lifetime difference to thousands of children. To borrow a line from the Children's Defense Fund, we must "leave no child behind."
 - What good is Head Start and a quality education system if a child never lives to enjoy its benefits? That's why we have worked from day one to create a childhood

immunization program that makes sure that every child receives the vaccinations that can prevent diseases that maim or kill. We have already begun to achieve this outcome with the measures passed last year by the Congress. Specifically, we aim to achieve vaccination levels of at least 90 percent among 2-year-old children by 1996.

- Family preservation and support services will be developed and expanded in every state as specified in the Family Preservation and Support Act enacted last year under your leadership. Children who might have been placed in foster care will be able to remain with their families while receiving intensive services in their home. Also, more parents will be able to participate in programs, like the Arkansas HIPPY program, which enable parents to protect, nurture, and support their children.
- Prevention must take its rightful place at center-stage of our health system. We must move from a medical model of "sick care" to a preventive model of "health care." Preventing disease before it occurs, and treating it early, means better health status as well as lower costs. The Health Security Act will guarantee every American a package of preventive services with no cost-sharing. At the same time, we will increase the number of primary care physicians in our health care system, especially in under-served areas. Likewise, we are acting in many other preventive areas, both traditional and not-so-traditional:
 - Smoking continues to be the leading preventable cause of death in America. We will continue to aggressively tell our citizens the truth about tobacco use and its health consequences. Through our words and our actions, we will support the decision by individuals to quit smoking and improve their health. In particular, we will target our young people to help them avoid cigarette addiction. And an increased federal excise tax on tobacco products will provide a powerful disincentive to smoking by Americans of all ages.
 - Drug and alcohol abuse are connected with a vast net of problems in our Nation, from crime to motor vehicle mortality to domestic violence. We must do better in preventing addiction, and we must be more effective in making treatment accessible to those who need it. By making such treatment part of a comprehensive benefit package for all Americans, we will take a major step forward. By adding new drug treatment slots to our public health infrastructure we will make sure that those who want to end their deadly addictions will have a place to do so.

- Early and unprotected sex is associated both with teenage birth and disease transmission. For too long, they have been ignored at the Federal level. We must be honest and forthright in making the problem clear and addressing it in a straightforward manner. School-based health clinics, a strategy employed very effectively in your home state of Arkansas and elsewhere, must be available to all communities who want them. And the government must never again come between health care professionals and their patients by creating a barrier to prevention.
- Good nutrition is at the base of good health. Beginning this year, clear food labeling will help consumers choose a healthy diet. In addition, a better system for assuring food safety has already been devised in the Food and Drug Administration's new program for seafood.
- Violence extracts a frightening toll in America. It is, in many ways, our greatest public health peril. While we aggressively fight crime in the streets, we must also look to new, broader-scale opportunities to prevent violence before it occurs. HHS is supporting efforts to develop new tools of violence prevention -- for example, assistance to at-risk families, and teaching conflict resolution skills at young ages. We will join the private and volunteer sectors in supporting neighborhoods and communities as they work to bring violence under control.
- Basic biomedical and clinical research. My Department's support for basic biomedical and behavioral research has no parallel. This support will continue to provide a basis for economic and medical leadership by the United States. NIH-supported research into the human genome, as well as accelerated research into AIDS, cancer, and other conditions, will continue to be among the most valuable investments that can be made by government. Likewise, the epidemiological and other activities of the Centers for Disease Control and Prevention will pay off in better health for Americans.
- Women and minorities have shared too little in our Nation's health agenda. The Health Security Act will provide important new access and coverage and greater entree into the health care professions. HHS will take other steps to address women's and minorities' needs. Under your Administration, a national plan on breast cancer will be put in action. Women and minorities will take a greater part in research activities, and they will share more equally in

access to professional opportunities. Special programs will make screening better available for breast and cervical cancer, especially for poor women, and treatment for drug addiction will become more accessible for women.

- Older Americans and people with disabilities will be served better by HHS programs. Through health care reform, significant new coverage for prescription drugs will be available. A much-enhanced community-based system of long term care will be developed. And in both Social Security and Medicare, we will be serving our beneficiaries better through enhanced uses of technology and a renewed service ethic for our customers. We must renew public confidence in the Social Security system, both through excellence of service and through protecting the fiscal viability of the retirement and disability trust funds. Likewise, under the guidance of the newly-created position of Assistant Secretary for Aging, a vision will be developed to prepare the "Baby Boom" generation for productive retirement years. The 1995 White House Conference on Aging will once again bring together leaders in the aging field to develop a coherent view of the needs of our aging population.
- Customer service and cost-effective management have already become watchwords at HHS under your Administration. Improved service to beneficiaries is a prime goal for Medicare, and for fiscal year 1995, the Social Security Administration was one of the few agencies selected to receive an increase in administrative resources to improve customer service. Older and disabled Americans, in particular, will receive better service through these efforts. At the same time, the HHS Continuous Improvement Program is designed to carry out the priorities of the Vice President's National Performance Review. I am dedicated to creating an HHS workforce that is marked by diversity and excellence.

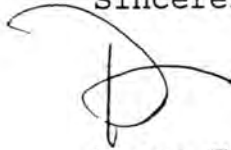
In the end, our reward -- and your legacy -- will not be expressed in terms of programs or budgets or management techniques. It will be expressed in the faces and the lives of those we have served.

It is my hope that your legacy, and mine, will be an American community that finds strength, purpose and unity in its very diversity. It will be a community that rewards those who work hard and play by the rules; a community that asks for responsibility from every member of society; and a community that comes together in time of crisis rather than splitting apart.

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With their votes last year, this is what the American people asked of us. We have taken the first steps toward achieving it and the road ahead is one of opportunity and accomplishment. I look forward to traveling it with you.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'D' with a horizontal line extending to the right and a vertical line extending downwards.

Donna E. Shalala

Classo Boreo

THE PRESIDENT HAS SEEN
4/22/94

CATALOGUE OF HOPE:

CRIME PREVENTION
PROGRAMS FOR
AT-RISK CHILDREN

EMBARGOED

until 4/26/94 at 10:00 a.m.

Prepared by the Majority Staff of
The Senate Judiciary Committee
April 1994



THE WHITE HOUSE

WASHINGTON

April 15, 1994

94 APR 15 AM : 44

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY

SUBJECT: Status Report on the Preparatory Committee for the International Conference on Population and Development (ICPD)

Today the Preparatory Committee for the ICPD will complete the second week of its three-week session at the UN in New York. Delegations from about 180 nations are participating in negotiations on final language for an Action Program to be approved at the Conference in Cairo in September.

The draft Program, prepared by the UN Secretariat, covers many subjects, including family planning and reproductive health care, the role of the family, international migration, technology, international cooperation, and the inter-relationship between population and development. The goal is to adopt the Program by consensus.

At the end of last week, the U.S. delegation proposed amendments to several portions of the draft Program, including a section that refers to abortion (attached). By proposing to consolidate portions of the Secretariat's draft (deleting two sentences at the end of the paragraph), the U.S. proposal appeared to some to reflect a broadening of the U.S. position. Therefore, our delegation has prepared the following revised proposal to clarify our position with respect to access to reliable information, counselling and safe abortion services.

8.21 All governments, intergovernmental and non-governmental organizations are urged to deal openly and forthrightly with unsafe abortion as a major public health concern and to assess its real dimensions and impact on women's health. Prevention of unwanted pregnancies must always be given the highest priority and all attempts should be made to reduce the need for abortion, especially through expanded and improved reproductive health and family planning services, including counselling. In cases of rape or incest, as well as in other circumstances as permitted by national laws, women should have access to reliable information, counselling and safe abortion services. Countries are urged to initiate or strengthen humane and high quality services for the management of complications arising from unsafe abortion. Services should always include counselling and the provision of family planning.

I have discussed this revised proposal with Bill Galston and Eileen Claussen, and we believe it is consistent with the Administration's domestic policy. This new proposal could be submitted as early as this afternoon. Negotiations are expected to continue through next week.

Please let me know if you would like further information on this issue.

Attachment

Draft U.S. Proposal of April 8, 1994

Proposed amendments of Declaration of the United States, 4/8/94.

(boldface = changes; brackets = deletions)

8.21 All Governments, intergovernmental and non-governmental organizations are urged to deal openly and forthrightly with unsafe abortion as a major public health concern, recognizing that its impact falls most heavily on rural and low-income women and youth. Prevention of unwanted pregnancies must always be given the highest priority, and governments are urged to expand and improve family planning services in order to reduce the need for abortion. All countries should also strengthen services for the management of complications of unsafe abortion. Governments are urged to assess the health impact of unsafe abortion, [to reduce the need for abortion through expanded and improved family planning services] and to frame abortion laws and policies on the basis of a commitment to women's health and well being rather than on criminal codes and punitive measures. [Prevention of unwanted pregnancies must always be given the highest priority and all attempts should be made to eliminate the need for abortion. In cases of rape and incest, women should have access to safe abortion services.] Women who decide [wish] to terminate their pregnancies should have ready access to reliable information, compassionate counselling, and safe abortion services [for the management of complications of unsafe abortion].