

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Carl Spielvogel to Mack (1 page)	05/19/1994	Personal Misfile
002. memo	Jenny McCarthy to POTUS re: Selected Casework (3 pages)	05/23/1994	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4888

FOLDER TITLE:

May 22-28, 1994 [1]

2018-0662-S

rs3097

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

DATE: 05/27/94

TO: MARCIA HALE

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

Please prepare a draft Presidential response for the 2 letters attached from Harlan E. Boyles, and return the draft to my office.

Thanks.

State of Arkansas
Office of the State Treasurer

220 State Capitol • Little Rock, Arkansas 72201

Telephone: (501) 682-5888
Fax: (501) 682-5820Jimmie Lou Fisher
Treasurer of State

TO:

TREY SCHROEDER

FAX:

202-395-4198

FROM:

STEVE FARIS

MESSAGE:

TREY,

JIMMIE LOU WANTED THE ATTACHED LETTERS BROUGHT
TO THE PRESIDENT'S ATTENTION SO HE COULD
RESPOND TO THEM.

Thanks,
STEVE

State of North Carolina
Department of the Treasurer



HARLAN E. BOYLES
STATE TREASURER

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1365

April 27, 1994

Harlan

MEMORANDUM

To: Fellow State Treasurers

From: Harlan E. Boyles
Treasurer of North Carolina

Subject: SEC's Interpretive Release/Proposed Amendments

I have a lingering disposition to share with you the personal and professional frustrations I have encountered these last few months regarding the burdensome mandates of the Securities and Exchange Commission -- all of which are being imposed upon my state and yours without a single approving act of the U.S. Congress.

The issues are: a bureaucratic solution looking for a problem -- a problem that does not now exist; the increase in the cost of bond issuance and ongoing administrative burden; self-regulation; free and open access to the traditional financial markets, with rewards for excellence; the sovereignty of the states; and, the rights, duties and responsibilities of the states in matters of internal political discipline.

As major participants in the municipal securities business, we must know (and understand) that the recent SEC releases, if allowed to become effective, will undoubtedly have a significant impact on the way the states and their localities provide capital financing for such basic facilities as public schools, hospitals and housing. The public to be "protected" is the same public who will pay the added freight.

At its annual meeting this past week, the Southern State Treasurers initiated an effort to create an open discussion of what are perceived to be the three principal issues, which are (1) the disclosure obligations (in conjunction with primary offerings) of the issuers of municipal securities, (2) the impact of the secondary market disclosure requirements regarding annual audits, pertinent operating information, and other "material events" affecting the issuer or its debt obligations and (3) the selective ban on political campaign contributions to state and local elected officials. To be specific, two resolutions were adopted by the Southern State Treasurers, copies of which have been furnished you under separate cover by the National Association of State Treasurers. Other resolutions, except for the constraint of time, may well have been considered and advanced as justified and appropriate.

Fellow State Treasurers
Page 2
April 27, 1994

The first resolution -- the one calling for comprehensive campaign finance reform for federal, state and locally elected officials -- is designed to emphasize that a federal agency has summarily moved, without Congressional approval, to impose one set of standards on state and local officials but suggests no such standards on federal officials. We might ask, could there be a better time or a greater need for comprehensive reform than now? Have we not been reading about the "health care" dollars flowing so generously to the congressional officeholders? And, to address the statutory and constitutional issues, isn't the proper forum for campaign finance reform in the halls of Congress, under the direction of our duly elected lawmakers? The second resolution -- the one calling for full disclosure and accountability in the use of publicly derived funds by the Municipal Securities Rulemaking Board (MSRB) -- is designed to report to the issuer community the fact that the MSRB has been unresponsive to legitimate inquiries regarding the Board's resources. You need only to read my letters (copies enclosed) to the Board's Executive Director, dated January 4, February 9, and March 18, to understand the need for the second resolution. A similar resolution might well have been directed to the Public Securities Association (PSA) since that organization also receives publicly derived funds (equal in amount to the assessment fees of MSRB) and unquestionably depends heavily upon a strong and vibrant municipal securities market.

As additional background information (adding to the frustrations that come from a totally unresponsive President -- a President who once served as a state governor, we might note) I enclose copies of my letters to Bill Clinton, dated February 4 and March 23, neither of which has been answered or acknowledged. Identical letters were written under the same dates to Al Gore, Jr., who has just this week thanked me for sharing my concerns (apparently not his) with him but who, to my knowledge, has lifted not one finger to help us. Please tell me if you believe that these responses (or lack thereof) will serve to strengthen the partnership we must have as we endeavor to respond to the wants of our people at reasonable and affordable costs? As you might surmise, I don't submit easily to an unresponsive government bureaucracy, especially one that does not heed the grass roots strengths of our states. We might point out that 1996 is not that far off.

The MSRB and SEC actions are clear signals that the "lock-the-doors" SEC chairman is striving to create a single super regulatory agency. They are a product of that Potomac mentality, the mecca of fiscal responsibility, the one-size-fits-all, bureaucratic, power-driven, socially engineered, high cost and unresponsive system of regulation, that will in time prevail over the states, if unchecked.

I don't hide the fact that my temperature rises when I hear Arthur Levitt say "trust me," I'm glad to see you, I'm here to help you; when Bill Clinton and Al Gore presume short memories, that in 1996 we will forget and forgive; when the MSRB Chairman, David Clapp, who works for Goldman Sachs, has openly boasted that underwriter services "will increase" if political contributions are banned (to which I say: thanks for telling us about the way you may have conducted underwriting business in the past -- we will put that in our little book of things to watch for -- and, in the interim, we hope you like your new diet); and, when the Public Securities Association so willingly and openly forsakes the states and their localities, with little regard for the advantages of self-regulation. Who does the PSA think brings the products to market?

Fellow State Treasurers

Page 3

April 27, 1994

Finally, you may find helpful the enclosed preliminary advice we have received from our State's bond counsel written to give advance notice of the ultimate impact the SEC actions will have on all public officials in North Carolina. You, too, may want to seek similar advice and decide whether you wish to comment on the interpretive release and proposed amendments to Rule 15c2-12. Comments to the SEC are due on or before July 15, 1994.

When all is said and done, it's now down to hard ball politics, and I hope that we will not back away. Again, the issue is "home-rule" which, of course, it comes with a price — discipline and prudence.

Garrett Barker

HEB/6113

Enclosures:

cc: The North Carolina Congressional Delegation (14)
The Council of State Governments
The National Governors' Association
National Association of State Treasurers
National Association of State Auditors, Comptrollers & Treasurers
Government Finance Officers Association
National League of Cities
The National Association of Counties
North Carolina League of Municipalities
North Carolina Association of County Commissioners



STATE OF NORTH CAROLINA
DEPARTMENT OF THE TREASURER
RALEIGH 27611

HARLAN E. BOYLES
STATE TREASURER

February 4, 1994

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We in North Carolina remember well your many trips to our State and our active campaigning together in 1992. The ten of us who are elected members of our Council of State were assured, on each occasion, of your commitment to work with state and local government officials across the nation in building a partnership for economic and social progress. We have confidence that you will remain steadfast in your commitment. Together, we will succeed in achieving our mutual objectives.

State and local governments face a new challenge today. The challenge is, how to pay for the infrastructure needs of our communities. Unfortunately, this comes at a time when the flow of funds from Congress has been dramatically reduced. To us, it is inevitable that heavy reliance will be placed upon the use of long-term financing in the form of municipal bonds, to be paid locally. Actually, the use of municipal bonds has always been basic to our nation's quality of life and economic progress. We willingly accept these circumstances as the realities of our times -- and, now want to go forward with confidence, with some reassurances from your office.

One problem is unique to all states, and it is one that can be easily resolved. It's the harmful rhetoric and the threatened intrusion into our access to the marketplace by the appointed Chairman of the Securities and Exchange Commission, Arthur Levitt, Jr. His use of innuendoes and allegations about perceived abuses is preposterous and is doing much to unsettle the market for municipal bonds nationwide. We strongly believe that, because of his actions, the cost of borrowing money at the state and local level is bound to increase.

The Honorable Bill Clinton

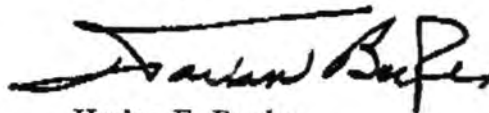
Page 2

February 4, 1994

Please read closely, if you will, the enclosed address of Chairman Levitt and determine for yourself if you think the measures advocated in his remarks imply an attitude conducive to building a viable partnership with state and local governments, particularly as we endeavor to respond to the program needs of our people. The issue, Mr. President, is "home rule" and it's seriously political. The answer should be to leave the responsibility for management and oversight squarely with the states themselves, allowing the marketplace to evaluate the direction and quality of internal governance. It's important that our federal "partner" help rather than impede our progress.

Your careful consideration and early advice will be greatly appreciated.

Sincerely,



Harlan E. Boyles
Treasurer of North Carolina

HEB/fms

Enclosure

cc: Governor James B. Hunt, Jr.
North Carolina League of Municipalities
North Carolina Association of County Commissioners
National Association of State Treasurers
National Association of State Auditors, Comptrollers and Treasurers
National Governors' Association
Government Finance Officers Association



STATE OF NORTH CAROLINA
DEPARTMENT OF THE TREASURER
RALEIGH 27611

HARLAN E. BOYLES
STATE TREASURER

March 23, 1994

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

In early February, I wrote you about an important matter affecting the municipal securities industry and specifically about the innuendoes, allegations, and unsettling statements being made by Arthur Levitt, Jr., your appointee as Chairman of the Securities and Exchange Commission. I enclose a copy of my letter of February 4, 1994 for your easy reference. In that letter, I urged you to intervene in this highly political matter so as to avoid direct confrontation with the nation's governors, elected state and local officials and legislators who would be unfairly affected by the proposed MSRB rule G-37. To date, I have not received an acknowledgment of my letter.

As the former Governor of Arkansas, you can appreciate the issue of "home rule" — which is now under attack by Mr. Levitt, as it involves the intrusion into the rights of states to govern the electoral processes within their boundaries. While his actions might not have peaked your interest, they have not escaped the attention of the Republican National Committee. Enclosed is an article from the Thursday, March 17, 1994, edition of THE BOND BUYER. In this article, the Republicans are taking a position for States' rights, a move which is both prudent and ultimately will prove politically popular.

Look at the list of those who have publicly denounced Mr. Levitt's edicts. They include the nation's governors, legislators, treasurers, auditors, controllers, county commissioners, bond attorneys, and many others connected with the municipal securities industry. Mr. Levitt responds by reading a list of bankers and underwriters who he says have voluntarily signed on to his proposals. If the man who was responsible for your livelihood asked you to "volunteer" for something, don't you think you would willingly agree? Some who have put their name on the list tell us privately they only did so because of fear of reprisal.

Mr. President, you came to North Carolina many times during the 1992 campaign and you stated (on more than one occasion) that you wanted to get the federal government out of our affairs; that as a Governor you understood more than anyone the burden the federal government could put on state and local entities with mandates, policies, and unnecessary paperwork. We eagerly carried your banner, believing that you would indeed do what you said. However, our first real introduction to your new SEC Chairman is a direct contradiction

The Honorable Bill Clinton
Page 2
March 23, 1994

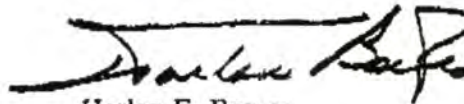
to your stated promises. We ask that you consider the expanded scope of federal control over state and local governments implicit in recent SEC actions - campaign finance reform, disclosure requirements for municipal debt and related control of financial accounting and reporting standards, internal control systems standards, and budgeting standards. In the past, these areas have been handled responsibly by state and local governments without federal intervention. For example, the Governmental Accounting Standards Board has been established, and most governments (with the notable exception of the Federal government) have converted to financial reporting in accordance with generally accepted accounting principles and have implemented balanced budgeting.

Mr. President, we want to be a partner in bringing about positive change. We will not be ignored; nor will we be bullied, threatened, or dictated to in the manner Mr. Levitt has chosen. Must we be forced to join with the Republican Party's efforts in publicly fighting such tyranny?

You may once again choose not to respond to my request that you intervene in this issue, but you can be sure that the impact of Mr. Levitt's action will affect almost every candidate who runs in state and local races, many of whom have been your friend. Republicans will be sure to take advantage of this and point to the fact that you did not raise a finger in support of the authority of state and locally elected officials. It's not too late for compromise and redirection.

Your careful consideration and involvement will be greatly appreciated.

Sincerely,



Harlan E. Boyles
Treasurer of North Carolina

HEB/fms

Enclosures

cc: National Association of State Treasurers
National Association of State Auditors, Comptrollers and Treasurers
Democratic National Committee



THE PRESIDENT HAS SEEN

5.27.94

94 MAY 27 08:53

CHIEF OF STAFF TO THE PRESIDENT
THE WHITE HOUSE

May 25, 1994

Mr. Carl Spielvogel
BSB Worldwide, Inc.
The Chrysler Building
405 Lexington Avenue
New York, NY 10174

Mail
me on
discussion
need to reply
to Arthur

Dear Carl:

Your letter of May 19th regarding the DNC
Dinner on June 27 is received.

Your concerns, as illustrated by Arthur
Liman's letter, are noted and have been
shared with the appropriate people in the
White House.

Personally,

M. McLarty

Mack McLarty

bcc: The President ✓
Joan Baggett
David Gergen
Harold Vche.

Withdrawal/Redaction Marker

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Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4888

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*NOT ADMITTED TO NEW YORK BAR.
**ADMITTED IN FRANCE ONLY.

(212) 373-3132

May 16, 1994

Mr. Carl Spielvogel
Backer, Spielvogel, Bates Inc.
405 Lexington Avenue
New York, New York 10174

Dear Carl:

On the evening of June 27 I will be in Ireland. In any event, I am directing my efforts toward assisting the reelection of some Democratic senators and congressmen who are in trouble, and not to a presidential campaign that has two years to get underway and that is sopping up money that these congressional races can use. The President will have an immensely more difficult two years if the Republicans gain control of the Senate.

Sincerely,



Arthur L. Liman

To Volton

THE PRESIDENT HAS SEEN
5.27.94

What do you
Think of this?

B.

The Director of Central Intelligence

Washington, D. C. 20505

May 26, 1994

Dear Mr. President,

While watching your statement on China and MFN just now, a thought occurred to me that I thought I would share privately with you.

At some appropriate point, you may want to take some action to promote human rights in China, without its being a matter of confrontation between the US Government and the Chinese Government.

It occurs to me that the Chinese students' having set up a Statue of Liberty (of a somewhat different design than ours) at Tian An Men Square in 1989 creates the potential for an interesting long-term link between the Chinese and the American people -- a link symbolizing liberty.

Almost all Americans of a certain age

know that our Statue of Liberty was built with contributions from the people, including the schoolchildren, of France. If a private American group were set up to accept contributions to provide funding for a Chinese Statue of Liberty (their design), to be delivered at some appropriate time in the future, it would say to current leaders of China, and everyone else, that we know that the spirit of liberty will outlast them. You could calibrate your own, and the US Government's, involvement with such an undertaking as you see fit. Chinese students here could be engaged -- decisions would need to be made about size, ultimate location, etc.

If you like this idea, it's yours. If you don't, the round file it right at hand.

With admiration for a tough and, in my view, right decision -

Jim

THE WHITE HOUSE

WASHINGTON

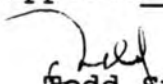
May 27, 1994

MR. PRESIDENT:

The attached is a memo from Carol Rasco, Bob Rubin and Jack Quinn seeking your approval for a process of designating Empowerment Zones and Enterprise Communities from among some 700 expected applicants.

The memo outlines the following basic process, designed to be completed by mid-September: (i) HUD and USDA screen all applications to come up with a list of some 200 that are "most viable"; (ii) each agency, as well as staff for the Chair (the Vice President) and Vice Chairs (Rasco and Rubin) of the Community Enterprise Board, review the "most viable" list; (iii) after getting input from these evaluations, HUD and USDA select 30-40 urban and rural first round finalists; (iv) the full Board meets to make final recommendations for Empowerment Zones; (v) HUD and USDA make final decisions for the 9 Empowerment Zones followed by a first round of Enterprise Community designations; (vi) a second round of finalists are then considered, using the same procedures, for the rest of the 95 EC slots.

I have circulated the memo to relevant staff and no one objects.

Approve ☒ _____Disapprove ☐ _____Discuss ☐ _____
Todd Stern

THE WHITE HOUSE
WASHINGTON

May 26, 1994

94 MAY 26 P2:02

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE VICE PRESIDENT

FROM: CAROL RASCO
ROBERT RUBIN
JACK QUINNSUBJECT: EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES
DESIGNATION PROCESS**I. ACTION-FORCING EVENT**

The Empowerment Zones/Enterprise Communities application process began on January 17, 1994. Thus far, over 700 communities across the country have informed HUD and USDA that they intend to apply for an EZ/EC designation. The deadline for submission of applications is June 30, 1994, at which time the selection process for the 9 Empowerment Zones (EZ) and 95 Enterprise Communities (EC) will begin. While the formal selections are to be made by the Secretaries of HUD (for urban areas) and Agriculture (for rural areas), in September, 1993 you created the Community Enterprise Board ("Board") and required the Secretaries to consult with the Board prior to making the selections. The Board is comprised of the heads of 15 federal agencies, chaired by the Vice President and vice-chaired by Carol Rasco and Bob Rubin. We have developed a process for implementing this consultation process and are submitting it to you now for your review.

II. OVERVIEW OF PROPOSAL

HUD and USDA would screen all applications to winnow the initial pool down to a manageable number, say 200, of the "most viable" applications. This screening would be based on the eligibility and selection criteria articulated in the EZ/EC application materials. HHS would work with HUD and USDA to ensure that all applications are screened for compliance with requirements regarding the Title XX Social Services Block Grants.

Each agency will be required to review those applications in the "most viable" class that include programs or strategies falling within the agency's jurisdiction, using an evaluation form developed by HUD and USDA. Agency reviewers would be directed to decide whether they would grant program funding and waiver requests that fall within their jurisdiction. Staff for the Chair and Vice Chairs of the Community Enterprise Board would also review the "most viable" applications.

After considering the agencies' evaluations and the input of the Chair and Vice Chairs, HUD and USDA would then select approximately 30 to 40 urban and rural first round finalists. The entire Board would then meet to make recommendations as to which of the first round of finalists should be designated as EZs. After considering the Board's recommendations, HUD and USDA, in accordance with their statutory authority, would make the final decision on the EZ designations, followed by decisions on a first round of EC designations. A second round of finalists would be considered, using the same procedures, for the remaining EC slots.

We hope to complete this process by mid-September. The actual announcements of the EZ/EC designations could be scheduled shortly thereafter. To mitigate the tensions surrounding the designations of EZs, we intend to work hard to ensure that, in addition to the EZ designations, the EC designations include valuable program investments. In particular, we would like to announce a number of enhanced ECs with large amounts of additional investments.

III. DISCUSSION

The proposal has the following advantages:

Input from the Board: It would ensure that each agency on the Board has an adequate opportunity to evaluate and consider program usages, strategies and waiver requests contained in EZ/EC applications that are within the agency's jurisdiction. This will help ensure that each community designated as an EZ/EC will receive a viable package of federal resources and waiver approvals. In addition, there will be review and input by the OVP, DPC, NEC, CEA and OMB, all of which are represented on the Board.

Standards to ensure the longterm success of the program: In order to win, an application would be required to meet baseline eligibility criteria and selection standards that emphasize indicia of potential success. The Empowerment Zone initiative is going to draw close scrutiny from Congress and the press. If the initiative is not perceived as a success in the long term, it will hamper our ability to marshall additional resources for distressed communities.

Balanced Discretion: Although the agency reviewers would be asked to consider objective standards, the proposal allows HUD, USDA and the overall Board to consider additional factors, like geographic diversity, vision, and innovativeness.

Fairness: The proposal should ensure a fair process that will limit charges of political favoritism. As with other competitive grant programs, any records that are produced by this process will be subject to inspection by the General Accounting Office, relevant Congressional committees, and, possibly, the general public. In addition, applicants that do not win will demand reasons. The proposal will result in documentation that demonstrates that all winners met the selection criteria.

IV. DECISION

We wanted you to be aware of the proposed process and receive any comments you may have before moving forward. Please advise.

____ Approve

____ Approve with Comments

____ Discuss Further

BL
SUMMIT
PC

Injury Law/Car Accidents

HANK HANNIGAN
President

6/27/94

THE PRESIDENT HAS SEEN

HANNIGAN & EHRESMAN
ATTORNEYS AT LAW
A LAW CORPORATION
PHONE (808) 599-7741

SUITE 1601
1188 BISHOP STREET
HONOLULU, HI 96813
FAX (808) 531-8905

Go Fer
for Bruce
LINDSEY

THE WHITE HOUSE
WASHINGTON

DATE: 5/26/94



TO: VICE PRESIDENT
LEON PANETTA
JACK QUINN

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





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN

THE DIRECTOR

May 24, 1994

94 MAY 24 P2:17

MEMORANDUM TO THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Senate Appropriations Committee Action on FY 1995
602(b) Allocation

On May 19th, the Senate Appropriations Committee approved their 602 (b) allocation. Chairman Byrd indicated that the Senate would try to pass all thirteen bills by the August recess. Highlights of changes from the House allocation follow:

- Defense/Military Construction - No change from House (i.e. roughly \$.6 billion below the request)
- VA-HUD was cut by \$316 million in outlays. This will make it very difficult to include full funding for Space Station. If full funding is provided, it will require such difficult cuts in other programs that a well drafted Bumpers amendment to strike and/or transfer funding from Station might pass. This reduction could also be viewed as a back door cut in defense if it forces the Defense Subcommittees to help finance NASA (an action that VA-HUD Subcommittee Chairman Stokes has asked us to consider).
- Commerce/Justice/State was the main beneficiary of the VA-HUD cut. They are up \$793 million in BA and \$282 million in outlays, which will help on investments.
- Labor/HHS/Education, Treasury/Postal, Foreign Operations and DC got the same allocation as the House. The Labor/HHS/Education decision will make it difficult for us to achieve our overall 70 percent investment goal. The Treasury/Postal allocation will make it unlikely that we can get back much of the tax system modernization cut unless we convince Ways and Means and Finance to permit the appropriators to approve fees.
- Agriculture was cut by \$95 million in outlays, Interior was cut by \$76 million in outlays and Legislative was cut by \$45 million in BA and \$40 million in outlays (roughly the amount that Fazio already cut the House bill below the allocation). Bumpers said that his reduction will make it difficult to fully fund WIC.
- Energy and Water was increased by \$140 million in BA and \$90 million in outlays which should help them with new water projects.

- o Transportation was increased by \$150 million in BA and \$155 million in outlays.

Comparison to FY 1994

- o Relative to FY 1994 BA, the winners in this allocation are Commerce/Justice/State (+17%), Labor/HHS/Ed (+4%), Legislative Branch (+7%) and Transportation (+6%). The losers are Agriculture (-6%), Energy and Water (-6%) and Military Construction (-7%).

Comparison to Request

- o Relative to the request (BA), the winners are Legislative Branch (+7%) and Military Construction (+4%). The losers are Treasury/Postal (-7%), Labor/HHS/Ed (-3%) and Commerce/Justice/State (-2%).

Detailed tables are attached.

CC JP
MACK
George
PAT GRIFFIN

COMPARISON OF HOUSE AND SENATE 602(b) ALLOCATIONS
(in millions of dollars)

Appropriations Subcommittee	House 602(b) Allocation		Senate 602(b) Allocation		Senate less House 602(b) Allocation	
	BA	OL	BA	OL	BA	OL
Agriculture and Rural Development.....	13,817	13,945	13,817	13,850	---	-95
Commerce, Justice, State and the Judiciary.....	26,057	24,818	26,850	25,100	793	282
Defense.....	243,432	250,515	243,432	250,515	---	---
District of Columbia.....	720	722	720	722	---	---
Energy and Water Development.....	20,373	20,853	20,513	20,943	140	90
Foreign Operations.....	13,795	13,736	13,795	13,736	---	---
Interior and Related Agencies.....	13,525	13,943	13,525	13,867	---	-76
Labor, HHS, and Education.....	69,978	69,819	69,978	69,819	---	---
Legislative.....	2,468	2,424	2,423	2,384	-45	-40
Military Construction.....	8,837	8,554	8,837	8,554	---	---
Transportation and Related Agencies.....	13,584	36,445	13,734	36,600	150	155
Treasury, Postal Service, and General Government..	11,644	11,855	11,644	11,855	---	---
Veterans Affairs, HUD, Independent Agencies.....	70,418	72,945	70,418	72,629	---	-316
Allowance.....	2,106	---	1,068	---	-1,038	---
	-----	-----	-----	-----	-----	-----
Total discretionary.....	510,754	540,574	510,754	540,574	---	---

19-May-94

05:36 PM

BRB:DPO

G:\95602ha.wk3

DISCRETIONARY PROPOSALS BY APPROPRIATIONS SUBCOMMITTEE
(in billions of dollars)

Appropriations Subcommittee	FY 1994 Enacted ¹		FY 1995 Proposed		CBO Estimate FY 1995 Budget (Adjusted) ²		FY 1995 Senate 602(b) Allocation		Change: FY 1994 Enacted to FY 1995 602(b)		Change: FY 1995 Proposed to FY 1995 602(b)		Change: FY 1995 CBO Estimate to FY 1995 602(b)	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Agriculture and Rural Development	14.686	14.807	13.683	13.932	13.780	14.008	13.817	13.850	-0.869	-0.957	0.134	-0.082	0.027	-0.158
Commerce, Justice, State and the Judiciary	22.968	23.918	26.770	24.832 ³	27.357	25.818	28.850	25.100	3.882	1.184	0.080	0.168	-0.507	-0.718
Defense	239.433	258.947	244.145	250.844	244.252	251.054	243.432	250.515	3.999	-8.432	-0.713	-0.328	-0.620	-0.539
District of Columbia	0.700	0.698	0.722	0.722	0.722	0.724	0.720	0.722	0.020	0.024	-0.002	—	-0.002	-0.002
Energy and Water Development	21.871	22.590	20.493	20.539	20.508	20.940	20.513	20.943	-1.358	-1.647	0.020	0.404	0.007	0.003
Foreign Operations	13.408	14.033	13.834	13.741	14.008	13.898	13.795	13.738	0.387	-0.297	-0.139	-0.005	-0.211	-0.162
Interior and Related Agencies	13.778	13.518	13.601	13.847	13.718	14.082	13.525	13.887	-0.251	0.351	-0.076	0.020	-0.193	-0.215
Labor, HHS, and Education	67.230	69.287	71.737	69.660	72.294	70.313	69.978	69.819	2.748	0.532	-1.759	0.159	-2.318	-0.494
Legislative	2.264	2.325	2.273	2.332	2.270	2.245	2.423	2.384	0.159	0.059	0.150	0.052	0.153	0.139
Military Construction	9.464	8.627	8.346	8.521	8.502	8.529	8.837	8.554	-0.627	-0.073	0.491	0.033	0.335	0.025
Transportation and Related Agencies	12.991	35.571	14.005	38.030 ⁴	14.011	38.803	13.734	38.600	0.743	1.029	-0.271	0.570	-0.277	-0.003
Treasury, Postal Service, and General Government	11.821	12.287	12.452	11.773 ⁵	12.481	12.528	11.644	11.855	0.023	-0.442	-0.808	0.082	-0.817	-0.871
Veterans Affairs, HUD, Independent Agencies	68.347	71.748	70.113	74.144	69.862	73.361	70.416	72.629	2.071	0.881	0.305	-1.515	0.558	-0.732
Allowance	—	—	-0.016	-0.015 ⁶	—	—	1.068	—	1.068	—	1.084	0.015	1.068	—
Total discretionary	498.780	548.364	812.269	641.001	813.763	644.103	810.764	640.674	11.974	-7.780	-1.605	-0.427	-2.999	-3.629
Discretionary caps			618.068	641.074	618.068	641.074	618.068	641.074						
Total discretionary less caps			-5.799	-0.073	-4.305	3.029	-7.304	-0.600						

¹ FY 1994 Enacted includes transfers and technical re-estimates, and enacted supplementals and rescissions. FY 1995 Proposed includes the outlay effects of enacted supplementals and rescissions.

² CBO estimates used for this table do not include the April 22nd budget amendment in its scoring. CBO scoring has been adjusted to include OMB estimates of the April 22nd budget amendment. Amounts have also been adjusted to distribute allowances of \$20 million BA and \$182 million in outlays for procurement and rent.

³ FY 1995 includes -\$460 million for SEC and NOAA fees, which would be credited as offsetting collections under proposed budget amendments.

⁴ FY 1995 includes -\$406 million in outlays for a supplemental to delay obligations in highway programs.

⁵ FY 1995 excludes \$188 million in budget authority and \$184 million in outlays for the IRS Compliance Initiative. In addition, it does not include the Senate Budget Resolution IRS revenue initiative for \$405 million. Amounts include -\$14 million for BATF special occupational tax, which would be credited as an offsetting collection under a proposed budget amendment.

⁶ OMB estimates for allowances include savings for reductions in rent for the Legislative Branch, the Judiciary, and Postal Service. These savings have not yet been transmitted as budget amendments.

⁷ CBO estimates for allowances include the Legislative Branch, the Judiciary, and Postal Service rent savings, as well as an adjustment for procurement savings to match their original re-estimate of the request.

THE WHITE HOUSE
WASHINGTON
May 25, 1994

THE PRESIDENT HAS SEEN

5/26/94

94 MAY 25 P2:18

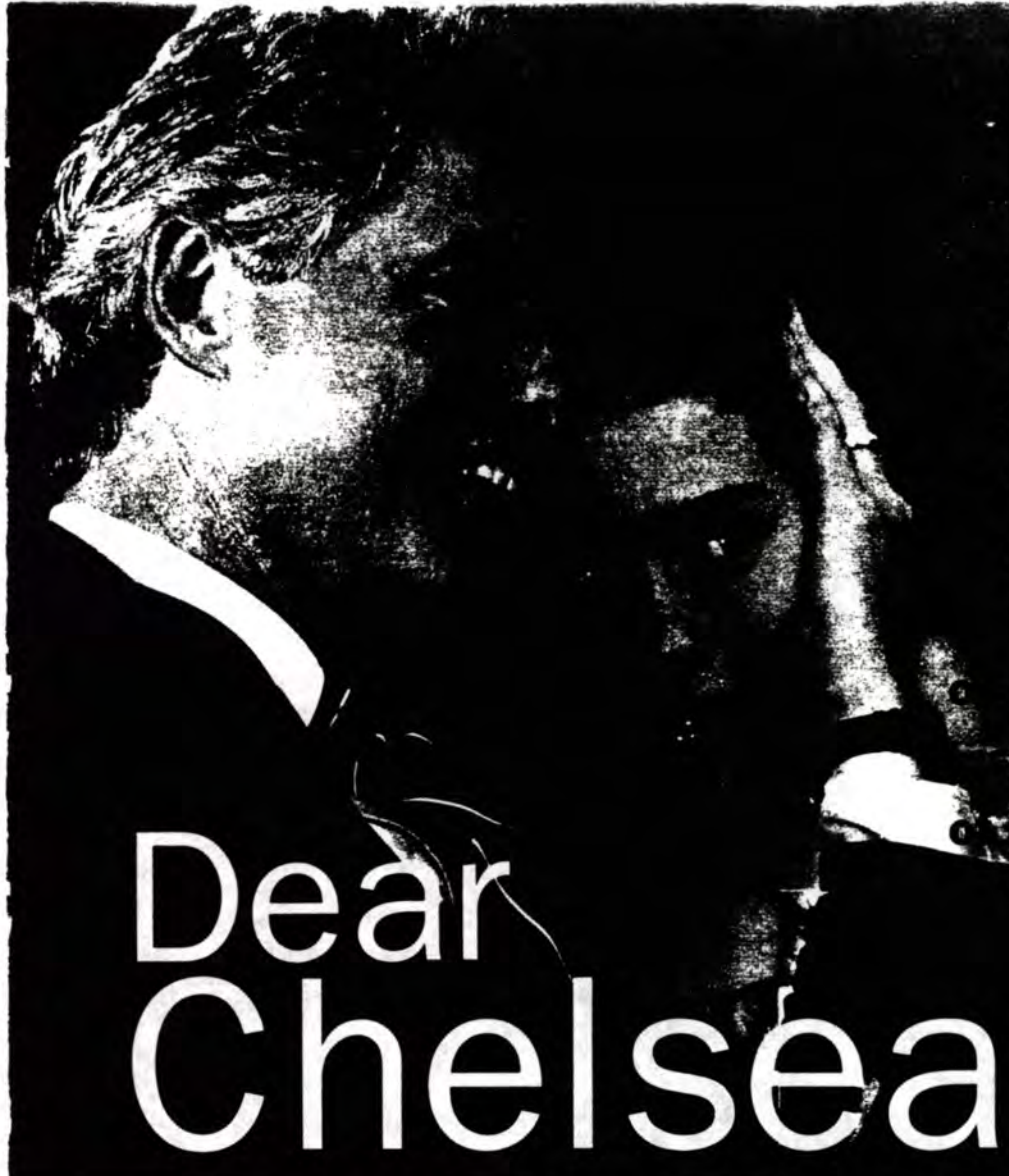
MEMORANDUM FOR THE PRESIDENT

From: Mark Gearan *MG*

Subject: Follow-up on Family Circle Interview, Interview with Columnists

Attached is the Family Circle article from the interview we arranged earlier this spring. Timed to appear around Father's Day, it focuses on your role as a father. Like the USA Weekend piece that ran on Mother's Day weekend, it is almost entirely positive. Also attached is another thoughtful column by Bill Raspberry that follows up on the Oval Office interview with columnists last week.

I love this piece



on Fatherhood
at kind of father
the First Dad?
his exclusive
erview, he talks
out his special
relationship with
daughter and
ers important
ight into the role
of all fathers.

Dear Chelsea

By Marian Burros

FC As his teenage daughter edges toward womanhood, President Clinton—like any father—observes with a certain wistfulness that his role in her life is diminishing. It really hit home in February of this year, when Chelsea turned 14.

The night before her birthday, she had about 40 friends from school—girls and boys—to the White House for dinner and a movie: pizza in the State Dining Room and *Reality Bites* in the White House movie theater. Then the boys went home, and the girls had a pajama party.

"Hillary and I went down early and shook hands with the kids," he says, "but I kind of felt awkward, sort of like a fifth wheel, so I stayed about 20 minutes and then I sidled on out of there."

Still, the next day—her birthday—Chelsea spent most of her time with her parents, the President reports, clearly pleased. "We got up on the bed, watched the end of the Olympics, played games and talked about old times. I liked it a lot—that that was the way she wanted to be."

Marian Burros, a reporter for "The New York Times," writes chiefly about food, nutrition and life styles.



1983: Newly reelected, Arkansas' young Governor proudly shows off his 3½-year-old daughter.

But even before the family moved to Washington, when he was still Governor of Arkansas, he had to give up taking Chelsea to school every day: She found it embarrassing. He has also given up on homework assistance. "I used to help her with her math, but she's getting a little too advanced for me," he admits.

The President takes great pride in fatherhood and talks enthusiastically about it. What is remarkable, he says, is the extent to which he and his wife agree on the way to raise their daughter. "It's not as if we (Continued)



1992:
Arriving in
New York City
for the
Democratic
Convention.

talk about it all the time," he says, "but we're a lot alike."

The key, they agree, is unconditional love. "A strong sense of security is very difficult to achieve in life," the President says, "unless you know when you're little that you're the most important person in the world to someone"—and ideally, that "someone" is your parents.

But along with loving unconditionally, he believes parents have to help the child develop "the internal sense of balance that combines an adventurous spirit with a sense of discipline about what's right and wrong and what's necessary for self-preservation."

He also feels it's extremely important to help children have some perspective about their self-worth, particularly during adolescence. "Cultural norms can damage kids when they're at awkward, uncertain stages. I remember vividly what I was like at 13: I doubted and questioned everything. I don't think it's *just* girls, but I think it is much harder for girls if they go through that sort of thing without their parents solidly behind them.

"I tell my daughter I love her every day of her life, and I frequently tell her I'm proud of her. I try to listen to her when she wants to talk, and boy, yesterday she wanted to talk! Even though my head was full of a zillion other things, when she came in, Hillary and I just sat there, and Chelsea just rattled it out."

On the other hand, he says, "Some days she won't talk to us at all. She says, in effect, 'It's my life—leave me alone.' " Acting, in other words, like a typical teenager.

President Clinton has been deeply involved with Chelsea all her life. He was present at her birth—even though it was by cesarean section and the hospital had never before allowed a father-to-be in the delivery room except for natural childbirth. Using his considerable powers of persuasion, the then-Governor told the doctors he had seen surgery because his mother was a nurse-anesthetist. His wife, on the other hand, had never been a patient in a hospital, and she was frightened. "So I told them if they let me go in, I'd hold her hand and keep her calm, and I wouldn't fall out or throw up or anything because I'd

5 Gifts A Father Can Give His Child

1. Unconditional love
2. An internal sense of balance: an adventurous spirit combined with an inner discipline—a sense of what is right and wrong
3. A feeling of her own self-worth
4. A ready ear and a nonjudgmental attitude when the child wants to talk
5. His attention—and his time

1993: Christmas joy as their first White House tree is lighted



"Hillary and I have tol

seen blood before—and they *needed* me in there."

He and Mrs. Clinton and Chelsea also roomed in together at the hospital, and since her birth he has done it all: changed diapers, fixed breakfast, lent a hand with birthday parties. "When I was home at night, I would always go in and put her to bed. We'd kneel down and say our prayers together, and then I would always either read her a book or tell her a bedtime story. And we developed these—I'm sick now that I didn't tape all of them—stories! I mean, hundreds and hundreds of stories. We had all these great characters we made up. I could have had another life as a children's book writer!

"And sometimes I'd be so tired I'd fall asleep telling her a story, and she'd poke me and say, 'Dad, wake up and finish!' It was funny."

When Chelsea marries and he is no longer the most important man in her life, the President says he will try to accept that milestone with grace. "I hope I will be mature enough to consider it as my final success," he says, and then adds, laughing, "but I won't like it very much. I told her the other day that she could leave home at 25 and marry at 30!" And when the matter of the first boyfriend is brought up, he raises his eyebrows in mock horror and says, "I can hardly wait."

For now, father and daughter still observe many of the

rituals they have followed since she was very small. He breakfasts with her almost every morning and often has dinner with her in the tiny kitchen in the second-floor family quarters. "Every day I try to make sure there's some little time that I see her: a little bit in the morning, and then, when she comes home, I check in on her when she's doing her homework."

Still, the Presidency has forced them to give up some shared time. "The thing she and I both miss is that we used to go out together, just the two of us, and be left alone," he recalls. "We'd go to a movie or to a bookstore, or go get a frozen yogurt. That's tougher now, if not downright impossible."

The President says he has a file marked "Chelsea": "I bet I've saved every note she's ever written me, every card she's made for me, every little thing she's given me since she was born." Behind his desk in the Oval Office is last year's Father's Day gift: DAD spelled out in clay and decorated with a four-leaf clover.

President Clinton's personal beliefs about the importance of fathers were clearly reflected earlier this year in his remarks about the need for "deadbeat" fathers—those who renege on court-mandated child support—to accept responsibility for their children. "There are way too many children born out of wedlock, where there was no marriage and where the fathers don't take responsibility for their kids," he said. "I'm trying to work against that, not only in collecting child support but to get these young men to be involved in

their children's upbringing. And whenever possible, I think they should marry the mothers."

Yet he is not generally pessimistic about the state of fatherhood today. "I think there is a real resurgence of interest on the part of millions of fathers in being actively involved in their children's lives from early childhood," he says. "And that is very encouraging."

The President thinks he may be more involved with Chelsea than most men are with their children because he never knew his own father, who died before his son was born. "I've always been conscious that every experience and every day with my daughter is a gift," he says.

What would he say to other fathers? "The only advice I have is just to keep coming at it," he says. "Even when it's difficult and frustrating. Even when you fail. It's the most important work anybody can do. And being engaged with a child, I think, makes you a better person, enhances the value and meaning and depth of what you do with the rest of your life."

There are lessons Chelsea has taught him, too. Having her in his life, he says, "reminds me what is possible for people, and makes me all the more aware of—almost obsessed with—all these kids who never had a chance to become what was always there inside them to be."

"I've also learned a lot of funny things from my daughter. She is not hesitant about making fun of me when she thinks I'm doing something that's not cool or appropriate. She thinks I've got some bad habits she wants me to stop. But mostly she reaffirms my belief in life. It's impossible to be cynical around her." ■

her tha



1993: The First Family on summer vacation—Martha's Vineyard, Massachusetts.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

5/26/94

94 MAY 24 P5:51
May 24, 1994

Baggett
Lewis

MEMORANDUM TO THE ~~PRESIDENT~~

From: ~~Reta J. Lewis, Political Affairs~~

Re: Contact Numbers for the May 24th Kentucky Elections

just do letters
to all these
sign

The following is the most updated contact list for Kentucky primary/special election candidates (as of 5:30 p.m.):

CD02 - Special Election

Joe Prather 502/765-2600 (Campaign HQ)

CD01 - Barlow

Tom Barlow 502/443-2649 (5/24/94 only)
502/575-3837 (Campaign HQ)

Henry Lackey 502/826-7691 (Campaign HQ)

CD03 - Open Seat

Dolores Delahanty 502/459-7703 (Campaign HQ)

Charlie Owen 502/897-5101 (Campaign HQ)
502/648-4560 (Mobile Phone)

Mike Ward 502/473-7777 (Campaign HQ)

Note: Because the second congressional district stretches over two time zones, we do not predict the special election race to be called before 8:00 p.m. As of 4:30 p.m., statewide voter turnout was between 18 and 20 percent.

cc: Joan Baggett

5/26/94

MEMORANDUM

Pleaser / U Bigger

To: The President
From: Nancy Hernreich
Date: May 17, 1994
Re: Call from Irv Stolberg

Irv Stolberg has met with Craig Smith, Dick Moose at State, and John Emerson, to discuss ambassadorial opportunities and has been told all along that he was "one of the Administration's priorities." Last week Craig told him that only Lesotho, Jamaica, and Equatorial Guinea are the only remaining opportunities. Irv called and said that, if he'd been told a year and a half ago that we couldn't or wouldn't do anything for him, he'd have been all right. Now he's just very, very frustrated. He wanted to talk to you to find out if he is still a priority and if there is any hope or with someone who can make a decision.

(203) 777-8100

THE PRESIDENT HAS SEEN



~~Alleged
someplace
never changed
we would show~~ B



Amy E. Schwartz ✓

The Bolingbroke Guide to Presidential Decorum

Does President Clinton talk too much? Does he do too much TV? The question has been floating around almost since the inauguration, when a couple of Clinton supporters, asked in February 1993 why they were leaving a gala before the president arrived, answered, "We don't have to stay. We've heard him a million times." But it really turned audible after a youthful questioner at a forum staged by MTV asked the president whether he wore briefs or boxer shorts, and Clinton, of all things, answered. Clinton, of course, employs a large stable of schedulers, among them many an old campaign hand and expert in the new psychologies of image management and media satiation. At some level, you figure, they know—or at least think they know—what they're doing.

But though in a multimedia, interactive, narrowcasting age much is new and different about politics, not everything is new. Maybe somebody on the president's media team should be consulting older sources. Shakespeare, for instance, knew a thing or two about public leadership and crowd psychology: Washingtonians who saw Richard Thomas's striking performance as "Richard II" last winter at the Lansburgh, with the title character overturned and murdered at the end by the grim and pragmatic Henry Bolingbroke, probably

wouldn't be surprised that the latter has a good deal to say—all heartless, hard-bitten and extremely effective—on the specific strategic question of political overexposure.

Here's what an older Bolingbroke has to say, in the sequence's next play "Henry IV, Part I," about where his hapless predecessor, Richard, went wrong in the media management of his public image:

The skipping king, he ambled up and down

With shallow jesters and rash bavin wits . . .

Mingled his royalty with capering fools,

Had his great name profaned with their scorns . . .

Grew a companion to the common streets,

Enfeoff'd himself to popularity;

That, being daily swallowed by men's eyes,

They surfeited with honey and began

To loathe the taste of sweetness, whereof a little

More than a little is by much too much.

So when he had occasion to be seen,

He was but as the cuckoo in June,

Heard, not regarded; seen, but with such eyes

As, sick and blunted with community,

Afford no extraordinary gaze, Such as is bent on sun-like majesty

When it shines seldom in admiring eyes; . . .

Being of his presence glutted, gorged, and full.

The king is, in this scene, chewing out his recalcitrant youngish son, Prince Hal, for making the same mistake Richard did. Hal is squandering his image, hanging around in public with Falstaff and other "bavin" lowlifes ("bavin" is defined in old dictionaries as kindling or other light, combustible matter), getting "enfeoff'd," or enslaved, to their down-to-earth pleasures; and generally glutting the public eye with "vile participation." Whereas wily old Henry, in his day, knew the best approach was just the opposite:

Had I so lavish of my presence been,

So common hackney'd in the eyes of men,

So stale and cheap to vulgar company,

Opinion, that did help me to the crown,

[Had] left me in reputeless banishment,

A fellow of no mark nor likelihood.

By being seldom seen, I could not stir

But like a comet I was wonder'd at;

That men would tell their children 'This is he';

Others would say, 'Where? Which is Bolingbroke?' . . .

Thus did I keep my person fresh and new;

My presence, like a robe pontifical,

Ne'er seen but wondered at.

This vision doesn't sit quite right, of course, in an age of television celebrity and democracy. It doesn't seem like Clinton's style, for one thing; and some modern opinion anyway tends toward the notion that the Bard was a bit of a royalist, unhappy with the unleashing of populist passions. But there ought to be some middle ground between mystical invisibility and utter and unremitting video-driven omnipresence. Even the most populist of entertainers, the P. T. Barnums and vaudevillians of the world, knew enough to keep the curtains closed part of the day, the better to dramatize the wonders they had for sale.

The writer is a member of the editorial page staff.

BACK TO THE FUTURE

THE PRESIDENT HAS SEEN
5126194

From "A Decade of Health Care Reform," published in *National Journal* on April 30, 2004:

At 11:45 P.M. on Oct. 6, 1994—after months of rancorous debate and just 15 minutes before Congress was to adjourn and head home to face the electorate—the American Good-Enough-for-Now Health Care Reform Act passed. The vote in the House was 284-149 (and two abstentions); in the Senate, it was 79-20, with one Senator absent because of a heart attack sustained during a protracted filibuster.

Enactment of an incremental reform measure had been something of a foregone conclusion since earlier in the year, when the chairmen of three House committees were able to eke out only slim majorities on their panels for legislation that would guarantee health insurance coverage to all Americans. A Senate committee defeated similar legislation by five votes.

A comprehensive reform bill was "simply too much of a burden on small business and the American taxpayer," said Rep. Kent Afford, the critical vote on the House Committee on Large and Popular but Expensive Entitlements. It was Afford, a southern Democrat then embroiled in a tough Senate race, whose opposition to the Democratic leadership bill was widely seen as a turning point in the debate.

AGENHCRA (pronounced *agon-hicra*)—as it became known—took a targeted approach to what ailed America most. Or, to be more accurate, to what ailed middle America most.

Middle Americans, Congress wisely noted, were largely happy with their health insurance and afraid of messing with it. In fact, the main thing that bothered them was that anyone with a hangnail risked being turned down for health insurance as a bad risk, or charged astronomical sums for it. Bad health, after all, can strike anyone, and even the insurance industry recognized that this "cherry picking" was not making for a good image.

And so, AGENHCRA required insurers to take all comers. And they couldn't charge the old or sick an arm and a leg for their policies either—henceforth they could charge only an arm.

Individuals and small businesses could join what would be called People's Insurance Purchasing Cooperatives to pool their risks and their purchasing power, thereby diminishing the extra premium that small employers once had to pay. The self-employed could take tax deductions for 100 per cent of their insurance costs. And for the poor and uninsured, there was the promise of a new network of community health centers, financed by cuts in the medicare program for the elderly and the medicaid program for welfare recipients. Insurance forms were streamlined, malpractice suits were banned. Waste, fraud and abuse were to be eliminated.

The relief among middle Americans was palpable. On Jan. 1, 1995, a million people who had previously been denied coverage because of poor health deluged the offices of health insurers from coast to coast. The coverage was expensive, but most of these bad risks weren't poor, and they were happy to pay.



Peter Kuper/INX

But the flood of sick people into the system forced insurers to hike their rates to small businesses and individuals by 50 per cent more than they had intended. That caused hundreds of thousands of relatively young, healthy Americans to drop their coverage. Worried insurers complained about "reverse cherry picking" by consumers and doubled the next year's planned premium increases.

The individuals and small businesses who remained in the purchasing cooperatives didn't notice the rate hikes right away: Pooling had lowered their rates significantly the first year, and the second-year rate

increase persuaded many of them to switch to lower-priced health maintenance organizations (HMOs).

In the meantime, HMOs discovered that they could make fabulous profits by getting lean and mean. That meant not only getting efficient, but also finding ways to turn away the uninsured. Doctors used to be able to take charity cases and pass along the costs to paying patients; now, though, they had budgets to meet and could no longer play Robin Hood.

And there were still plenty of uninsured people. Although the number dropped initially from 37 million to 36 million, most employers of low-wage workers found that buying insurance coverage was still uneconomical. Without help from their employers, lower-income people could not afford coverage. The unemployed were out of luck, too.

Uninsured people could go to the new community health centers and affiliated public hospitals. But these facilities were overwhelmed, with six-hour waits in the emergency rooms and three-month waits for office visits. With medicare and medicaid reimbursements slashed, many private doctors refused to see poor elderly people and welfare recipients; these patients showed up at the clinics, too.

Liberals proposed additional spending for the clinics, but the 1998 Don't-We-Already-Pay-Enough-for-Those-People Budget Act included no new spending for them. Deficit hawks noted that the budget for the clinics had grown at four times the projected rate. "I think we all want to provide a safety net for the truly needy," said Afford, by then a Senator and oft-mentioned candidate for President. "But we also live in an era of limits."

There were a few predictable horror stories—such as the Hispanic woman who died in childbirth on the lawn of a Miami hospital. Several Members of Congress proposed requiring health plans to treat charity patients. But the business community balked, saying that would lead to higher prices for insured patients and their employers. In the end, state governments had to raise taxes to keep the clinics afloat.

It wasn't until the millenium, when the purchasing cooperatives collapsed under the weight of their high-risk clientele and recession swelled the ranks of the uninsured by millions, that middle-class Americans took to the streets to demand universal health care coverage.

Sen. Afford dropped his presidential bid, retired from the Senate and joined a prestigious Washington law firm.

National Urban League's Price Takes Helm of a Vessel Forgotten by Many

By BRETT PULLEY

Staff Reporter of THE WALL STREET JOURNAL
After being named president and chief executive officer of the National Urban League earlier this week, Hugh B. Price remarked, "This is like being asked to come to the mountaintop."

But what Mr. Price is likely to find from his perch atop the 84-year-old civil rights organization is a daunting view of the valley. Mr. Price's new job includes the challenge of trying to creatively address the myriad and complex problems facing urban blacks. Moreover, he must do so from the helm of an organization that has lost much of its luster in recent years.



Hugh B. Price

"The National Urban League has virtually disappeared from the national scene," says Roger Wilkins, a professor of history at George Mason University who has also worked on urban issues in the federal government and at the Ford Foundation. "The lack of an Urban League voice is painful. Black people need it now more than ever."

Faced with declining support from corporations and cutbacks in federal grants and contracts, the Urban League in recent years has found itself without the resources to meet its needs. About 30% of the staff at its New York headquarters has been cut since the mid-1980s. And the league's board recently voted to sell its 54% interest in the Equal Opportunity Building, the Upper East Side Manhattan high-rise that the organization owns along with the United Negro College Fund. (The college fund earlier said it would sell its 46% interest in the property and relocate to Washington.)

One of the first critical decisions Mr. Price is expected to face is whether the league will stay in New York or move elsewhere. The new president says the league will "be shopping for headquarters in New York City, because that's where much of the philanthropic activity is."

Reverse Migration Cited

But some league officials in Southern cities contend that reverse migration trends of blacks from the North to the South dictate the need for the organization to relocate to the South and focus attention there. "The Urban League came into being because of the exodus of African-Americans from the South to industrial America," says J.T. McLawhorn Jr., president of the Columbia, S.C., Urban League. "With that trend reversing, it seems natural that the League should move south."

To that argument, Price promises only that "our urban agenda will reach deeply into the South."

Mr. Price, 52 years old, inherits the job from John E. Jacob, 58, who led the League for 12 years, stressing education and career development, and calling on the government to invest in training and jobs for the poor. But under Mr. Jacob's watch, the league suffered through government cuts in programs for the poor. Moreover, the organization, which relies heavily on corporate donations, has also weathered cuts in general support and gifts during recent years of corporate belt-tightening.

During the late 1980s, the League operated at a deficit, which in 1989 widened to \$3.6 million. Since then, the organization has been able to regain some support, but still, in 1992, the most recent figures available, grants and government contracts dropped off 5.8% from the previous year, to \$13.7 million.

Some League officials say Mr. Price can enhance financial support by courting more CEOs and encouraging their participation on the league's board of trustees. Of the 62 current members of the board,

comprised mainly of business and civic leaders, only eight are chief executives of major corporations. Under the League leadership of Whitney Young and Vernon Jordan in the 1960s and '70s, "it was quite common to have CEOs from Fortune 500 companies on the board, but that number has dwindled," says John W. Mack, president of the Los Angeles Urban League. "The loss of dollars from some traditional private-sector sources may be due to some of the loss of the senior-level executive leadership that we had on the board."

Another challenge facing Mr. Price will be the need to enhance the organization's public image.

Critics contend that the league, once a trumpeter of economic equality, is now only heard from twice a year: when it issues its annual State of Black America study, and during its convention each summer.

A Surprise to Many

The announcement of Mr. Price's appointment earlier this week came as a surprise to many observers. On Monday, overnight packages arrived at the league's 113 affiliate offices around the country, introducing Mr. Price as the seventh person to lead the organization since its inception in 1910. "It's certainly not one of the well-known names," said James Compton, president of the Chicago affiliate.

Indeed, Mr. Price didn't grow up in high-profile civil rights work, like most of his predecessors. Instead, the Washington, D.C., native and graduate of Amherst College and Yale Law School has worked as an executive of the Public Broadcasting System, an editorial-board member of the New York Times, and a human-resources administrator for New Haven, Conn. For the past six years, he has been responsible for overseeing the Rockefeller Foundation's initiatives to improve education and opportunities for minorities.

Mr. Price says he intends to focus on quality education for children, the building of economic self-sufficiency, and ensuring that "our folks are equipped to work in a multicultural society." He says he expects that his philanthropic experience will enable the organization to attract more financial support. "There are new sources to pursue as the league tries to continue to get support," Mr. Price says. "I think there are enormous challenges. But I'm not pessimistic. I'm not on a fool's errand."

THE PRESIDENT HAS

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THE WALL STREET JOURNAL THURSDAY, MAY 26, 1994

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THE PRESIDENT HAS SEEN
5/26/94

MARY McGRORY

U.S. Senate, Prisoner of War

For the Record

From a CNN interview with Pakistan President Farooq Ahmad Khan Leghari Tuesday.

Frank Sesno: I had a conversation with a U.S. official recently who told me that it was his concern that the world's greatest single most dangerous nuclear flash point, the place where nuclear war would be most likely to break out, would be on the Indian subcontinent between Pakistan and India.

President Leghari: Well, we hope not, but Kashmir certainly is a flash point there in a valley about 130 miles by 70 miles with a population of 13 million people. We have more than half a million Indian troops trying to subjugate a population that wants its right of self-determination, which is enshrined in the United Nations resolutions of 1948. And in the last four years there has been an escalation of the struggle. And the record of brutalities, of atrocities, has grown by the day. And we are worried. Pakistan has been extending diplomatic, moral and political support, but it is an indigenous uprising and almost the entire population is involved in it.

Q: Can you imagine nuclear war on your doorstep?

A: We'd hate that. Pakistan and India have a combined population of almost a billion, and most of the people live below the poverty line. We'd feel that any prospects of nuclear war would be total catastrophe for a very large population. . . .

We value our friendship with the United States on a much broader basis than one issue. But the stoppage of all military aid, the stoppage of economic aid, of humanitarian aid—and we must remember that we still have one and a half million Afghan refugees on Pakistan soil today. So all this has hurt Pakistan very badly.

The Senate Republicans gave President Clinton a good swift kick in the teeth as he prepared to depart for his first tour of Europe.

They stalled his appointment of Sam Brown as ambassador to the Conference on Security and Cooperation in Europe. Brown offered the perfect surrogate target. Brown was a leader of Vietnam War dissent. He ran the troops of students for then-Sen. Eugene McCarthy, making "Clean for Gene" a world famous slogan for disciplined dissent. Talking about Brown, named subsequently by President Jimmy Carter as director of ACTION and the Peace Corps, gave Republicans a chance to beat up on Clinton without seeming to.

Sen. Hank Brown (Colo.), who has the reputation of being a civilized conservative Republican, led the fight. He said in an interview last week that he had asked himself if his combat service in Vietnam—he flew missions over Danang—had anything to do with his opposition to Brown, whom he knew when Sam Brown was state treasurer in Colorado. Hank Brown said he really thinks "the war is over and done with."

But the debate said otherwise. Vietnam's power to divide and poison was once again in evidence on the Senate floor. All the old reflexes and rages came into play as they did in the long years when Congress voted the bodies and the funds for the bitter war. While everyone denied it, they refought the war.

Sen. John F. Kerry (D-Mass.), a decorated Navy veteran of the war, who came home in 1971 to lead his comrades in the most poignant of the antiwar demonstrations, was Sam Brown's chief defender.

Politely and inexorably, he told the Senate the miserable, spiteful thing it was doing: "The U.S. Senate should not lynch a nominee on the basis of his exercise of his constitutional rights. I understand that some of our colleagues bitterly disagree with the views that he held. But that is our system."

Sam Brown's enemies in the Senate saw it differently. Under the cover of concern for his qualifications, they finally got even with the personification of Spiro Agnew's "effete corps of impudent snobs."

Possibly what Republicans find hardest to forgive in Sam Brown is his prescience. In 1968, his elders told him that the newly elected Richard Nixon would have to end the war—a political imperative and so forth. Sam Brown knew better than the Establishment. He

went ahead with the gigantic Vietnam moratorium, occasioning paroxysms of White House outrage. Kerry called it "a morally courageous endeavor" and "in the best standard of American political activity."

To no avail, Kerry reminded his colleagues that Sam Brown's suspicion that the war would be prolonged for Nixon's reelection purposes has been confirmed by H.R. Haldeman's recently published memoirs. He quotes Haldeman quoting Henry Kissinger: "He thinks that any pullout next year would be a serious mistake because the adverse reaction to it could well set in before the '72 election."

But no one wanted to talk about the vindication of Brown's judgment. The Republicans reveled in the chance to do to Sam Brown what they do not quite dare do openly to fellow-dissident Bill Clinton. Grumpy Democrats who mistakenly blame Sam Brown for the nightmare of 1968 went along with voting against ending the debate.

Sen. Don Nickles (R-Okla.) worked in a word about Clinton's struggle with his draft board. He had read Sam Brown's letter to his draft board. "It reminded me of the note President Clinton wrote to his draft board," Nickles said.

Cheap shots seldom come so free. The scaffolding of the opposition to Sam Brown was carefully rigged. Hank Brown spoke of the Conference on Security and Cooperation in Europe as if it were a kind of NATO-plus and of our ambassador to it as a person who should be a combination of Dwight Eisenhower and Colin Powell. Hank Brown suggested that Sam Brown would have the fate of further conventional arms treaties in his hands and the responsibility of selling them to the Senate. Others see CSCE as more of "a talking chamber."

Sam Brown asked his old friend the president for the job in Vienna because of its human rights component. If the high standards the Senate demanded in his case were applied to other diplomatic appointees, the United States would be largely represented by junior clerks.

Hank Brown, who called Sam Brown "a nice man" and "articulate," doesn't begrudge him the job. He knows that Sam Brown sold his house in California last November and that he's going broke—but not to worry. He thinks Sam Brown should go to Vienna, but without the rank of ambassador. In other words, Sam Brown should be sent out as a lynching victim, the emissary of a humiliated president.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5/26/94

94 MAY 25 P12 : 53

May 25, 1994

RECOMMENDED TELEPHONE CALL

TO: Representative Tom Barlow (KY-CD01)

DATE: May 25, 1994

REC. BY: ☒ Joan Baggett, Political Affairs
☒ Reta J. Lewis, Political Affairs

PURPOSE: To congratulate Representative Barlow on his May 24th primary victory.

CONTACT NUMBER: 202/225-3115 (after 12:30 p.m.)
[contact person is Bobby Miller]

BACKGROUND: Tom Barlow was the only Kentucky incumbent congressional member to face a primary challenge. Barlow defeated Democratic state Senator Henry Lackey, 60 percent to 33 percent. A relatively unknown third candidate received the remaining seven percent of the vote.

Lackey attacked Barlow throughout the primary election for his support of Clinton Administration initiatives. The Party leadership in Kentucky described Lackey as "anti-Clinton," and viewed the first congressional district primary race as a referendum on the Clinton Presidency.

Barlow will face Republican Edward Whitfield, a former Democratic state Representative, in the general election. The National Committee for an Effective Congress (NCEC) has rated the first district "likely Democratic" in 1994.

Handwritten note: Tuesday - Saw him - A lot of B

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

5/24/94

94 MAY 18 P7:26

May 18, 1994

RECOMMENDED TELEPHONE CALL

TO: Democratic gubernatorial nominee *John Kitzhaber*.

DATE: May 18, 1994

RECOMMENDED BY: ✓ Joan Baggett and Tom Epstein

EB JB

PURPOSE: To congratulate John Kitzhaber on his victory in the May 17th Democratic gubernatorial primary.

BACKGROUND: Former state Senate President John Kitzhaber, doctor and author of the Oregon health plan, faced token opposition in his primary bid to succeed retiring Governor Barbara Roberts, receiving 90% of the Democratic vote. Kitzhaber will face conservative GOP nominee former U.S. Representative Denny Smith in the general election. A poll released Monday shows Kitzhaber is the favorite for November, receiving 44% and Smith 25% in a general election match-up. Kitzhaber will visit Washington next week and has requested a meeting with you.

DISCUSSION TOPICS: Congratulate him on his primary victory.
Discuss his general election campaign.

CONTACT PERSON & PHONE NUMBERS: Patty Greenfield
campaign office: 503-646-6647
business office: 503-221-2219

SUBMISSION DATE: May 18, 1994

ACTION:

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JSP

WELFARE REFORM INFORMATION

Rasco to
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from Carol Rasco

THE WHITE HOUSE
WASHINGTON

94 MAY 19 P10: 37

May 17, 1994

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN

5/20/94

FROM: CAROL RASCO 
BRUCE REED
KATHI WAY

SUBJECT: WELFARE REFORM REMAINING ISSUES

Final decisions are outstanding on two elements of the welfare reform plan -- family caps and time limiting the WORK program. The attached memorandum presents the pros/cons of each issue.

Based on our conversations with you, we believe the best way to resolve these issues is through state flexibility. Throughout the plan, we have been careful to give states as many options as possible. Therefore, we recommend the following:

1. Family Caps: We gather from our recent discussions with you that you support letting states decide for themselves whether to pay additional benefits for additional children conceived on welfare. We agree that making this a state option is the best course, politically and substantively.

2. Time-Limiting the WORK Program: The toughest challenge is to making sure that the WORK program does not become a guaranteed job for life. Many Democratic governors have told us that they will be unable to support the Administration's plan unless it gives them some kind of option to prevent people who could be working in the private sector from remaining on the public WORK program indefinitely. If that's what our friends say, it's hard to imagine that we can survive Republican attacks on this issue. We will have a tough time making the case to the American public that we are "ending welfare as we know it" if people who could support themselves can still stay on the system for life.

The Mainstream Forum bill puts a three-year time limit on the WORK program, and gives states the option to extend it for a significant percentage of the caseload. We could adopt some variant of this option, with a somewhat higher percentage. This approach is politically attractive, but it could give states that just wanted to cut their caseloads the power to cut off people without regard to circumstance.

THE WHITE HOUSE
WASHINGTON

DATE: 5/26/94

TO: MACK MCLARTY
ANTHONY LAKE
DAVID GERGEN
GEORGE S.
BRUCE LINDSEY
MARK GEARAN, NANCY SODERBERG

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

The attached has been forwarded
to the President.

THE WHITE HOUSE
WASHINGTON

94 MAY 26 P1:10

May 25, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: DONALD BAER AND JEREMY ROSNER

SUBJECT: William Jefferson Blythe

We would like to talk with you about what, if any, mention you would like to make during the D-Day trip about your father, William Jefferson Blythe, and his military service. Given what we have determined about his service, the most appropriate place for a reference would be at the Nettuno American Cemetery.

According to files at the National Personnel Records Center, he served in the U.S. Army from May 3, 1943 until December 7, 1945. His rank was Technician Third Grade. He served with the 3030th Company of the 125th Ordnance Base Auto Maintenance Battalion and also with the 3155th Company of the 605th Ordnance Base Auto Maintenance Battalion. We do not know exactly when he was in either company.

Records from the U.S. Army Center for Military History show that the 3030th served in Egypt from October 31, 1942 until April 29, 1944. Then, from June 25, 1944 until October 25, 1944, the company was in Caserta, Italy. (The time gap is probably due to troop movements between Egypt and Italy.) Meanwhile, the 3155th served in Casablanca, Morocco and Oran, Algeria from February 19, 1943 until early 1944 and in Bagnoli, Italy and Leghorn, Italy from early 1944 until June 30, 1946.

Your father did serve in Italy at some point in 1944. Since we do not know exactly when he served with each of these companies or precisely where the 3030th was in May and June of 1944, we cannot be sure where he was stationed on June 4, 1944 (the day Rome was liberated) or on D-Day (June 6). But since both companies did serve in Italy, there is a possibility that men from the 3030th or 3155th are buried at Nettuno. (We are looking into that detail.)

Given the generational themes you could express in these speeches, you might find it fitting to mention your father's service. He was awarded the European-African-Middle Eastern Campaign Medal, the Good Conduct Medal and the World War II Victory Medal. If you have any information about his service or can suggest ways for us to close the gaps left by the records, please let us know. (Attached is a list of instances when you or your friends have talked about his military service.) We can talk in the next few days about your thoughts on this direction.

Attachment

cc: Mack McLarty
Anthony Lake
David Gergen
George Stephanopoulos
Mark Gearan
Nancy Soderberg

Quotations on William Blythe's World War II Service

" I was raised with the idea of my father's service in World War II." ABC News: This Week with David Brinkley, February 16, 1992

"When, many years ago, my mother showed me his service citation from Word War II, I felt as proud as I've ever been." Newsday report on American Legion speech, August 26, 1992

"What people don't understand about this guy is that he's rather pro-military. Virtually the only mementos he has of his father are his military decorations from World War II." Michael Mandelbaum, U.S. News & World Report, October 19, 1992

"I was raised on all those World War II movies, the memory of my father's citation for service in the war. In my part of the country most of us grew up hoping that would be a big part of our lives." The Washington Post, October 25, 1992

THE WHITE HOUSE
WASHINGTON

94 MAY 25 P 5 : 46

May 25, 1994

RECOMMENDED TELEPHONE CALL

TO: Idaho state Attorney General and Democratic nominee for Governor, Larry EchoHawk.

DATE: May 25, 1994

RECOMMENDED BY: Joan Baggett JS

PURPOSE: To congratulate Larry EchoHawk on his victory in May 24th Gubernatorial Primary.

CONTACT NUMBERS: 208/ 866-3152 (cellular phone)
208/ 344-1111 (campaign office)

BACKGROUND: A member of the Pawnee Tribe, Larry EchoHawk made history in 1991 when he became Attorney General of Idaho. He was is the first Native American in U.S. history elected to statewide office. If elected governor in November, he would be the first Native American elected governor of any state.

He will face former state GOP chair and rancher/farmer Phil Batt in a tough but winnable race. Batt is a conservative, but not an extremist. In a February poll, EchoHawk held a 48% to 30% lead over Batt.

SUBMISSION DATE: May 25, 1994

ACTION:

FROM: Todd Stern
Office of the President

SUBJECT: H.R. 2868

5/23

A heads up on this bill to name a courthouse in New Orleans after Judge Minor Wisdom. Due date for signing is May 25 and when we get it signed we need to get a signing pen together with a red-lined copy of the bill for Judge Wisdom. I've ordered up the red-lined copy.

Bob Barnett, who clerked for Wisdom, made this request and is going to have the pen and red-lined framed for presentation to Judge Wisdom at a ceremony in mid-June.

Kendall Law firm

434-
5034

Bob Barnett
725 12th Street, N.W.
Washington, DC 20005

*Hd dld
5/24/70*

*red-line
pen*

THE WHITE HOUSE
WASHINGTON

May 25, 1994

TONY LAKE
SANDY BERGER
ERIC SCHWARTZ

FYI.

Todd Stern

Robert D. Novak

Forced Abortion in China ✓

On April 28, Alan Wanrong Lin, a Chinese immigrant working for a bank in Concord, Calif., called the San Francisco office of Sen. Dianne Feinstein pleading for help. His five-months pregnant wife in China faced an abortion demanded by Communist authorities. Could the senator prod the Immigration and Naturalization Service bureaucrats to grant Mrs. Lin a visa to enter the United States?

According to a memo Lin typed at 8 o'clock the next morning, David Swerdlick, the Democratic senator's case officer, "told me not to waste time." The aide was quoted as saying: "The senator is not interested in the birth-control policies in another country."

Lin said Swerdlick wanted him to "give up," adding: "He make me feel like that I am fighting against the senator and the president, but I only want to fight the inhuman Chinese government." Fearing the Chinese would order a "delayed abortion to kill my wife," he told her to succumb. The baby was aborted that day, April 29.

This abortion, one of millions forced by China's draconian birth-control policy, shows what happens in official U.S. circles when human rights and abortion rights collide. The administration and its congressional allies threaten to sever trading relations with China if it does not treat its citizens more kindly, but they flinch from an antiabortion posture.

It is a dilemma for well-intended liberals such as Feinstein: how to press China for a more humane treatment of its citizens while maintaining noninterference with abortion policies around the world.

Feinstein on Feb. 1 voted to continue pressing for human-rights progress in China. "Some would say," she said, "that human rights are a matter of a country's internal affairs. However, I believe we are our brother's keepers."

But Feinstein has introduced a bill to repeal Section 4 of President Bush's Executive Order No. 12711, of Jan. 29, 1990. She proposed ending "enhanced consideration" for immigration of persons fleeing a country because of "forced abortion or coerced sterilization." Actually, under President Clinton, Bush's mandate has not been complied with—as Lin soon found out.

His wife is 22 years old—one year too young to suit Fujian Province requirements for a "birth license." To avoid a forced abortion, she went into hiding in Fuzhou City while awaiting a U.S. visa—a process that will take at least another year. To escape Chinese birth-control police, the Lins asked for her immediate entry on a "humanitarian parole."

On April 4, 15 Democratic and 37 Republican congressmen wrote Attorney General Janet Reno pleading for help. GOP Rep. Christopher Smith tried repeatedly to get the attorney general on the telephone.

On April 25, the INS district director in Bangkok denied the Lins' request on grounds it was not based on "emergency conditions."

After I noted on television May 7 the Feinstein office's treatment of the Lins, the senator expressed shock. Her case worker denied to his superior the words attributed to him by Lin.

On May 10 Feinstein wrote Lin regretting that "my staff did not bring your plea to my attention" and added this postscript in her own hand: "I am so sorry!"

On May 11, she wrote Secretary of State Warren Christopher, Reno and INS Commissioner Doris Meissner. Calling the abortion a "personal tragedy," Feinstein said: "The suffering they have endured will never be erased, but the United States can still act now to bring them together immediately."

U.S. authorities blame the Lins for their own misery.

"We did not believe that this would have been required by the Fuzhou City government authorities," Assistant Attorney General Sheila F. Anthony argued. "We regret that Mr. and Mrs. Lin determined that she should undergo the abortion."

But Steven W. Mosher, an authority on Chinese birth-control methods, denies U.S. government arguments that no abortion would have been forced. He contends that "coercion is not limited to a handful of offending provinces or officials but is found throughout China." Feinstein's letter to Lin noted that "your wife underwent surgery to terminate her pregnancy as ordered by the Chinese government."

"I still feel that there are still a lot of nice and humanitarian people," Lin wrote, "... even though [they are] weaker than the evil power." What is hard for him to understand is how the officials of his new country could tolerate the evil.

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THE WASHINGTON POST MONDAY, MAY 23, 1994

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deal with
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this*

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THE WHITE HOUSE

WASHINGTON

May 21, 1994

94 MAY 22 P1:44

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: D-Day Dinner with Historians and Veterans

We have invited several leading military historians on WWII and several prominent veterans of the WWII campaigns in Italy and Normandy to attend Tuesday evening's dinner. In preparation for your upcoming trip to Europe, this informal dinner will provide an opportunity for you to discuss the historical context in which the Italian and Normandy campaigns took place. It will also help deepen your understanding of the events themselves, not only through the eyes of historians, but through the personal accounts of individuals who were there.

In addition to senior administration officials, the following historians and veterans will attend:

Historians

Brigadier General Harold Nelson -- Chief of U.S. Army Center of Military History. His office is preparing briefings and materials for the Defense Department in preparation for D-Day commemorative events.

Forrest Pogue -- the "dean" of D-Day historians. As a young professor became an official U.S. Army historian for WWII. Retained after the war to write Eisenhower's official biography. Present on a ship 500 yards off of Omaha Beach on D-Day conducting official "oral history" interviews with combatants. Featured prominently as one of the voice-overs in the D-Day documentary which you may view after dinner.

Steven Ambrose -- has just published D-Day June 6, 1944: The Climactic Battle of World War II. Biographer of Nixon. Professor of History at the University of New Orleans and president of the national D-Day museum there.

Carlo D'Este -- author of Decision in Normandy and Fatal Decision: Anzio and the Battle for Rome. Commissioned as an Army officer in 1958, served in Vietnam, and retired as a Lieutenant Colonel in 1978.

Paul Fussell -- retired professor of English, University of Pennsylvania; fields also include history and social commentary. Written extensively on warfare, including on WWII.

cc: Vice President
Chief of Staff

John Keegan -- noted British military historian. Gained fame for his seminal work, The Face of Battle, which examined famous battles from the perspective of the common soldier, rather than the generals or grand strategists. Author of Six Armies in Normandy. Can provide excellent perspective on allied armies' involvement on D-Day.

Veterans

Major General Adrian St. John (USA, Ret.) -- commanded the 15th Cavalry Reconnaissance Squadron (Mechanized), which landed at Utah Beach on D+10 and helped secure the capture of Cherbourg. Led his troops all the way to Berlin through Brittany and Ruhr; veteran of Korean and Vietnam wars; served as JCS Representative to U.S. Delegation to CFE negotiations under then-Ambassador Jim Woolsey. Nomination currently pending for award of President's Citizens Medal for his 50 years of government service. Retired in 1992.

Terry Sanford -- former North Carolina Governor and Senator and President of Duke University. Fought in Italian campaign and was in Rome with Allied forces on D-Day. Participated in the invasion of the south of France and parachuted into the Battle of the Bulge.

General Andrew Goodpaster (USA, Ret.) -- commanded the 48th Combat Engineer Battalion in battles in North Africa and in Italy (including Anzio), where he was wounded on February 2, 1994. Later in his career he joined President Eisenhower's staff as staff secretary. Rose to rank of four stars and served as SACEUR. Still active in European security affairs. Co-Chairman, Atlantic Council.

Congressman Sam Gibbons -- your Personal Representative to D-Day commemorative events. Jumped into Normandy on D-Day with the 101st Airborne Division.

Ken Bargmann -- was first Ranger off his boat at the Normandy landing and member of one of the three Ranger Companies which scaled the cliffs at Pointe Du Hoc. Fought for 7 hours before he was captured. Serving as consultant to Veterans Affairs for D-Day commemorative events.

Secretary Lloyd Bentsen -- flew B-24's for the 449th Bomber Group, mostly over Italy (where he was stationed), including interdicting supply lines at Anzio; became promoted quickly to rank of Major and became a Squadron Leader at about the age of 23.

Agenda and Format

We have planned for the evening to begin in the family theater with a scenesetter briefing (10-15 minutes) by General Nelson. He will review the strategic situation the United States and its allies confronted on June 6, 1944, highlight the military operations in Italy prior to D-Day and summarize the Normandy campaign. We suggest that after his briefing, you call on each

of the other five historians to offer some brief perspectives, beginning with Dr. Pogue. Issues you may want the discussion to explore include:

- How did the allies manage to achieve tactical surprise at Normandy; how were leaks controlled; and what constraints were imposed on the press?
- How much of the detailed planning was President Roosevelt privy to or responsible for? How much of the plan for the campaign was developed in Washington as opposed to General Eisenhower's headquarters? What did President Roosevelt do on D-Day?
- Could Germany have defeated the landings? How?
- In retrospect, was Normandy the right place to land? Would the war have been shortened or lengthened if the landings had occurred elsewhere?
- What did the allies do right in Normandy? What did they do wrong? What lessons did they learn that were applied successfully later in the war?
- To what extent did the campaign in Normandy benefit from lessons learned in the operations in Italy, including the landings at Sicily and Anzio?
- How did the operations in Italy contribute most to the eventual outcome of the war?

Following these discussions, the group will move to the Family Dining Room. Over dinner there will be an opportunity to discuss some of the key themes which the historians have articulated and to call on each of the veterans to relate his experience either in the Italian campaign or on the Normandy beaches.

After dinner, if time permits, you may invite the group to the Family Theater for a preview of the critically acclaimed 50-minute video "D-Day", written and directed by Academy Award winner Charles Guggenheim. This documentary is narrated by David McCullough (who narrated Ken Burns' The Civil War) and will air on PBS May 25th.

THE WHITE HOUSE
WASHINGTON

94 MAY 25 A 9:56

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: James Carville

Fax Number:

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FROM: John Podesta

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Perot Factor Still Percolates

'Angry Voters' of '92 Remain Disaffected

By Dan Balz and Richard Morin
Washington Post Staff Writers

PHOENIX—When Bill Clinton speaks, Pamela Lopez and Bob Lewis listen. "He's smooth, and he's talking like a man on your side," said Lewis. Lopez agreed: "He can get up and give a talk and actually, you know, I've been caught up in the emotional effect."

That said, the two Phoenix-area residents think less of the president today than when he was elected in 1992. They did not vote for him then and cannot imagine doing so now. "He's a typical politician," said Lopez, a paralegal. Lewis, who works in the defense industry, said, "I see no substance as a leader."

What makes their views important is that they were part of the eruption that partly coalesced around independent candidate Ross Perot and rattled American politics in 1992. They are two of the millions of people whose disgust with Washington breathed life into the phrase "angry voters."

As such, they are among the most closely monitored groups in the country, seen by the White House, the two major political parties and candidates of all stripes as barometers whose movements could determine the outcome of close races in this year's midterm elections and who collectively will help shape the landscape for 1996. The bad news for Clinton—and for other elected officials, Republicans and Democrats—is that they are still mostly fed up. Despite some signs that the passion that drove their anger in 1992 has abated in small ways, they—like Americans generally—are still overwhelmingly negative in their feelings toward Washington and the two political parties. And while their views of Perot have changed, many say they could again support him for president and they continue to look to him for leadership.

Whatever dissatisfaction voters feel is likely to show up in the November midterm elections, and many incumbents—particularly Democrats—are nervous. But it

VOTERS, From A1

has implications for 1996 as well, given the fragility of Clinton's winning coalition from 1992 and the ups and downs he has experienced as president.

The Post first interviewed Lewis, Lopez and eight other Phoenix-area residents in 1992, when their disgust with the two parties drew them to Perot's fledgling campaign. All voted for Perot in November 1992.

The Post recently reconvened six of the original group of 10 people to ask them how their attitudes—toward Perot, Clinton, Congress and politicians—had changed since the election. Lois Crowell, a human resources clerk, put it succinctly at the end of two hours of lively conversa-

tion. "Right back where we started," she said. To which David Ireland, a stockbroker, added, "Unfortunately!"

The Phoenix group was not meant to be representative of the country. But they provide an insight into the attitudes of a key block of swing voters. When their views are combined with national polling and telephone interviews with others who backed Perot, they help to explain why many politicians approach the fall elections with trepidation.

Two years ago, the Phoenix group's angry words were bad news for George Bush. Now they could haunt Clinton as he points toward a second term. From the day of his election, Clinton and his advisers have tried to find ways to woo the Perot voters. But just listen to what the Phoenix Six had to say:

"He rubs me the wrong way and I don't trust him," said Yoli Petri, a pharmacy worker.

"I'm beginning to wonder if he really is as qualified as he would have led you to believe he is to lead this country," Crowell said.

Ron Vitrakis, a manager for a petroleum company, added, "I think it's all an act."

The group's complaints ranged from Clinton's personal problems—which particularly bothered several of the women—to his staff to his foreign policy leadership to what they regard as his scattershot approach to domestic issues.

Asked to cite Clinton's biggest accomplishments, they drew a blank. When presented with legislative achievements—from last year's budget package to passage of the North American Free Trade Agreement to the ban on assault weapons—they generally discounted Clinton's role in bringing them about, with the exception of NAFTA.

Some Positive Views

In a Washington Post-ABC News poll, not all Perot voters were as negative as the six in Phoenix. "I have more positive feelings now than I did in 1992 when he was running," said Dale Hillman of Kelso, Wash. "In a lot of ways, I feel he has been honest and tried to get some things passed that are almost impossible to pass."

"I think he's trying and my real complaint is with Congress," said Bill Dowd, a small businessman who lives near Santa Rosa, Calif.

But overall, the Perot voters re-

main more critical of Clinton's presidency than the public at large. The poll found that among those who voted for Perot, 39 percent approve of how Clinton is handling his job as president, while 56 percent disapprove. That compares with Clinton's overall rating of 51 percent approval, 44 percent disapproval.

In many ways, the voters are as unhappy with the federal government now as they were before the 1992 elections. Asked what words they associate with the federal government in Washington, the Phoenix group cried out: "Gross." "A joke." "Yuk." "Boo."

"I think part of the problem is the government is trying to do more than it's capable of doing and in the process it's screwed things up royally," Ireland said.

Vitrakis added, "It's trying to please too many people."

Despite the shift from divided government to Democratic control of the executive and legislative branches, the Phoenix group believes gridlock still reigns.

"We just keep putting the same people in and they are doing the same thing that they've always done," Crowell said.

Last year's budget package was seen by this group as an inadequate response to a problem that continues to plague the country. "The 500-pound gorilla is the entitlement programs and they haven't done anything with them," Ireland said.

Overall, there has been a slight improvement in the public assessment of Washington, which nonetheless remains strongly negative. In a March survey, the Post and ABC found that 30 percent of the public was either satisfied or enthusiastic about the way the federal government works, with 68 percent dissatisfied or angry. That is nearly 10 percentage points higher than it was two years ago.

The Government Gap

But in other measures, confidence in Washington and politicians is as bad as or worse than it was two years ago. For example, 80 percent still believe that "those we elect to Congress in Washington lose touch with the people pretty quickly." Two-thirds say "public officials don't care what people like me think," and almost 60 percent agree with the statement that "people like me don't have any say about what the government does," a figure that has in-

CLINTON'S APPROVAL RATING

A WASHINGTON POST-ABC NEWS POLL*

Q: Do you approve or disapprove of the way Bill Clinton is handling his job as president?

	Approve of Clinton now	Disapprove of Clinton now
Those who voted for Clinton in 1992	86%	12%
Those who voted for Bush in 1992	16	81
Those who voted for Perot in 1992	39	57

* 1,573 adults were interviewed May 12-15

THE WASHINGTON POST

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It is no wonder that 75 percent of all Americans surveyed this month by the Post and ABC said they wanted to see major changes in the way the federal government works. "I don't think, as far as Congress is concerned, that they're working in my behalf, in the little people's behalf," said Christine Anderson of Eugene, Ore., a single mother with three children.

What was perhaps most surprising during the two hours of conversation in Phoenix was the group's comments about Perot. The onetime presidential candidate and founder of United We Stand America has fallen sharply in the eyes of most Americans. The latest Post-ABC poll found that 64 percent of those surveyed said Perot was not qualified to be president, that his favorable-unfavorable ratio was 39 percent to 53 percent and that a huge 70 percent said he does not have the personality or temperament to serve effectively as president.

Pamela Lopez said she finds Perot abrasive and understands what people mean when they "talk about him as a little dictator." Joel Kraft of Stoneridge, N.Y., said he was "really disappointed" by Perot's performance in the NAFTA debate with Vice President Gore hosted by CNN's Larry King.

Still, the Phoenix Six said they would consider casting another vote for Perot in 1996, if he decides to run again for president. "I am grateful to Ross Perot for awakening this country and we could stand a lot more of that," Crowell said.

In the Post-ABC poll, 20 percent of those surveyed said they would support Perot again in 1996, and a breakdown of that vote showed that only one in six Perot voters from 1992 have abandoned him.

"I think he did a great service in getting the country focused on issues the last time, because if you think back to 1988 and conjure up some image of that campaign, I can remember George Bush at a flag factory and Michael Dukakis riding around in a tank," Ireland said. "But other than that, I can't remember anything else. . . I'll probably vote for him again."

But the question most politicians want answered is what these voters will do this November. Will they lead another revolt against the system? Will they punish incumbents in Congress by voting them out of office? And who or what may influence them when they go into the voting booth next fall? None of those questions is easily answered six months ahead of the elections. Most of these so-called angry voters have not genuinely focused on the elections at hand. And they admit they are torn about how to use their vote this year.

Several members of the group here reflexively said they would like to "vote them out" this November, but acknowledged the choices are not always so simple.

Perhaps as significant was the unanimous view here that members of the group would listen closely to Perot or his organization in considering candidates this fall. "That would

GAUGING THE NATION'S MOOD

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While confidence in government has rebounded in recent months, less than a third of those interviewed in a recent Washington Post-ABC News poll say they trust the federal government to do what is right most of the time. Americans also are more distrustful of the federal government now than they were three years ago and three out of four say big changes need to be made in the way government operates.

Q: Do you think this country needs to make major changes in the way the federal government works, minor changes in the way it works or what?

May 15, 1994

Major changes	75%
Minor changes	21
Other/Don't know	4

Q: Just your best guess, do you think Bill Clinton is trying to make major changes in the way government works, minor changes, or what?

	May 15, 1994	April 26, 1993	Jan. 17, 1993
Major changes	47%	65%	49%
Minor changes	42	31	38
Other	11	4	13

Q: Do you think the changes Clinton is seeking are mainly the right changes for the country or mainly the wrong ones?

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*Volunteered

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Q: Do you think Ross Perot generally represents your views or not?

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Yes	37%	40%	48%

Q: Do you think Ross Perot is basically qualified or not qualified to be president?

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Q: If Perot runs for president in 1996, do you think you would vote for him, or not?

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—Richard Morin

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THE WHITE HOUSE
WASHINGTON

94 MAY 25 A 9:52

OFFICE OF THE STAFF SECRETARY

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Washington Post Staff Writers

VOTERS, From A1

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THE WHITE HOUSE
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94 MAY 25 9:48

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THE PRESIDENT HAS SEEN
5-24-94

March / May / June / July / August / September / October / November / December
Perot Factor Still Percolates

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we need a strategy other -

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Right ones	53%
Wrong ones	35
Somewhere in between *	9
Don't know	3



*Volunteered

THE PEROT FACTOR

Q: Do you think Ross Perot generally represents your views or not?

	May 15, 1994	Nov. 11, 1993	May 23, 1993
Yes	37%	40%	48%

Q: Do you think Ross Perot is basically qualified or not qualified to be president?

May 15, 1994	
Qualified	32%
Not qualified	64
Don't know	4



Q: If Perot runs for president in 1996, do you think you would vote for him, or not?

May 15, 1994	
Yes	20%
No	65
Not sure/Don't know	15

—Richard Morin

NOTE: Figures do not add to 100 percent when "don't know" is not included. May 1994 figures are based on a Washington Post-ABC News national telephone poll conducted May 12-15 among 1,523 adults. Other polls contain samples of approximately the same size. The margin of sampling error for all surveys is approximately plus or minus 3 percentage points. Sampling error is, however, only one of many sources of error in public opinion polls. Interviewing was conducted by Chilton Research of Radnor, Pa.

make me look favorably on that candidate," Ireland said.

Many Americans still have a higher opinion of their representative than of Congress as an institution. Almost 60 percent of Perot's voters said they approve of their representative in Congress, but an almost identical percentage would consider voting for someone other than the incumbent this fall.

On those two questions, the Perot

voters mirrored the views of those who supported Bush in 1992, and Republicans hope they can convert those Perot votes into support for Republican congressional candidates this fall.

But the group of voters here was as negative about the Republican Party as they were about Clinton.

That leaves this crucial block still angry, still frustrated, still looking for real change—and for now, still up for grabs.

Vicki Raab —

Do you do
D.C. cf. Ap.? If yes
please give me a ring.

5 24 94 To Hnd

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036-2430
202-861-3900
FAX: 202-223-2085

94 MAY 24 P2:02
BALTIMORE
NEW YORK
PHILADELPHIA
LONDON
EASTON, MD

RONALD L. PLESSER

May 24, 1994

HAND DELIVER

John Podesta
Staff Secretary
The White House
West Wing, Ground Floor
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Re: District of Columbia Court of Appeals

Dear John:

President Clinton is about to make the first of two appointments to the District of Columbia Court of Appeals this year. In embarking upon the task of leaving his mark on this court, I wanted to ensure that the White House is aware that Emilio ("Milo") Cividanes is "in the pipeline." Milo and I are about to complete six years of working closely together and, while I will be sad to see him go, it will be the community's gain to have him on the bench.

As you may know, the D.C. Judicial Nominating Commission recently recommended three minority women to the President to fill the current vacancy on the D.C. Court of Appeals. Another vacancy on this court is expected as soon as next month when Judge Emmet Sullivan is confirmed by the Senate to become a U.S. District Court judge. I have been advised that the odds are good that Milo will be among the three candidates recommended to the President for possible nomination to fill this second vacancy.

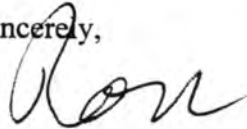
The attached letters show that Milo enjoys substantial support from across the D.C. community, e.g., Latino, African American, and women's groups, and representatives of labor and of the gay, deaf, and Asian communities. The depth of support that Milo has in the Latino community reflects his long-time and active involvement in the Latino community. My partner Jeff Liss and I wrote letters on his

John Podesta
May 24, 1994
Page 2

behalf, too. Others who did not write letters but served as references or otherwise recommended Milo for the judgeship include Lois Schiffer (assistant attorney general-designate) and U.S. Attorney Eric Holder. As you know, Milo currently serves as president of the ACLU's local affiliate, from among whose ranks the President has appointed several outstanding individuals to his Administration.

I wanted to make sure that you knew that Milo was under active consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron", with a stylized flourish extending from the end.

Ronald L. Plesser

RLP/cpm
Enclosures

TO →

Thru
Robin O

~~any are else?~~

—

Business Objects to a Code in China

By EDWARD A. GARGAN

As the Clinton Administration approaches a June 3 deadline for renewing China's favored trade status, American companies with operations in China are being asked by human rights campaigners to embrace a code of conduct that many of them do not like.

A prominent rights group, Human Rights Watch, is urging such companies to adopt a voluntary code that includes proposals that American companies not use products made by prison labor, discourage political indoctrination in the workplace, and encourage their senior executives to discuss rights abuses with Chinese officials.

The proposal, a form of which has also circulated as proposed legislation in Congress for several years, has drawn a swift and negative reaction from big American companies.

Many of these companies — which include Motorola, General Electric, International Business Machines and Xerox — have significant investments in China, or they regard China as a major market. They have lobbied strenuously in Congress and at the White House to preserve China's trade benefits as a way of retaining and expanding American companies' share of expanding Chinese markets.

They say that embracing such codes of behavior would undermine their competitiveness and raise suspicions in the Chinese Government.

"The impetus of laying on the American business community a corporate code of conduct simply gives credence to the idea that business is morally responsible for the human rights situation in China," said Robert A. Kapp, president of the United States-China Business Council, a

group that promotes commercial links between the two countries. "We don't accept that."

While there is some sentiment in Congress for a voluntary code, China's stiffest critics, like Representative Nancy Pelosi, Democrat of California, think that Congressional efforts should now focus on whether to revoke China's most-favored-nation trading status, and on other potential sanctions.

Ms. Pelosi said she supported a voluntary code of conduct, but did not see that as a substitute for canceling Chinese trade privileges. She said she found corporate opposition to volun-

Rights groups lobby as preferred trade status is up for U.S. renewal.

tary standards of conduct difficult to understand.

"The business community resisted this in the past, as now," Ms. Pelosi said. "I think it's ironic that the business community opposes a voluntary code of conduct. How do you oppose something that's voluntary?"

Richard Dicker, an associate counsel for Human Rights Watch in New York, said American companies would signal their support for American policies in support of human rights by adopting a code of minimum conduct.

"The objective here on our part is to insure that U.S. business operations in China do not encourage or

contribute to oppressive practices, and in a positive way contribute to the human rights climate by taking a positive approach," he said.

The question of voluntary codes for American business abroad was first raised in 1977 by the Rev. Leon H. Sullivan of Philadelphia, who outlined principles for how companies should operate under apartheid in South Africa, in ways that were sensitive to black aspirations.

Human Rights Watch tries to draw parallels between the Sullivan Principles for South Africa and its proposed code of conduct in China. But American companies reject both the analogy and the proposal.

Inapt Comparison Seen

"In China, it would be particularly inappropriate because of the nature of the Chinese economy — the economy being state-directed while moving toward some market freedom," said Robert McNeill, executive vice chairman of the Emergency Committee for American Trade, which represents leading American businesses. "In China, companies would be seen as agents of the U.S. Government," Mr. McNeill said. "And the danger with codes of conduct that are initially voluntary is that they can become statutory."

Mr. Kapp said American companies would not accept efforts to impose rules of conduct on their China operations.

"There is a great uneasiness about notions of codes of conduct," he said. "First, it becomes a process of public shaming. It is very easy to say things that sound good. No. 2, the advocates of heavy economic pressure against China, to compel China to change its domestic political behavior, believe they are dealing with universal values. That is one of the explanations

The Proposed Code

Human Rights Watch wants American companies doing business in China to voluntarily abide by these five principles:

- ☒ Companies will try not to use **PRISON LABOR** or buy products made by prisoners, because conditions in Chinese forced-labor plants violate international human rights standards.
- ☒ Companies will not permit compulsory **POLITICAL INDOCTRINATION** in the workplace, a practice common in state-owned enterprises.
- ☒ Companies will embrace **NONDISCRIMINATORY EMPLOYMENT** practices, which in this case primarily means keeping workers' political beliefs out of hiring and firing decisions.
- ☒ Companies will encourage **FREEDOM OF ASSOCIATION AND EXPRESSION** concerning work-related issues in their plants.
- ☒ Companies will have senior American executives discuss **HUMAN RIGHTS ISSUES** with local Chinese officials, emphasizing that human rights abuses can damage business relationships.

for what I believe is a cavalier approach to national sovereignty."

The five voluntary measures proposed by Human Rights Watch would prohibit the use of prison products by American companies, discourage compulsory political indoctrination in the workplace, embrace nondiscriminatory employment practices — which means not discharging people for their political beliefs, allow workers to discuss work-related issues freely, and have American executives discuss human rights issues in their localities with Chinese officials.

Timothy Kellogg, director of corporate communications for Motorola, said the company felt comfortable with its rules.

"We have a very strict internal code of conduct that has been translated into Chinese," Mr. Kellogg said of the code used in Motorola's \$120 million semiconductor and pager

manufacturing plant in Tianjin. "What we have in place is more than adequate. Any effort that goes beyond that appears to make us a Government agent."

Billions at Stake

George Jamison, a spokesman for the General Electric Company, said G.E. had not made any public statement on corporate guidelines.

Mr. Jamison said China was an important market for the company, adding, "Over the next decade we have \$13.5 billion in potential export opportunities."

Several business groups, including the Emergency Committee for American Trade, have been distributing details of American business activity in China to legislators and Administration officials. In one such packet, I.B.M. described China as its fastest-growing market, and said that its 385 Chinese employees "leave the securi-

ty of the socialist system that provides subsidized housing, education, and medical care to experience risk and reward in the Chinese marketplace." I.B.M. also said it contributed more than \$1 million last year to a hospital, a model-classrooms project and the state-run Beijing Film Academy.

Similarly, Xerox said it backed "human resource development" through financial support of a management institute in Dalian and a training center in Shenzhen. The company said it "supported cultural activities primarily in Shanghai and contributed to the overall well-being of its Chinese employees by offering thoroughly modern working conditions and facilities in China."

But Representative Pelosi, of San Francisco, who has led Congressional efforts to revoke China's preferred trade status because of its rights abuses, described such corporate drum-beating as off the mark.

"We're talking about fundamental rights," she said. "They support cultural activities. Isn't that nice. I find it disingenuous."

LAKE
RUBIN

THE NEW YORK TIMES, TUESDAY, MAY 24, 1994

THE PRESIDENT HAS SEEN

5.24.94

TO Tony?
yes?
~~anyone else?~~

—

North Koreans' Behavior Puzzling

Are They Just Wily Negotiators, or Outlaws Seeking a Nuclear Arsenal?

By R. Jeffrey Smith
Washington Post Staff Writer

North Korea is governed by international law-breakers bent on completing a nuclear arsenal to terrorize their neighbors. Or, North Korea's leaders are merely wily negotiators, trying to trade away a sham nuclear effort in exchange for rich economic and political benefits.

Will the real North Korea please stand up?

U.S. and allied officials by now must feel like frustrated questioners on the old TV game show, "What's My Line?" Just when North Korea's true intentions seem about to emerge, it takes another bold action subject to conflicting interpretations.

NEWS
ANALYSIS

Look, for example, at the confusion sown by North Korea's decision last week to begin withdrawing plutonium-laden fuel rods from a nuclear reactor at the Yongbyon complex, without sufficient inspections by the United Nations nuclear proliferation watchdog, the International Atomic Energy Agency (IAEA).

Defense Secretary William J. Perry and other U.S. officials had warned that such a step would not be tolerated. It would amount to a repudiation of North Korean pledges to ensure the continuity of IAEA safeguards against secret nuclear weapons work.

Administration officials threatened to seek punitive economic sanctions if North Korea crossed this line.

International Atomic Energy Agency Director Hans Blix made clear that the game was not over since the fuel withdrawal will not be completed for at least another seven weeks. He called on North Korea to suspend the withdrawal immediately pending an inspection accord, and sent officials to Pyongyang for consultations.

They reasoned that without inspection, North Korea could reprocess the reactor's estimated 8,000 spent fuel rods to produce enough plutonium for four or five nuclear bombs. Moreover, if the rods were not handled carefully, North Korea could ruin any chance for the IAEA to measure their radioactivity to calculate how much reprocessing was conducted previously for nuclear weapons.

IAEA Director Hans Blix, who takes his legal mandate for inspection seriously and fears that any show of weakness toward North Korea could undermine the agency's prerogatives elsewhere, sounded the alarm bell Thursday. He sent a telex to North Korea and a message to U.N. Secretary General Boutros Boutros-Ghali calling North Korea's action "a serious violation" of the country's inspection accord with the IAEA.

At the same time, Blix made clear that the game was not over, given that the fuel withdrawal will not be completed for at least another seven weeks. "It still seems possible," he said, "to implement the required safeguards measures" because the key rods have yet to be removed. He called on North Korea to suspend the withdrawal im-

mediately pending an inspection accord, and dispatched top agency officials to Pyongyang for consultations.

Perry had said May 3 that Washington would base its decisions on "a judgment made by the IAEA of the adequacy of inspection, not by our judgment of the adequacy of inspections."

On Friday, however, senior U.S. officials depicted the North Korean action as only a "technical violation" of IAEA rules and cited positive actions by the hard-line communist state as justification for a U.S. gift of sorts: a stated willingness to begin new high-level talks that North Korea badly wants.

U.S. officials say the purpose of the talks, which could begin in Geneva within a week or so, is to move toward a grand bargain in which North Korea would get a series of political and economic concessions in exchange for allowing all the inspections the IAEA wants. Working out the details could take months, but U.S. officials are optimistic that North Korea might quickly accept the fuel rod inspections on an interim basis.

New talks seemed sensible because all parties want to see the issue resolved without bloodshed. North Korea has said any punitive sanctions will be regarded as an act of war.

But the U.S. decision had awkward consequences, according to former undersecretary of state Arnold Kanter, the most senior U.S. official to meet with North Korean diplomats. "It looks as if Washington has a different view of what is okay than the IAEA," Kanter said.

Kanter said the administration would have been wiser to await the results of new IAEA consultations with North Korea on an inspection arrangement for the fuel rod withdrawal and a more definitive IAEA judgment of the adequacy of those inspections. "It is unclear why we should be in any hurry to move to high-level talks," he said.

The Clinton administration, which has preferred the "wily negotiator" interpretation of North Korean actions for the past 16 months, says that the high-level talks are needed urgently because the fuel rod withdrawal is continuing and North Korea needs to "get" something before it "gives" on the inspections.

Administration officials cite as evidence of North Korea's good intentions three interim IAEA conclusions: the country has allowed further inspection of a fuel rod reprocessing plant after thwarting an inspection last March; it has not yet withdrawn or tampered with those fuel rods crucial to gaining an understanding of past fuel rod reprocessing; and it has not yet diverted the newly withdrawn spent fuel rods to the reprocessing facility.

Critics of this view, including U.S. officials and intelligence analysts who support the "law-breaking terrorist" hypothesis about North Korea, say the country's restraint is temporary. They contend North Korea is stringing the United States along while proceeding with its nuclear weapons efforts.

The fact that none of the newly withdrawn fuel rods have been reprocessed says nothing about North Korea's real intentions, experts say. Even if it wanted to start reprocessing now, North Korea could not do so because the rods remain dangerously radioactive for several months after being withdrawn from the reactor. The rods must remain in a water-filled "cooling pond" until the radioactivity decays.

At the end of this period, according to a worst-case scenario, North Korea could reprocess these rods, perhaps in not just one reprocessing "line" but also a second nearly completed line at the Yongbyon facility. And the negotiations will be far from complete.

Copy to

Anyone

Robin

Paul Kennedy's Thesis

RUBIN

5-24-94
THE PRESIDENT HAS SEEN

Is Capitalism Doomed? ✓

By Benjamin C. Schwarz

WHILE we celebrate the prosperity that has accompanied international economic interdependence, a serious threat to prosperity remains ignored. Today's global economy depends upon American power, but precisely because of this dependency, international capitalism may be approaching catastrophe, just as it is reaching its fullest flower.

There is an inherent contradiction between capitalism and international politics. Capitalist economies prosper most when labor, technology and capital are fluid, so they are driven toward international integration. But international politics drives states to insure that economic power is distributed in their favor at the expense of their rivals. This restricts production and markets and thereby fragments the global economy.

Thus, in the normal course of world politics, in which states must compete for security, a global economy is impossible to achieve. In fact, international capitalism has enjoyed only two golden ages: the periods following the Napoleonic wars and the two World

Wars. The key to both these episodes of peace and prosperity has been the same — the ability and will of a single state to become a hegemonic power, taking over the security problems of weaker states so they need not pursue autarkic policies nor form trading blocs to improve their international positions. This suspension of power politics through hegemony has been the fundamental aim of American foreign policy since 1945.

Even though the cold war has ended, America's security leadership — for instance, its dominance of NATO and the alliance with Japan — is still necessary to hold in check the rivalries that would otherwise disrupt the stability that a global economy requires. Thus, the U.S. must continue, as the Pentagon's 1992 draft Defense Planning Guidance argues, to dominate the international system by "discouraging the advanced industrialized nations from challenging our leadership or even aspiring to a larger global or regional role." Assuming this awesome responsibility, the Pentagon asserts, insures "a market-oriented zone of peace and prosperity that encompasses more than two-thirds of the world's economy."

Imposing a protectorate over two-thirds of the world economy means not only that the United States must dominate wealthy and technologically sophisticated friendly states, but that it must also deal with such nuisances as Saddam Hussein, Kim Il Sung and Slobodan Milosevic so that potential great powers need not acquire the means to deal with those

problems themselves. This, in turn, dictates that America must spend more on national security than the rest of the world combined.

Thus, stabilizing the international system is a wasting proposition. A hegemonic power forced to place such importance on military security must divert capital and creativity from the civilian sector, even as other states, freed from onerous spending for security, add resources to eco-

Global prosperity depends on U.S. hegemony.

nomically productive investments. As America's relative economic strength erodes, so does the comparative advantage over other powers upon which its hegemony is founded.

America's declining advantage will spur the emergence of great power rivals, requiring the U.S. to spend more on defense to maintain its preponderance, which only further deteriorates its comparative advantage. Already, economic power has diffused from the U.S. to new centers of economic growth in Europe and Asia.

Thus, a global economy bites the hegemon that feeds it, destroying the hegemon's relative dominance and shattering the very foundation upon

which interdependence rests.

Some hold that America can reap the reward of hegemony without paying for it. According to this argument, America can lead but in partnership with other like-minded states. This is an oxymoron. Multilateral enterprises, from juries to U.N. police actions, require a leader. The indispensable foundation for integration among the advanced industrialized nations was — and remains — American hegemony. To hold that U.S. hegemony is no longer needed because the political, economic and military cooperation among the great powers now insures stability and peace is to put the cart before the horse.

Most everyone applauds the highest stage of capitalism — today's complex web of global trade, production and finance — as the dawn of a brave, new world. But, a genuinely interdependent economy is extraordinarily fragile. Today the emergent high technology industries, for instance, are the most powerful engines of world economic growth, but they require a level of specialization and a breadth of markets that is possible only in an integrated world economy. It is difficult to see, therefore, how capitalism can survive the decline of the Pax Americana.

Seventy-seven years ago, Lenin argued that international capitalism would be economically successful but, by growing in a world of competitive states, it would plant the seeds of its own destruction. Although the empire he built is in ruins and his revolution discredited, Vladimir Ilyich may have the last laugh. □

Benjamin C. Schwarz is a foreign policy analyst at the Rand Corporation. This article is adapted from the current issue of Salmagundi.

THE PRESIDENT HAS SEEN

5.24.94

THE WHITE HOUSE

WASHINGTON

May 20, 1994

94 MAY 24 AIO : 21

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *MB*
SUBJECT: LETTERS TO MEMBERS OF CONGRESS

Attached are letters for your signature that will be sent to members of Congress.

The following is a brief description of each letter:

- We should do something about it*
- 1) Maxine Waters (D-CA), concerning lending to minority-owned businesses. Letters will also be sent to:
Kweisi Mfume (D-MD),
Nancy Pelosi (D-CA),
Ronald V. Dellums (D-CA),
George Miller (D-CA),
Major R. Owens (D-NY),
William Clay (D-MO),
Louis Stokes (D-OH),
Albert Russell Wynn (D-MD),
Alcee Hastings (D-FL),
Eddie Bernice Johnson (D-TX),
James Clyburn (D-SC),
Carrie Meek (D-FL),
Donald Payne (D-NJ);
 - 2) Byron Dorgan (D-ND), concerning health care reform.

cc Brophy ✓
Rubin ✓

THE WHITE HOUSE

WASHINGTON

Dear Maxine:

Thank you for your letter concerning lending to minority-owned businesses. I understand your concern about such lending and know that the Comptroller of the Currency has received similar comments concerning the proposed CRA reforms. I am confident that Gene Ludwig and the other regulators will take those concerns into account in preparing a final regulation.

I would also point out that the National Economic Council, the Small Business Administration, and other agencies are developing an initiative to expand lending to women-owned and minority-owned firms under SBA's §7(a) program. That initiative will include disclosure of the demographic characteristics of the borrowers of each participating financial institution.

Again, thank you for your letter and for sharing with me your concerns about these important issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ron Cline", with a stylized flourish at the end.

The Honorable Maxine Waters
House of Representatives
Washington, D.C. 20515

062973

Congress of the United States
House of Representatives
Washington, DC 20515

April 20, 1994

William J. Clinton
President
The White House
1600 Pennsylvania Ave., NW
Washington, D.C.

Dear Mr. President:

Minority businesses rarely secure bank loans. The proposed CRA reforms are of limited value due to the prohibition against gathering of business and commercial loan data by race. Home loan data by race has proven that discrimination exists and forced many banks to make reforms. Similar race data will do the same thing for minority business and consumer applicants.

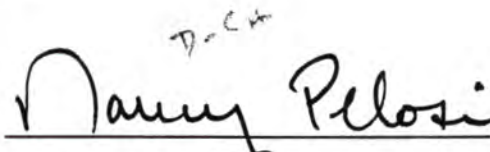
The minority community is credit-starved and undercapitalized. Our cities are in crisis. The proposed CRA reforms could make a difference. However, it is critical that the new data which will be collected and disseminated by bank regulators include a breakdown by race, gender and ethnicity.

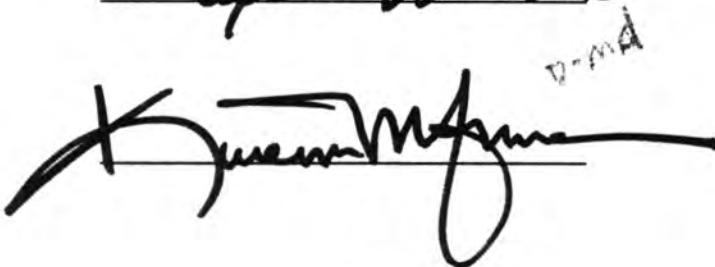
We also believe it is important that banks be required to disclose the percentage and dollar amount of contracts awarded to minority and women-owned businesses. Today, it is estimated that banks award forty billion dollars a year in outside contracts. It is good economic and social policy to see that all contractors share in these contract awards. The first step is requiring that banks disclose their MWOB contracts.

We hope that the final regulations on CRA reform contain the above minor, but significant modifications. It would make a substantial difference.

Sincerely,


Henry Hyde


Nancy Pelosi


James M. Hansen


Tom Lantos

George Miller

D-CA

Major R. Evans

D-HY

William L. Clay

D-MO

Philip Roth

D-OH

Albert R. Wynn

D-Md

Alcee L. Hastings

D-FL

Adrianne Johnson

D-TX

James E. Clyburn

D-SC

Carrie P. Meek

D-FL

Donald Payne

D-NJ

THE WHITE HOUSE

WASHINGTON

May 2, 1994

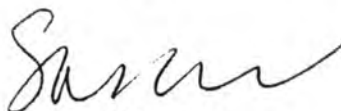
Dear Representative Waters:

Thank you for your letter regarding reform of the Community Reinvestment Act. I appreciate your sharing your concerns with the President.

The President has been advised of your interest in this matter, and you will receive a response from him in the near future. In the meantime, if I can be of assistance to you, do not hesitate to contact my office.

Best wishes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan Brophy".

Susan Brophy
Deputy Assistant to the President
for Legislative Affairs

The Honorable Maxine Waters
House of Representatives
Washington, D.C. 20515

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	Jenny McCarthy to POTUS re: Selected Casework (3 pages)	05/23/1994	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4888

FOLDER TITLE:

May 22-28, 1994 [1]

2018-0662-S

rs3097

RESTRICTION CODES

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

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

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

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RR. Document will be reviewed upon request.

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

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

Perot Factor Still Percolates

'Angry Voters' of '92 Remain Disaffected

By Dan Balz and Richard Morin
Washington Post Staff Writers

PHOENIX—When Bill Clinton speaks, Pamela Lopez and Bob Lewis listen. "He's smooth, and he's talking like a man on your side," said Lewis. Lopez agreed: "He can get up and give a talk and actually, you know, I've been caught up in the emotional effect."

That said, the two Phoenix-area residents think less of the president today than when he was elected in 1992. They did not vote for him then and cannot imagine doing so now. "He's a typical politician," said Lopez, a paralegal. Lewis, who works in the defense industry, said, "I see no substance as a leader."

What makes their views important is that they were part of the eruption that partly coalesced around independent candidate Ross Perot and rattled American politics in 1992. They are two of the millions of people whose disgust with Washington breathed life into the phrase "angry voters."

As such, they are among the most closely monitored groups in the country, seen by the White House, the two major political parties and candidates of all stripes as barometers whose movements could determine the outcome of close races in this year's midterm elections and who collectively will help shape the landscape for 1996. The bad news for Clinton—and for other elected officials, Republicans and Democrats—is that they are still mostly fed up. Despite some signs that the passion that drove their anger in 1992 has abated in small ways, they—like Americans generally—are still overwhelmingly negative in their feelings toward Washington and the two political parties. And while their views of Perot have changed, many say they could again support him for president and they continue to look to him for leadership.

Whatever dissatisfaction voters feel is likely to show up in the November midterm elections, and many incumbents—particularly Democrats—are nervous. But it

VOTERS, From A1

has implications for 1996 as well, given the fragility of Clinton's winning coalition from 1992 and the ups and downs he has experienced as president.

The Post first interviewed Lewis, Lopez and eight other Phoenix-area residents in 1992, when their disgust with the two parties drew them to Perot's fledgling campaign. All voted for Perot in November 1992.

The Post recently reconvened six of the original group of 10 people to ask them how their attitudes—toward Perot, Clinton, Congress and politicians—had changed since the election. Lois Crowell, a human resources clerk, put it succinctly at the end of two hours of lively conversa-

tion. "Right back where we started," she said. To which David Ireland, a stockbroker, added, "Unfortunately!"

The Phoenix group was not meant to be representative of the country. But they provide an insight into the attitudes of a key block of swing voters. When their views are combined with national polling and telephone interviews with others who backed Perot, they help to explain why many politicians approach the fall elections with trepidation.

Two years ago, the Phoenix group's angry words were bad news for George Bush. Now they could haunt Clinton as he points toward a second term. From the day of his election, Clinton and his advisers have tried to find ways to woo the Perot voters. But just listen to what the Phoenix Six had to say:

"He rubs me the wrong way and I don't trust him," said Yoli Petri, a pharmacy worker.

"I'm beginning to wonder if he really is as qualified as he would have led you to believe he is to lead this country," Crowell said.

Ron Vitrakis, a manager for a petroleum company, added, "I think it's all an act."

The group's complaints ranged from Clinton's personal problems—which particularly bothered several of the women—to his staff to his foreign policy leadership to what they regard as his scattershot approach to domestic issues.

Asked to cite Clinton's biggest accomplishments, they drew a blank. When presented with legislative achievements—from last year's budget package to passage of the North American Free Trade Agreement to the ban on assault weapons—they generally discounted Clinton's role in bringing them about, with the exception of NAFTA.

Some Positive Views

In a Washington Post-ABC News poll, not all Perot voters were as negative as the six in Phoenix. "I have more positive feelings now than I did in 1992 when he was running," said Dale Hillman of Kelso, Wash. "In a lot of ways, I feel he has been honest and tried to get some things passed that are almost impossible to pass."

"I think he's trying and my real complaint is with Congress," said Bill Dowd, a small businessman who lives near Santa Rosa, Calif.

But overall, the Perot voters re-

main more critical of Clinton's presidency than the public at large. The poll found that among those who voted for Perot, 39 percent approve of how Clinton is handling his job as president, while 56 percent disapprove. That compares with Clinton's overall rating of 51 percent approval, 44 percent disapproval.

In many ways, the voters are as unhappy with the federal government now as they were before the 1992 elections. Asked what words they associate with the federal government in Washington, the Phoenix group cried out: "Gross." "A joke." "Yuk." "Boo."

"I think part of the problem is the government is trying to do more than it's capable of doing and in the process it's screwed things up royally," Ireland said.

Vitrakis added, "It's trying to please too many people."

Despite the shift from divided government to Democratic control of the executive and legislative branches, the Phoenix group believes gridlock still reigns.

"We just keep putting the same people in and they are doing the same thing that they've always done," Crowell said.

Last year's budget package was seen by this group as an inadequate response to a problem that continues to plague the country. "The 500-pound gorilla is the entitlement programs and they haven't done anything with them," Ireland said.

Overall, there has been a slight improvement in the public assessment of Washington, which nonetheless remains strongly negative. In a March survey, the Post and ABC found that 30 percent of the public was either satisfied or enthusiastic about the way the federal government works, with 68 percent dissatisfied or angry. That is nearly 10 percentage points higher than it was two years ago.

The Government Gap

But in other measures, confidence in Washington and politicians is as bad as or worse than it was two years ago. For example, 80 percent still believe that "those we elect to Congress in Washington lose touch with the people pretty quickly." Two-thirds say "public officials don't care what people like me think," and almost 60 percent agree with the statement that "people like me don't have any say about what the government does," a figure that has in-

CLINTON'S APPROVAL RATING

A WASHINGTON POST-ABC NEWS POLL*

Q: Do you approve or disapprove of the way Bill Clinton is handling his job as president?

	Approve of Clinton now	Disapprove of Clinton now
Those who voted for Clinton in 1992	85%	12%
Those who voted for Bush in 1992	16	81
Those who voted for Perot in 1992	39	57

* 1,573 adults were interviewed May 12-15

THE WASHINGTON POST

creased about 10 percentage points in the past two years.

It is no wonder that 75 percent of all Americans surveyed this month by the Post and ABC said they wanted to see major changes in the way the federal government works. "I don't think, as far as Congress is concerned, that they're working in my behalf, in the little people's behalf," said Christine Anderson of Eugene, Ore., a single mother with three children.

What was perhaps most surprising during the two hours of conversation in Phoenix was the group's comments about Perot. The onetime presidential candidate and founder of United We Stand America has fallen sharply in the eyes of most Americans. The latest Post-ABC poll found that 64 percent of those surveyed said Perot was not qualified to be president, that his favorable-unfavorable ratio was 39 percent to 53 percent and that a huge 70 percent said he does not have the personality or temperament to serve effectively as president.

Pamela Lopez said she finds Perot abrasive and understands what people mean when they "talk about him as a little dictator." Joel Kraft of Stoneridge, N.Y., said he was "really disappointed" by Perot's performance in the NAFTA debate with Vice President Gore hosted by CNN's Larry King.

Still, the Phoenix Six said they would consider casting another vote for Perot in 1996, if he decides to run again for president. "I am grateful to Ross Perot for awakening this country and we could stand a lot more of that," Crowell said.

In the Post-ABC poll, 20 percent of those surveyed said they would support Perot again in 1996, and a breakdown of that vote showed that only one in six Perot voters from 1992 have abandoned him.

"I think he did a great service in getting the country focused on issues the last time, because if you think back to 1988 and conjure up some image of that campaign, I can remember George Bush at a flag factory and Michael Dukakis riding around in a tank," Ireland said. "But other than that, I can't remember anything else. . . . I'll probably vote for him again."

But the question most politicians want answered is what these voters will do this November. Will they lead another revolt against the system? Will they punish incumbents in Congress by voting them out of office? And who or what may influence them when they go into the voting booth next fall? None of those questions is easily answered six months ahead of the elections. Most of these so-called angry voters have not genuinely focused on the elections at hand. And they admit they are torn about how to use their vote this year.

Several members of the group here reflexively said they would like to "vote them out" this November, but acknowledged the choices are not always so simple.

Perhaps as significant was the unanimous view here that members of the group would listen closely to Perot or his organization in considering candidates this fall. "That would

GAUGING THE NATION'S MOOD

RESULTS OF A WASHINGTON POST-ABC NEWS POLL

While confidence in government has rebounded in recent months, less than a third of those interviewed in a recent Washington Post-ABC News poll say they trust the federal government to do what is right most of the time. Americans also are more distrustful of the federal government now than they were three years ago and three out of four say big changes need to be made in the way government operates.

Q: Do you think this country needs to make major changes in the way the federal government works, minor changes in the way it works or what?

May 15, 1994	
Major changes	75%
Minor changes	21
Other/Don't know	4

Q: Just your best guess, do you think Bill Clinton is trying to make major changes in the way government works, minor changes, or what?

	May 15, 1994	April 26, 1993	Jan. 17, 1993
Major changes	47%	65%	49%
Minor changes	42	31	38
Other	11	4	13

Q: Do you think the changes Clinton is seeking are mainly the right changes for the country or mainly the wrong ones?

May 15, 1994	
Right ones	53%
Wrong ones	35
Somewhere in between *	9
Don't know	3



*Volunteered

THE PEROT FACTOR

Q: Do you think Ross Perot generally represents your views or not?

	May 15, 1994	Nov. 11, 1993	May 23, 1993
Yes	37%	40%	48%

Q: Do you think Ross Perot is basically qualified or not qualified to be president?

May 15, 1994	
Qualified	32%
Not qualified	64
Don't know	4



Q: If Perot runs for president in 1996, do you think you would vote for him, or not?

May 15, 1994	
Yes	20%
No	65
Not sure/Don't know	15

—Richard M. Smith

NOTE: Figures do not add to 100 percent when "don't know" is not included. May 1994 figures are based on a Washington Post-ABC News national telephone poll conducted May 12-15 among 1,523 adults. Other polls contain samples of approximately the same size. The margin of sampling error for all surveys is approximately plus or minus 3 percentage points. Sampling error is, however, only one of many sources of error in public opinion polls. Interviewing was conducted by Chilton Research of Radnor, Pa.

make me look favorably on that candidate," Ireland said.

Many Americans still have a higher opinion of their representative than of Congress as an institution. Almost 60 percent of Perot's voters said they approve of their representative in Congress, but an almost identical percentage would consider voting for someone other than the incumbent this fall.

On those two questions, the Perot

voters mirrored the views of those who supported Bush in 1992, and Republicans hope they can convert those Perot votes into support for Republican congressional candidates this fall.

But the group of voters here was as negative about the Republican Party as they were about Clinton.

That leaves this crucial block still angry, still frustrated, still looking for real change—and for now, still up for grabs.

Nigerian Drug Trade Taints U.S. Relations

Military Rulers Delay Return to Democracy

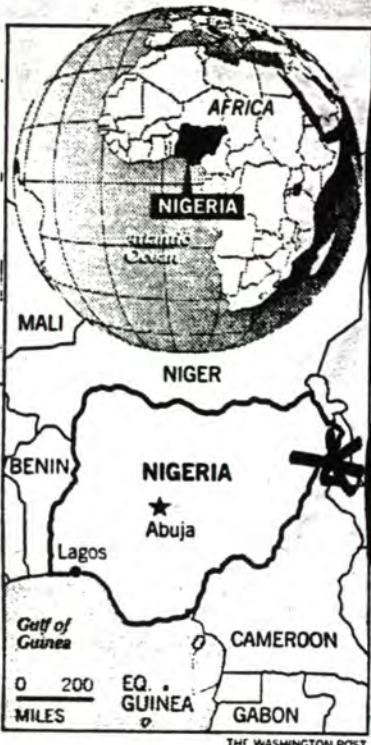
By Reed Kramer
Africa News Service

PORT HARCOURT, Nigeria—Nigeria, a leading U.S. oil supplier and longtime ally, is suddenly finding itself an outcast.

Relations between Africa's most populous nation and the United States reached a new low last month with a State Department decision classifying Nigeria as one of the world's four top drug trafficking countries. Although the West African nation does not produce drugs, it has become a major transit point in the narcotics trade. Nigerian couriers import 35 percent to 40 percent of all the heroin coming into the United States, American officials say.

The State Department classification adds new sanctions to a succession of economic and political penalties imposed on Nigeria by the Clinton administration in response to the stalled democratization process and lax airport security. This latest action puts Nigeria roughly on a par under U.S. law with pariah states such as Iran.

The conundrum Nigeria poses for U.S. policy is apparent in this coastal city, lit by the hissing flares of dozens of oil rigs. Petroleum from the surrounding Niger River delta and the deep-water wells offshore is



shipped directly to the east coast of the United States, where it serves as raw material for most of the unleaded gasoline and much of the diesel and aviation fuel used there.

In recent years, Nigeria's rank on the list of U.S. oil suppliers has fluctuated between second, after Saudi Arabia, and fifth. And because Nigeria produces light, low-sulfur crude, which burns cleaner and is cheaper to refine than most Middle East oil, Nigeria's output is prized for its quality as well as its quantity, industry experts say.

Refineries in Pennsylvania and New Jersey, owned by the two largest American producers in Nigeria, Chevron Inc. and Mobil Corp., rely heavily on the West African crude.

The designation of Nigeria as an international drug trafficker prompted heated debate within the Clinton administration, according to officials involved in the discussions. Opponents argued against grouping Nigeria with Iran, Burma and Syria, the three nations already on the State Department's drug-dealing list.

The inclusion of Nigeria automatically halts all non-humanitarian economic assistance to the West African country and requires a U.S. vote against loans to Nigeria at the World Bank and other multilateral financial institutions.

Actions against Nigeria began last June, after the country's military leaders annulled a presidential election that was to return the country to civilian rule. The Clinton administration ended contacts with the military, expelled Nigerian officers from U.S. military training institutions, prohibited visits to the United States by senior Nigerian officials and their families, and suspended several aid projects.

In August, the U.S. Transportation Department barred direct air service to and from Lagos, Nigeria's principal city, after ruling that inadequate airport security procedures "threaten the safety of passengers, aircraft and crews."

Nigeria is the first country friendly to the United States to be penalized economically for failure to cooperate in anti-drug efforts. In the past, friendly nations, even if lax at drug enforcement, routinely received presidential waivers—a kind of warning slap on the wrist—as was done this year for Afghanistan, Bolivia, Laos, Lebanon, Panama and Peru. Colombia's government has been cooperating with U.S. drug enforcement efforts.

"Nigeria is a poor African country that nobody likes, which is the only reason it appears on this list and the big Latin American drug-dealing nations do not," said one official who participated in the decision.

But this year's annual State Department survey of international drug activity says Lagos-based networks "move large quantities of heroin from Asia," manage "sophisticated money-laundering" schemes and traffic in cocaine, primarily from Brazil to Europe. "Official corruption remains a serious obstacle to effective counternarcotics efforts," the report says.

Nigerian drug networks reportedly use hired couriers, who travel on commercial airliners to Europe and the United States after swallowing condoms filled with up to 400 grams of heroin. Commissions are said to range from \$1,000 to \$2,000 for each gram successfully delivered.

While drug policy is the latest arena for conflict, the overall deterioration in bilateral relations is a direct result of political deadlock in Nigeria. The current government, head-

ed by Gen. Sani Abacha, took power last November, replacing an interim civilian administration set up to run the country in the aftermath of the June election cancellation.

Abacha has promised a return to democratic rule but has proposed no timetable. Despite its stated commitment to free expression, the government last month arrested five senior journalists from the country's largest newsweekly and expelled a Wall Street Journal correspondent.

Abacha said his government has stepped up enforcement efforts and should not be subjected to sanctions. To make its case, the government this month purchased full-page advertisements in The Washington Post and the New York Times, under the heading, "Nigeria resumes democratic process, guarantees press freedom and intensifies war against drug trafficking."

The government last year appointed Funmilayo Oni-Okpaku, a 53-year-old justice from Benin City, to head a tribunal to investigate and sentence drug traffickers.

But the Nigerian government's largely ineffective enforcement efforts "have focused almost exclusively on low-level drug couriers," a new State Department report said.

Even the seizure of nearly 600 pounds of heroin arriving in Lagos from Thailand in December revealed cracks in Nigerian enforcement efforts.

In February, Oni-Okpaku ordered the burning of a huge pile of the confiscated heroin after discovering that eight confiscated packets had been stolen. When she returned two days later for the incineration and found four more bundles gone, she ordered seven top drug agency officials arrested on the spot. The officials were later released, but several lost their jobs this month.

The Nigerian government's failure to come to grips with drug trafficking is just one symptom of the continuing political confusion in Nigeria that has also blocked bold measures needed to rejuvenate the country's battered economy.

Plummeting world oil prices reduced government revenues by 60 percent in the early 1980s and have remained depressed. Heavy borrowing to avert economic collapse has saddled the country with a foreign

"The economic crisis is turning us into a nation of drug peddlers."

— Moshood Abiola, election victor

debt now exceeding \$30 billion, roughly equivalent to the gross domestic product. And widespread corruption has made many Nigerians cynical.

Among many Nigerians, there is a consensus that the country's social and economic ills can be addressed only by a democratic government.

Moshood Abiola, the multimillionaire businessman who was the acknowledged victor in the June 12 election, said tackling the economy would have been his first priority. "The economic crisis is turning us into a nation of drug peddlers," he

said.

Discontent also threatens Nigeria's economic lifeblood. The Ogor people, who number about 500,000 out of a population of some 100 million, have used civil disobedience to block operations by Shell, the country's largest petroleum producer.

"The oil is stolen property," Ken Sara-Wiwa, a well-known novelist and leader of the resistance campaign, said recently.

While crude oil worth \$30 billion has been taken from Ogoni soil, he said, local people have been left with substandard houses, inadequate schools and health facilities, and poisoned land.

Claude Ake, a leading Nigerian intellectual and head of a think tank at the University of Port Harcourt, said Nigeria's social and economic woes will sort themselves out, "once the political incoherence is dealt with."

"What we need is genuine support for democracy," he said. "That will allow not only peace and stability but also development."

*Copy
West Coast
18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100*

Jessica Mathews

Haiti's Problem —Or Ours?

In what may be a new record, the most recent U.S. policy on Haiti, whose centerpiece is tougher sanctions, was declared futile even before it came into effect on May 21. Among widely opposing views on every other aspect of Haitian policy, all sides agreed on just one point: that the still untested sanctions would not suffice to drive Haiti's military regime from power.

Administration officials, who had just devised the policy, freely but anonymously admitted as much to reporters. Supporters of Jean-Bertrand Aristide, who only a few weeks before were fiercely urging tighter sanctions, agreed. Their earlier conviction that "sanctions had never been given a chance" because the old set was too weak shifted almost overnight to the view that unmistakable readiness to use force was necessary. The president, listing reasons why an invasion would be in the U.S. interest, was described by aides as trying to build public support for military action.

If, as seems nearly certain, the sanctions don't do the job, the administration will have far fewer options than it had a few weeks ago. A policy designed to buy time and options already seems to have achieved the reverse.

Now, abandoning sanctions on the grounds that the necessary conditions for democracy don't exist today in Haiti, would seem too stark a retreat. Indefinite negotiations would seem obviously fruitless. Tightening the sanctions still further risks destabilizing the Dominican Republic and would bring unacceptable suffering for Haitians. The remaining option—unless President Aristide were to voluntarily step aside—is an invasion.

Five arguments have been advanced in favor of such a step: that U.S. values and post-Cold War global strategy demand that we "restore democracy" to Haiti; that U.S. credibility is unacceptably harmed by thugs who "thumb their noses" at us; that restoring President Aristide is the only way to reduce the number of refugees heading our way; that removing the current military leaders will reduce drug trafficking to the United States; that only such an all out-effort can dispel charges of a racist policy.

Close inspection reveals glaring weaknesses in most of these arguments. Haitian drug trafficking, for example, is not a large source of what's on America's streets. If that were motive for an invasion, a dozen other countries should come first. Other reasons offered by President Clinton—Haiti's proximity, the fact that many Haitians live here and Americans live in Haiti, and the fact that Haiti and Cuba are the only remaining non-democracies in the hemisphere—are accurate descriptions but hardly reasons for military action.

What is noteworthy about this list is that only the first argument addresses Haiti's problems; the rest address our own. Making foreign policy with an eye to domestic opinion is one thing. Making foreign policy to resolve domestic concerns with only an occasional eye to the actual problems abroad is quite another, and unlikely to end successfully.

THE PRESIDENT HAS SEEN

5.24.94

THE WASHINGTON POST TUESDAY, MAY 24, 1994

"Restoring democracy," therefore, is the crux of the matter. But is it also a delusion? We can reinstate a freely elected president who is the choice of most Haitians. But a single election does not create a democracy. The election that brought President Aristide to power was an aberration in Haitian politics, made possible only by the presence of large teams of foreign observers. The political norm is rampant corruption, stolen or canceled elections, coups d'etat and violence.

Democracy can only be homegrown. An established democracy that has been usurped can be restored through outside force. A fledgling democracy, receptive to the rule of law and to the right of peaceful political dissent, can be helped along. But it is questionable—and worthy of a serious debate that has not occurred—whether Haiti can be lastingly helped at this point in its political evolution through armed intervention.

To leave behind a functioning democracy in Haiti, an invasion would have to: disarm the military; reinstate Aristide; prevent the traditional violent retribution against those leaving power; create Haiti's first well-trained, civilian controlled police, distinct from the military; keep order for months to years; uproot and remove anti-democratic elements of the military and economic elite; provide massive development assistance, get along with Aristide through thick and thin; help forge a moderate political consensus, and be prepared to re-intervene if it collapses.

These tasks get harder and more dangerous as the liberators become occupiers and the large initial force shrinks to a smaller number of peace enforcers. Lives will be lost to paid and random violence. At what point would the United States declare its job done?

Invasion advocates argue that it could be very early, with the longer, harder job turned over to an ad hoc international coalition or U.N. peace-keeping force. Other countries can be expected to hold a different view. Moreover, a U.N. force would have to be vetoed by the United States, since its open-ended mandate could not meet the conditions of the president's new peace-keeping policy.

If democracy cannot be restored because it hasn't previously existed in Haiti, Americans will have to decide how they feel about military action for the purpose of keeping out refugees or as a means of demonstrating the president's toughness. The threat to American credibility, however, does not come from Port-au-Prince. It lies in the possibility that we will start something we cannot finish out of little more than frustration, or become hopelessly tangled in a policy riddled with internal contradictions because it is principally designed to meet domestic imperatives.

The writer is a senior fellow at the Council on Foreign Relations.

Handwritten notes in the right margin: "Port-au-Prince" and "5/24/94".

LT

Rights Group Charges That China Exported Goods Inspected by Prisoners

By Lena H. Sun
Washington Post Foreign Service

BEIJING, May 23—Chinese political prisoners performed quality control checks on approximately 100 tons of latex medical examination gloves imported into the United States by an Illinois-based company, violating a U.S. law barring prison-labor exports, a human rights group said today.

It is the first reported case in which a specific group of Chinese political prisoners has been confirmed as having had direct involvement in U.S. government-banned products, according to a report by Human Rights Watch/Asia.

The information released by the rights group raises questions about China's compliance with one of the mandatory conditions for renewal of its low tariff privileges with the United States.

President Clinton is likely to an-

nounce his decision on the trade status later this week.

Administration officials, under pressure to renew Beijing's most-favored-nation trading status, have already said the Chinese have met this

China denies it exported gloves that were inspected by prisoners.

condition by agreeing in March to implement a 1992 accord aimed at stopping Chinese prison-labor exports to the United States.

Despite the accord, human rights groups and others say American companies are continuing to import goods produced in the Chinese gulag.

China denied the allegations, say-

ing that while prisoners had inspected gloves, those gloves were not exported.

Human Rights Watch/Asia published its information on the export of the latex gloves to the United States as part of a report released last week, but did not then provide details of the U.S. company involved.

Today, the human rights group said Technical Consulting Trade Co. Inc., known as TCTC and based in Roscoe, Ill., imported five separate shipments between October 1993 and late February 1994.

Human Rights Watch/Asia based its information in part on U.S. import records and discussions with the company's president.

The last shipment of gloves arrived in Long Beach, Calif., shortly after Treasury Secretary Lloyd Bentsen visited Beijing and praised Chinese officials for their "cooperation" on prison labor exports.

The Illinois company, which imports the gloves for use in AIDS-re-

lated medical cases, had turned to China in search of low-cost, high-quality gloves and decided to set up a joint venture with a Chinese factory.

Company President Roger A. Newman told the rights group that before the joint venture was fully operational, he imported "several containerloads of examination gloves" from the Chinese factory in late 1993.

He told the human rights group that he did not know of any prison-labor involvement.

But, the report said, "he was aware that the gloves were not being inspected on the premises of the plant and had, moreover, heard rumors about a possible link to prisons."

According to the human rights group, the Chinese factory—whose name was the Beijing Latex Factory—started subcontracting its quality-control checking to Beijing's No. 2 prison three years ago.

The facility is the main prison for individuals detained and sentenced in the capital for their involvement in the 1989 Tiananmen Square democracy protests.

The political prisoners are confined in conditions of "routine violence, severe malnourishment and acute general deprivation," the report said. Prisoners, who are forced to work 10- to 16-hour days, receive a monthly stipend of 34 cents.

A Chinese Justice Ministry official confirmed that Beijing No. 2 Prison signed a contract three years ago "with a factory in Beijing for inspecting the quality of rubber gloves on behalf of the manufacturer," according to an official New China News Agency report.

But the contract stipulated that the inspected gloves could only be marketed in China, "and this has been effectively implemented," the news agency quoted the unnamed official as saying.

By April of this year, Newman told the human rights group that no off-site checking was taking place.

Tony

THE PRESIDENT HAS SEEN
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Data Highway Ignoring Poor, Study Charges

By STEVE LOHR

The regional telephone companies are planning to build the first of their advanced communications networks — the wiring of the so-called information highway — mainly for the affluent, while bypassing poorer neighborhoods and minority populations, a study by consumer and civil rights groups has concluded.

The study's sponsors say the research, released yesterday, raises concerns about an exclusionary "electronic redlining" that might be similar to the kind of discrimination that is curbed by law in fields like banking and insurance.

Bills are pending in Congress that seek to insure that all segments of the population are served by the new technology. And the Clinton Administration's champions of the coming information networks — Vice President Al Gore and Reed E. Hundt, chairman of the Federal Communications Commission — have often spoken about the goal of universal access.

Yesterday's study, backed by groups including the Consumer Federation of America and the National Association for the Advancement of Colored People, is the first systematic examination of early construction plans around the country, looking specifically at the income and racial characteristics of the areas initially designated for advanced services that would combine video, voice and computer communications.

"The pattern is clear — low-income and minority neighborhoods are being systematically underrepresented in these plans," said Jeffrey Chester, executive director of the Center for Media Education, a policy group in Washington that was a sponsor of the study.

But some industry executives attacked the conclusions of the study as exaggerated and misleading, calling it a biased sampling that failed to demonstrate an intention to bypass anyone.

"To say that we're going to stay out of areas permanently is dishonest and ridiculous," said Jerry Brown, a spokesman for U S West Inc., a regional Bell telephone company based in Denver. "But we had to start building our network someplace. And it is being built in areas where there are customers we believe will use and buy the service. This is a business."

The study examined a dozen detailed plans by four regional phone companies — Ameritech, Bell Atlantic, Pacific Telesis and U S West — based on applications they filed during the last year or so to build advanced networks in selected areas. The districts included Washington and its suburbs; Toms River, N.J.; Chicago; Denver and its suburbs; San Diego and Orange County, Calif., and Portland, Ore.

Corporate Response

Edward Young, vice president and assistant general counsel of the Bell Atlantic Corporation, termed the assertion that poor and minority neighborhoods were being left out as "unfounded and irresponsible."

"At Bell Atlantic," Mr. Young added, "we are sensitive to the need to

deploy our network in all areas that we serve. We have repeatedly stated our intention to do so."

Like other phone company officials, Mr. Brown of U S West particularly took issue with the study's use of the term "redlining," a politically charged term. The word, more typically applied by critics of the insurance and banking industries, is derived from an image of business executives drawing red lines on maps to mark off neighborhoods where they do not wish to do business.

Still, telecommunications experts said the study raised serious issues about the information highway — especially in an era of deregulation and increased competition between phone companies and cable television companies. The traditional regulatory model, in which the Government allows a company to operate as a monopoly in exchange for fulfilling social obligations like universal access, may no longer fit the new competitive market, experts say.

It is not surprising, they say, that companies would tend to test services in higher-income higher-education districts, where the residents are attuned to new technology and the demand is likely to be the greatest.

"The real issue is: When these services move beyond the testing stage, will they still be targeted primarily at the affluent areas?" said Eli Noam, director of the Columbia University Business School's Institute for Tele-Information, which studies telecommunications policy. "We still don't have a clear policy to deal with how advanced electronic services are going to be supplied to places where the market does not on its own, or how we as a society are going to pay for it."

Advanced information networks hold the promise not only of movies-on-demand and video games brought to homes at the touch of a button but also of resources like digital versions of books from the Library of Congress or two-way video links to teachers or doctors.

Without clear-cut Government rules to assure equal access, the consumer and civil rights groups warn, the benefits of the new technology will go first and foremost to the affluent, widening the education and income gaps in America.

The debate over access to new information services, said Wade Henderson, director of the Washington bureau of the N.A.A.C.P., is "a front-line challenge to the civil rights community and must be addressed in the national telecommunications legislation now before Congress."

Possible Legislation

Proposed legislation in both the House and the Senate calls for equal-access actions like mandating the wiring of schools, libraries and hospitals. Some bills call for added steps, as in a House measure that would prohibit a common carrier from denying service to an area because of the race or income levels of the residents.

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"We cannot allow the builders of the information superhighway to conveniently bypass lower-income neighborhoods," said Representative Edward J. Markey, Democrat of Massachusetts, who is chairman of the Telecommunications and Finance Subcommittee.

The study by the consumer and civil rights groups is clearly an effort to push for regulation at an early stage of the building of the information highway. The groups want additional disclosure by companies about their plans for building advanced networks. They also want public hearings in local communities and guarantees that low-income and rural areas will not be several years behind in receiving the new services.

There is a huge philosophical gap between the people in these groups and executives at the companies that are building the new networks and are trying to make money doing so. On one side of that divide is Mr. Chester of the Center for Media Education, who once worked for Ralph Nader and whose financing comes mostly from large foundations. "There have to be some rules — you can't just let the market determine who gets service and who doesn't," he explained.

On the other side of the issue are executives like Richard D. McCormick, chairman of U S West, which serves 14 states. Appearing before the Senate Commerce Committee on May 4, Mr. McCormick took a clean stand. "The market is the public interest," he said.

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^EDWIN YODER COLUMN<

^(Advance for Monday, May 23, 1994, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

Richie/GS

WASHINGTON--Some of us who were slow to surrender reservations about Roe v. Wade experienced an awakening two years ago, when the state of Pennsylvania was defending its new and restrictive abortion law before the Supreme Court.

The awakening came with a bang: Justice Sandra Day O'Connor drew from an assistant Pennsylvania attorney general the admission that, yes, by the logic of his argument Pennsylvania would have a case for snooping into certain forms of contraception as well. Pennsylvania in the marital bedroom? It was unimaginable, indeed it was intolerable.

Things moved rapidly from there. The court approved some of Pennsylvania's restrictions. But O'Connor enlisted two colleagues, Anthony Kennedy and David Souter, in her view that access to abortion should not be "unduly burdened." Whatever that standard meant, it meant at least that Roe wasn't dead.

I thought of that defining moment when I read, admittedly with satisfaction, that the blockade keeping the French "abortion pill" (a misnomer, but that's what it comes to) off the American market is nearing an end. Under aggressive pressure from the Clinton administration, the manufacturers of RU-486 have agreed to license its non-profit manufacture to the Population Council. Within a couple of years, American women will have the option of confidential abortion. The term "sexual privacy" will at last take on solid meaning.

The option is one thing; the effect is more questionable. The estimated million and a half abortions said to be performed in the United States annually testify to a vast carelessness about contraception. But the "pro-life" lobby draws the wrong inference

(more)

from that figure. The point about sexual privacy is not to aid the sexually irresponsible (an unintentional, if apparently widespread, effect). It is to offer an option to women in cases in which an unplanned pregnancy threatens to turn their lives topsy-turvy in ways men are usually spared.

As a recovering male chauvinist, I have been slow to grasp the latter point--to understand the otherwise puzzling and unconditional pro-choice zeal of otherwise temperate women--my wife and daughter, for instance. To them the issue is categorical. And it is one that men, as mere sowers of seed capable of fleeing consequences, are biologically unequipped to grasp.

The RU-486 process isn't simple; and it is said that in perhaps 2 percent of the cases, in the European experience, medical complications have ensued. But the anti-progestin regimen (it prevents the fertilized egg from attaching itself to the uterine wall) is simpler and safer than an invasive surgical procedure. It assuredly is more private, as private as a woman's visit to her doctor. Which calls to mind another fact which the anti-abortion authoritarians need to get used to: As more and more women become physicians, it is hard to imagine that even in underserved areas it will be hard for a woman to terminate an unwanted pregnancy. If done by medication it will be done--can only be done, in fact--at a stage so early that the effect differs very little from those of abortifacient contraceptive devices long in use.

There would be poetic justice in this, even if one felt differently about abortion itself. The repressive policies of the Reagan-Bush years make it doubly satisfying that the great abortion issue has come, or is coming, to this. Sexual privacy needed to be put beyond the capacity of zealots to tamper with it. The theory of intrusive regulation reached its high-tide mark that day when the honest but witless Pennsylvania advocate made his shocking admission to Justice O'Connor.

(more)

With the collaboration of the court, moreover, the Bush administration had even contrived to stifle the discussion of abortion by caregivers at federally funded clinics. That's how far Big Brother and the bedroom police had poked their noses into the privacy of the sisterhood. They deserve their coming frustration, not in the name of abortion but in the name of personal liberty.

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THE PRESIDENT HAS SEEN
5.24.94
THE SECRETARY OF THE NAVY
WASHINGTON, D.C. 20350-1000

cc Navy
John Dalton
Washington
2. The President

23 May 1994

Mr. President,

In conjunction with your commencement address to the Naval Academy, 25 May, I recommend you grant "amnesty" to the brigade. Amnesty is an old tradition in which punishment awarded for demerits does not have to be completed. It may only be authorized by Heads of State and does not apply to serious offenses (e. g. cheating scandal). This had been done in the past, and although it would probably only affect a few midshipmen, it would be a great "morale" booster for the Academy.

John Dalton

John Dalton
on ~~note~~
ANNAPOLIS
SPEECH
TO BAER (BAER)
under out

~~At the White House~~

Hand - Need to check

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5/24/94

IMMIGRATION FACTS

May 18, 1994

OVERVIEW

The Clinton administration inherited a border control program that was understaffed and poorly equipped. The Border Patrol did not have the tools and technology--such as sensors, lighting, vans, and secure radios--to effectively prevent illegal crossings. In addition, no federal funds were allocated to help state and local governments offset the costs of illegal immigration.

Since the beginning of his administration, President Clinton has recognized the challenges presented by illegal immigration and taken aggressive steps to address them. While many of the President's proposals require Congressional approval, some progress has already been made and good faith efforts are underway on a variety of fronts to repair the damage of the past.

In a significant departure from prior administrations, President Clinton appointed a respected, knowledgeable immigration professional to head the Immigration and Naturalization Service. New Commissioner Doris Meissner served as a high-level INS executive in both Democratic and Republican administrations, and spent the past decade researching and writing about immigration issues. She has begun to make major changes in the way INS is managed, and has helped craft many of the new initiatives described below.

Finally, the President recognizes the significant contributions that immigrants have made to this country throughout our history. In that spirit, the administration has supported naturalization programs to help legal immigrants become fully participating members of our society.

ENFORCEMENT

- * The President's FY 95 budget provides \$368 million in new funding to address these problems. This initiative will result in over 1000 new Border Patrol officers deployed on the border, including a 40% increase in the San Diego area. It also provides new vehicles and communications equipment, plus additional fencing and lights along the border.

- * \$38 million in new funding is provided to enhance enforcement of federal laws prohibiting employers from knowingly hiring illegal immigrants.

- * Long before Governor Wilson filed his lawsuit against the federal government seeking more rapid deportation of criminal aliens, the INS created the Institutional Hearing Program, which deports inmates from state and local prisons. Through that and other

programs, INS will deport more than 10,000 criminal aliens from California in the current fiscal year. In addition, the President's budget provides \$55 million to double INS's capacity to deport criminal aliens and electronically link state and federal law enforcement agencies' criminal alien data bases.

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* According to both the INS and the Census Bureau, the most recent estimate of the illegal immigrant population in California is about 1.6 million. In his budget, Governor Wilson suggests the number is at least 2.1 million. He then uses this higher figure as the basis for his estimated budget impact of illegal immigration. Therefore, his \$2.3 billion estimate for the state costs of illegal immigration is inflated by almost 25% right off the top. This 2 million figure is also used in his recent television advertisement.

* President Clinton has proposed far greater reimbursement of state and local costs associated with immigration than any prior administration. He has fully funded the legal immigration assistance program (SLIAG) and refugee assistance programs, changed formulas to benefit states with illegal immigrant populations, and proposed hundreds of millions of dollars in unprecedented federal reimbursements for the costs of illegal immigration.

* Last year, the President requested \$400 million to help states with health care costs of illegal immigrants. The Congress deleted this appropriation.

* The Medicaid formula that reimburses states for costs associated with treating indigent patients treated at public health facilities was altered to favor states that serve large populations of indigent patients. California has received almost \$600 million in additional funds the past two years as a result of this change.

* In this year's budget, the President proposed a \$700 million increase in Title I funding to reimburse states which serve "disadvantaged" students in their public schools, and altered the formula to help states with larger populations of disadvantaged students. These two changes, if approved by Congress, would result in over \$100 million in additional funds for California.

* Last month, the President proposed spending \$350 million to offset state costs associated with incarceration of illegal immigrants. No prior administration ever requested funds for this purpose before, even though Congress authorized this program in 1986. California would likely receive roughly half of these funds.

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SUMMARY OF BUDGET INITIATIVES AFFECTING STATES WITH LARGE NUMBERS OF UNDOCUMENTED ALIENS

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- Title I: Education for Disadvantaged Children. The 1995 budget includes \$7 billion, a \$700 million increase over 1994. This is the primary source of Federal support for disadvantaged elementary and secondary students, including immigrant children. In addition to the overall increase, the Administration has proposed a change in the grant formula to increase concentration of funds in school districts with the greatest need. This would increase funding for areas heavily affected by immigration. California, for example, would receive an additional \$100 million as a result of the increase in funding and the proposed legislative changes.
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- The program provides cash and medical assistance and social services to eligible, newly arrived refugees. The 1995 budget proposes budget authority of \$414 million for the program.

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WASHINGTON

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THE WHITE HOUSE
WASHINGTON

May 23, 1994

THE PRESIDENT HAS BEEN
5/24/94

94 MAY 24 A10 : 35

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: PAT GRIFFIN

SUBJECT: RESPONSE ON CONNECTICUT JOB LOSS

Connecticut will lose 110 jobs as a result of the transfer of the Naval Undersea Warfare Center to Newport, Rhode Island. This decision was required by the Base Realignment and Closure Commission.

However, this loss is only one-tenth of the jobs that will be gained if the SEAWOLF is based in Groton, Connecticut.

[Handwritten signature]

5/20

THE WHITE HOUSE
WASHINGTON

94 MAY 19 P12:48

May 19, 1994

RECOMMENDED TELEPHONE CALL

TO:

✓ Sen. Christopher Dodd
✓ Sen. Joseph Lieberman
✓ Rep. Sam Gejdenson

DATE:

May 19, 1994

RECOMMENDED BY:

Patrick Griffin
Bill Burton

PURPOSE:

To notify the Connecticut delegation that Groton, Connecticut has been selected as the "preferred alternative site" for the homeporting of the SEAWOLF.

BACKGROUND:

See attached.

Please note that later today the Secretary of the Navy will notify the delegation that the Navy intends to move the Naval Undersea Warfare Center (P-020) to Newport, RI. You do not need to inform the delegation of this. You will deliver the good news.

*How much
will they
lose? - B.*

TOPICS OF DISCUSSION:

1. The Secretary of Navy has recommended that Groton, CT be selected as the "preferred" site for homeporting the next SEAWOLF.
2. The Navy will soon begin preparing an environmental impact statement (EIS). While Groton is the "preferred alternative site", the EIS will explore 2 other alternative sites - Norfolk, VA; and Kings Bay, GA. The EIS should take 12 - 24 months.
3. This decision in NO WAY prejudices any decisions of the Base Realignment and Closure (BRAC) '95 process.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

Senator Dodd 224-2823
Mike Powell, AA

Senator Lieberman 224-4041
Bill Andresen, AA

Rep. Gejdenson 225-2076
Robert Baskin, AA

DATE OF SUBMISSION:

ACTION: _____

Robert D. Novak

Forced Abortion in China ✓

On April 28, Alan Wanrong Lin, a Chinese immigrant working for a bank in Concord, Calif., called the San Francisco office of Sen. Dianne Feinstein pleading for help. His five-months pregnant wife in China faced an abortion demanded by Communist authorities. Could the senator prod the Immigration and Naturalization Service bureaucrats to grant Mrs. Lin a visa to enter the United States?

According to a memo Lin typed at 8 o'clock the next morning, David Swerdlick, the Democratic senator's case officer, "told me not to waste time." The aide was quoted as saying: "The senator is not interested in the birth-control policies in another country."

Lin said Swerdlick wanted him to "give up," adding: "He make me feel like that I am fighting against the senator and the president, but I only want to fight the inhuman Chinese government." Fearing the Chinese would order a "delayed abortion to kill my wife," he told her to succumb. The baby was aborted that day, April 29.

This abortion, one of millions forced by China's draconian birth-control policy, shows what happens in official U.S. circles when human rights and abortion rights collide. The administration and its congressional allies threaten to sever trading relations with China if it does not treat its citizens more kindly, but they flinch from an antiabortion posture.

It is a dilemma for well-intended liberals such as Feinstein: how to press China for a more humane treatment of its citizens while maintaining noninterference with abortion policies around the world.

Feinstein on Feb. 1 voted to continue pressing for human-rights progress in China. "Some would say," she said, "that human rights are a matter of a country's internal affairs. However, I believe we are our brother's keepers."

But Feinstein has introduced a bill to repeal Section 4 of President Bush's Executive Order No. 12711, of Jan. 29, 1990. She proposed ending "enhanced consideration" for immigration of persons fleeing a country because of "forced abortion or coerced sterilization." Actually, under President Clinton, Bush's mandate has not been complied with—as Lin soon found out.

His wife is 22 years old—one year too young to suit Fujian Province requirements for a "birth license." To avoid a forced abortion, she went into hiding in Fuzhou City while awaiting a U.S. visa—a process that will take at least another year. To escape Chinese birth-control police, the Lins asked for her immediate entry on a "humanitarian parole."

On April 4, 15 Democratic and 37 Republican congressmen wrote Attorney General Janet Reno pleading for help. GOP Rep. Christopher Smith tried repeatedly to get the attorney general on the telephone.

On April 25, the INS district director in Bangkok denied the Lins' request on grounds it was not based on "emergency conditions."

After I noted on television May 7 the Feinstein office's treatment of the Lins, the senator expressed shock. Her case worker denied to his superior the words attributed to him by Lin.

On May 10 Feinstein wrote Lin regretting that "my staff did not bring your plea to my attention" and added this postscript in her own hand: "I am so sorry!"

On May 11, she wrote Secretary of State Warren Christopher, Reno and INS Commissioner Doris Meissner. Calling the abortion a "personal tragedy," Feinstein said: "The suffering they have endured will never be erased, but the United States can still act now to bring them together immediately."

U.S. authorities blame the Lins for their own misery.

"We did not believe that this would have been required by the Fuzhou City government authorities," Assistant Attorney General Sheila F. Anthony argued. "We regret that Mr. and Mrs. Lin determined that she should undergo the abortion."

But Steven W. Mosher, an authority on Chinese birth-control methods, denies U.S. government arguments that no abortion would have been forced. He contends that "coercion is not limited to a handful of offending provinces or officials but is found throughout China." Feinstein's letter to Lin noted that "your wife underwent surgery to terminate her pregnancy as ordered by the Chinese government."

"I still feel that there are still a lot of nice and humanitarian people," Lin wrote, "... even though [they are] weaker than the evil power." What is hard for him to understand is how the officials of his new country could tolerate the evil.

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THE WASHINGTON POST MONDAY, MAY 23, 1994

*Chen
What's the
deal here?
I'm nervous about
this*

5/24/94

Military Struggling To Stem an Increase In Family Violence

By ERIC SCHMITT
Special to The New York Times

DeForces F. Johnson, head of the Army's Family Advocacy Program, said the Army was startled by the figures, but she cautioned against drawing definitive conclusions from them. "The one-in-three figures certainly are alarming," she said. "But before we go off the deep end, we want to do further analysis of the data."

The military services have had programs in place to deal with domestic violence since the early 1980's, for the practical reason that stresses at home tend to spill over to the battlefield, hurting military readiness, recruiting and retention.

With family violence cases continuing to rise, despite an increase in budgets for treatment to \$79 million this year from \$15 million in 1989, the military is now trying to improve its prevention programs with these efforts:

1. In June the Army will begin assigning trained civilian counselors to hundreds of units, down to the battalion and company level.

2. The Pentagon has established a panel that is reviewing child deaths at three major military hospitals in Colorado, California and Washington State. It will eventually investigate child deaths in all military families for signs of abuse.

3. The Defense Department has commissioned a yearlong study of 7,000 adolescent children of service members at 25 bases to identify stress-creating family problems.

But just as in civilian life, spouses in the military are often reluctant to report abuse, fearing even more violent attacks or that revealing abuse could imperil the service member's career and the family's finances. Congress has ordered the armed services to investigate disincentives to reporting domestic violence.

Sandra G. Rosswork, manager of the Navy's Family Advocacy Program, acknowledged, "It's a tough marketing job to get the word out to families that help is available and there are no negative consequences to careers."

Military and civilian social workers say child abuse in military families, as in the civilian population, ranges from neglect to battering, while spouse abuse often involves yelling and pushing, assaults and threats.

The majority of the reported cases involve mid-level enlisted personnel like sergeants in the Army, Marine Corps and Air Force, and petty officers in the Navy. But social workers say abuse also reaches into the officer corps.

'An Equal Opportunity Plague'

"We see people of all ranks because domestic violence crosses all lines," said William Duke, director of the family violence care center for Cumberland County, N.C., which includes Fort Bragg. "It's an equal-opportunity plague on our society."

Today's military has more married couples and more children than at any other time in its history. The percentage of married service members has increased to 58 percent this year from 47 percent in 1980.

"The combination of high work demands, separation from an extended family, many times in a foreign country, and financial stress is a formula for family stress and sets up a formula for family violence," said Gary Bowen, a professor of social work at the University of North Carolina and an expert on military families.

Concerns in Marine Corps

It was such concerns that led the Marine Corps to try last year to phase out enlistment by married men and women, a policy that was rescinded almost as soon as it was announced to widespread criticism. The policy directive said that an inordinate number of Marine Corps marriages were failing under the pressures of military life, in "an all too familiar pattern" that could "result in decreased performance and require command attention."

Both the Marines and some other experts point in particular to the

youth of both partners in military marriages. When a 19-year-old marine marries a 17-year-old and then they get moved around the country, trouble is more likely.

"A lot of spousal abuse is the result of people getting married young and not knowing their partners well," said Rita Campbell, the director of a shelter for battered women near Fort Stewart, Ga.

Ginny Powell, a clinical social worker at the Navy's family advocacy center in San Diego, said: "In many cases the parents themselves were abused or neglected. Many of them are now immature parents."

Army Training Cited

Although some family specialists, both civilian and military, say that troops trained for combat often bring combative behavior home with them, military officials deny any link. "While we train soldiers to be aggressive, they're not trained to be abusers," said Col. Jim Schlie, an Assistant Deputy Secretary of the Army for Morale, Welfare, Recreation and Family programs.

At any rate, overt violence is not the only type of abuse found in military families. In San Diego last June, a neighbor reported a case of child neglect involving the 4-month old daughter of a 22-year-old petty officer and his 20-year-old wife. By the time civilian authorities arrived, however, it was too late.

"The child looked like someone from the Sudan who just starved to death," said Lieut. Comdr. Norma Jones, director of the Navy family advocacy center in San Diego. "It was a family that fell through the cracks."

The parents were convicted of second-degree murder earlier this month and face prison terms of 15 years to life.

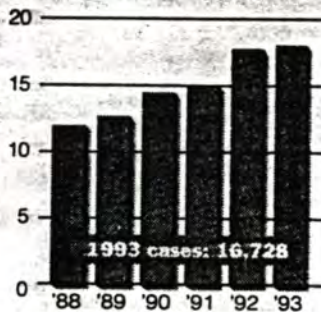
This summer, the Navy will train family counselors in a new program to help children who have witnessed spouse abuse in their home.

"It's becoming clear," said Ms. Rosswork of the Navy's Family Advocacy Program, "that if we want to prevent domestic violence, then we need to start doing something proactive with children currently in homes where there's domestic violence."

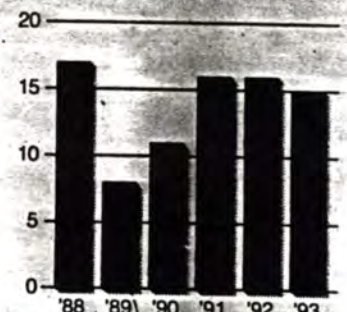
AT A GLANCE

Abuse in the Military

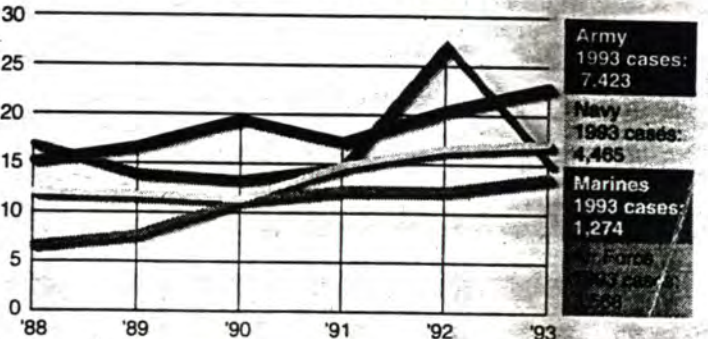
SPOUSAL ABUSE RATE
Per 1,000 spouses



DEATHS RELATED TO SPOUSAL ABUSE



SPOUSAL ABUSE RATE BY MILITARY BRANCH Per 1,000 spouses



Source: Defense Department

The New York Times

THE NEW YORK TIMES, MONDAY, MAY 23, 1994

2

To the Rescue? ✓

THE PRESIDENT HAS SEEN

5124194

By Grover Joseph Rees

WHEN the Clinton Administration announced this month that it would no longer forcibly return Haitian boat people who have a well-founded fear of persecution, the President himself was said to have insisted upon the change — reminding his advisers that “they are chopping people’s faces off” in Haiti.

The President is right. Unfortunately, the Government is still wrong. The old repatriation order remains in force; since the announcement, 1,000 boat people have been returned to Haiti, without the promised interviews to determine whether they are in danger of persecution.

Last week, in a welcome victory for refugee advocates, the United Nations High Commission for Refugees said it would work with U.S. officials to screen Haitian boat people. But it will take more than U.N. cooperation to overcome the flaws in our policy.

Advocates of forced repatriation believe it is the only practical response to mass migration. Our last attempt to deal one by one with requests for asylum led to the opening of a refugee camp in the Navy base at Guantánamo Bay in Cuba in 1991. About 30 percent of the Haitians who applied there were found to have credible claims of persecution. Government theorists believe a rate this high is a powerful magnet for further departures. Whether for this reason or because of events in Haiti, by the time George Bush issued the automatic repatriation order in May 1992, more than 35,000 Haitians had come to Guantánamo.

Almost nobody liked the Guantánamo program. It diverted resources from the Immigration and Naturalization Service, the armed forces, the State Department and other agencies. Some Americans worried about the thousands of Haitians we let in, others

The best option for Haitian refugees is still Guantánamo.

about the thousands we sent back.

This is the secret of the automatic repatriation policy: it was never so much a Bush Administration policy as a consensus of the affected agencies. During the Clinton transition, career officials were quick to inform the new President that his campaign promise to stop sending back Haitian boat people was unthinkable. In the words of one official, keeping the promise would turn the day after the inauguration into the “Jan. 21 regatta.”

Mr. Clinton’s observation about the cutting off of faces seems to have been intended to alter the debate within his own Administration, using a compelling image to single out one option as far worse than all the others. The President’s statement is also literally true. There have long been reports of roadside executions in Haiti, but disfigurement of the bodies as a terror tactic is a recent development. So is the mass rape of women and the abduction of young children.

Mr. Clinton should keep these rapes and kidnappings in mind. There are two indications that some of his colleagues in Government may still be

Grover Joseph Rees, a senior visiting scholar at Yale Law School, served from 1991 to 1993 as General Counsel of the U.S. Immigration and Naturalization Service.

working from the assumption that regattas, not killings and mutilations, are the one thing to be avoided at all costs.

First, the announcement of the new policy was vigorously hedged by senior officials, who estimated that only about 5 percent of the Haitian boat people have valid asylum claims — an estimate the U.N. refugee agency quickly criticized as “very low.” And then there are the 1,000 people we have returned to Haiti since. The official explanation is that the Navy needs time to rent and refurbish two Ukrainian cruise ships. Unofficially, a senior official says the latest repatriations may send a message that we are serious about not opening the floodgates.

Each of these pronouncements raises serious questions. The Administration can decide not to accept more than a certain percentage of applicants. Or it can try to protect people with a well-founded fear of persecution. No process can be relied upon to do both of these things. The announcement that we will protect all refugees and still return 95 percent may have been directed at frivolous applicants, but it could corrupt the process by sending a message down the chain of command.

Such messages have been sent before. I am told that the first meeting to organize a refugee screening program in Haiti, as an alternative to the Guantánamo operation, began with a sardonic announcement to this effect: “Those of us in this room know there is no such thing as a Haitian refugee. But we have been instructed to find some.”

This was in early 1992, when embassy reports vehemently denied that there was much political persecution in Haiti. The refugee program in Haiti has improved since then, but the improvements have caused higher acceptance rates and attracted more applicants. So the embassy earlier this year quietly imposed restrictions limiting eligibility to “high priority” applicants like journalists and close associates of Jean-Bertrand Aristide, the exiled President. This is egregiously inconsistent with the reason for the new policy — unless the people dead and mutilated by the side of the road all knew President Aristide personally — and with our repeated admonition to Haitians to make refugee claims in Haiti, not by taking to boats.

The recognition that there are some things in the world even worse than boat people suggests that reopening the Guantánamo operation — this time with the participation of the U.N. refugee agency — may be the best of the bad choices available. The best features of that program — interviewers trained in refugee law, a standard of proof meant to protect anyone with a plausible claim of persecution, and instructions to judge each case on its merits and not worry about percentages — were what caused the “magnetic” 30 percent acceptance rate. But a program without these features would afford no assurance that those rejected could be returned safely.

If the risk that a generous program will admit many Haitians to the U.S. is deemed unacceptable, there is one way to avoid it without getting people killed. This is to announce that no boat people will be brought here, but that none will be returned to Haiti either. Instead they could be housed in refugee camps in a third country until it was safe to return to Haiti.

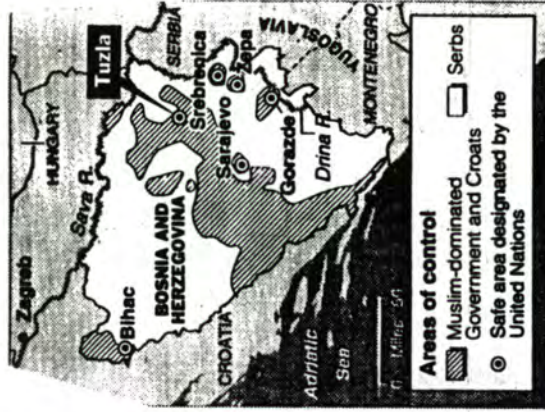
The offer of sanctuary in a habitable, civilized place in which there is no fear of persecution, but which is not the least bit economically magnetic, may be the best way to protect refugees without encouraging migration. The existence of such a place might have the additional effect of keeping international attention focused on the need for a solution to the problems in Haiti. The hard part of this plan is that

other countries do not like boat people any more than we do. The President seems to recognize that to overcome this resistance, he must be the lead negotiator. His first effort, a call last week to Prime Minister John Major of Britain, has yet to produce results. But a President can often get other leaders to do things they do not want to do, if he can convince them that these matters are extremely important to the U.S.

If all else fails, there is always Guantánamo. The Pentagon’s maximum estimate of how many refugees the base can hold is 12,500. Adjusting this figure to take account of the jealousy with which agencies guard their resources, we come up with a likely figure that is twice or even four times that number. A semi-permanent refugee camp in Guantánamo is a bad option, but we could do worse. We are doing worse right now. □

THE NEW YORK TIMES, TUESDAY, MAY 24, 1994

5/24/94



The New York Times
The United Nations resumed flights into Tuzla last week.

U.N. Rebuffs NATO Plan On Bosnia

By ROGER COHEN
Special to The New York Times

ZAGREB, Croatia, May 23 — The top United Nations general in the former Yugoslavia has rejected a NATO request to threaten force to push back Serbian artillery around the northern Bosnian town of Tuzla, United Nations officials said today.

The decision by Gen. Bertrand de Lapresle of France, the United Nations force commander, to rebuff Adm. Leighton W. Smith Jr., the American commander of NATO operations in Bosnia, underscored the deep divisions between the United Nations and NATO in their quest to end the war in Bosnia.

General de Lapresle, in a written response to a request made on May 19 by Admiral Smith, said the Admiral's proposal to force Serbian heavy weapons beyond a 12-mile distance from Tuzla was inappropriate.

General de Lapresle cited as reasons for rejecting the NATO request the fact that no lives have been lost in recent Serbian shelling of Tuzla, the resumption last Thursday of United Nations aid flights into Tuzla airport, and the increased diplomatic efforts to end the war.

Peace Talks Have Priority

"Our main concern is to get the parties into peace talks," one United Nations official said. "In this light, General de Lapresle felt that unless the situation on the ground in Tuzla deteriorates, or the diplomatic process collapses, there was no reason to adopt Admiral Smith's idea now."

Admiral Smith's idea is almost certainly also that of the Pentagon. Thus, once again, an American-led NATO attempt to use forceful methods with the Bosnian Serbs appears to have collapsed in the face of United Nations concerns that such methods could endanger their personnel in Bosnia.

A similar conflict arose a month ago over the eastern Bosnian enclave of Gorazde, when NATO wanted to call in air strikes after the Bosnian Serbs flouted an ultimatum. But the top United Nations official in the Balkans, Yasushi Akashi, rejected the request.

At that time, April 22, NATO empowered the United Nations commander in Bosnia to create an "exclusion zone" of 20 kilometres, or about 12 miles, around any United Nations-designated "safe area" in

the event of a Serbian attack or concentration of heavy weapons.

Tuzla is such a "safe area," and Admiral Smith wanted to impose the exclusion zone in the light of recent Serbian shelling of the city. He urged General Lapresle to set a date for the removal of Bosnian Serb heavy weapons, adding, "Those which remain after that date, or any weapons shell- ing the safe area from outside the exclusion zone, would be subject to attack along with other key military and support facilities."

The conflict over Tuzla comes at a time when there are deep misgivings within the Clinton Administration over the inconclusive way in which the Gorazde crisis was resolved, American officials said.

One month after NATO's ultimatum insisting that all Serbian forces should be withdrawn beyond three kilometers, or about 1.9 miles, from Gorazde city center, there are still Serbs carrying arms in that area.

For over a week after the ultimatum, the commander of United Nations forces in Bosnia, Lieut. Gen. Sir Michael Rose, insisted that there was only a handful of such Serbs, whom he described as "policemen."

Acknowledge a Problem

Since then, however, the general has acknowledged that a problem exists, and last Saturday he negotiated what he said was an agreement with the Serbs to withdraw about 150 of their militiamen beyond the limit from Gorazde city center.

Today, however, a United Nations spokesman in Sarajevo acknowledged that the Serbs had not withdrawn and indeed were reinforcing their positions by building bunkers just beyond the limit. "We all waited for the magical hour but there was no change in the deployment of troops," the spokesman, Rob Annink, said.

The Muslim-led Bosnian Government has refused to sign the agreement on Gorazde, saying the United Nations lacks credibility after failing to force Serbian compliance with NATO's ultimatum. Today, the Serbs said this Bosnian rejection meant the accord was void.

The Bosnian Government has long taken the position that until the situation in Gorazde is resolved to its satisfaction, further peace talks are useless. An appeal by the United States, Russia and the European Union for a four-month cessation of fighting followed by diplomatic talks has had no discernible effect since it was made nine days ago.

Israel Demands Arafat Reaffirm Peace Accord

By CLYDE HABERMAN
Special to The New York Times

JERUSALEM, May 23 — After new disclosures that raised questions here about Yasir Arafat's willingness to keep his word, Israel demanded today that the chairman of the Palestine Liberation Organization reaffirm his commitment to the peace agreement he and the Israelis have struck.

Prime Minister Yitzhak Rabin said through a spokesman that he wanted a statement of commitment from Mr. Arafat himself. A leading Cabinet minister warned that "if the crisis of trust continues," Palestinian self-rule would not go beyond the test phase just begun in the Gaza Strip and the West Bank town of Jericho.

Some reports here said the Prime Minister wanted the Arafat pledge in writing, but Mr. Rabin's spokesman, Oded Ben-Ami, said that was not necessarily so. The Israelis have stopped well short of threatening to break off dealings with the P.L.O., and the fact that Mr. Rabin did not speak out in person suggested that for now he wanted to avoid a crisis.

"His credibility is down in the carpet," Mr. Ben-Ami said of Mr. Arafat. "But he's the partner we're talking to, and we have to work it out with him."

At the United Nations today, Foreign Minister Shimon Peres also said that Mr. Arafat should clarify his remarks, but that "in the meantime,

we are going and continuing the peace process." Mr. Peres spoke to reporters after a meeting with Secretary General Boutros Boutros-Ghali.

At issue is a speech that the P.L.O. leader gave to Muslim worshippers in South Africa two weeks ago, parts of which have dribbled out piecemeal in tape recordings broadcast by the Israeli radio. Whoever made the tapes public seemed intent on embarrassing not only Mr. Arafat but also Mr. Rabin. If so, the tactic has worked, since it has reinforced already considerable doubts among many Israelis that the Palestinian is not — and never was — a man to be trusted.

Israeli leaders have also expressed strong concern about the P.L.O.'s

ability to maintain order in Jericho and, more to the point, Gaza. Repeatedly in the last few days, they have cited the killing of two Israeli soldiers on Friday at Gaza's northern border and clear signs that the new Palestinian authorities are not yet organized.

In parts of the South Africa speech disclosed last week, Mr. Arafat called for a "jihad," which can mean "holy war" or "struggle," to liberate Jerusalem for Muslims. Although he quickly asserted that he had meant a peaceful crusade, Mr. Rabin waved off the explanation as "far-fetched" and warned that future peace talks could be harmed.

In the latest taped excerpt, which rekindled the dispute today, the P.L.O. leader compares his agreement with the Israelis to a 10-year peace arrangement in the seventh century between the Prophet Mo-

ammed and the Quraish tribe. That accord was broken two years later. Muslims say the violation was committed by the Quraish, not Mohammed, who went on to capture Mecca.

Many Israelis interpreted the ancient reference by Mr. Arafat as a signal that he had no intention of accepting his agreement with Israel as binding.

But that reading was attacked today by an Arafat adviser in Jerusalem, Dr. Ahmed Tibi, who called it a "a distortion of the Islamic religion"

The point of the ancient treaty is that Muslims keep their commitments, Dr. Tibi said, rejecting the need for a new written statement by Mr. Arafat. "The clarification is already there — in the Gaza-Jericho agreement which President Arafat signed," he said.

22

WHITE HOUSE STAFFING MEMORANDUMDATE: 5/24/94 ACTION/CONCURRENCE/COMMENT DUE BY: _____SUBJECT: U.S. POLICY REGARDING CONTACT WITH OFFICIAL IRANIANS

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

REMARKS:

PLEASE PASS THIS ALONG TO ANY RELEVANT STAFF MEMBERS.

RESPONSE:

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

NATIONAL SECURITY COUNCIL

May 11, 1994

MEMORANDUM FOR JOHN R. DESSA
94 MAY 11 PM 4:44

FROM: WILLIAM H. ITOH *W. Itoh*
SUBJECT: Contacts with Iranian
Government

Attached is a memorandum from the Department of State reiterating U.S. policy regarding contact with official Iranians. Please ensure that it is distributed to appropriate White House Staff Members.

Attachment
As Stated



3355
United States Department of State

Washington, D.C. 20520 9409899

April 29, 1994

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MR. WILLIAM ITOH
Executive Secretary
National Security Council

MR. LEON FUERTH
Assistant to the Vice
President for National
Security Affairs

COL ROBERT MCALEER, USMC
Executive Secretary
Department of Defense

COL T. R. PATRICK, USA
Secretary, Joint Staff
Joint Chiefs of Staff

MR. EDWARD KNIGHT
Executive Secretary
Department of the Treasury

MS. LYNN FINNERTY
Executive Secretariat
U.S. Department of Agriculture

MS. ANN LAVIN
Executive Secretariat
Department of Energy

MS. DENISE A. HOWE
Executive Secretariat
Federal Aviation Administration

AMB. RICK INDERFURTH
Office of the
Representative of the
United States to
the United Nations

MR. JOHN LAUDER
Executive Secretary
Central Intelligence
Agency

MR. ANTHONY DAS
Executive Secretary
Department of Commerce

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Associate Director for
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Department of Education

MR. ALLEN HECHT
Acting Assistant
Administrator of
International Activities
Environmental Protection
Agency

MR. DOUGLAS A. SANDIFER
Security Officer,
Secretary Operations
Staff
Federal Communications
Commission

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-2-

MR. FRANK CONAHAN
Assistant Comptroller General for
National Security and Inter-
national Affairs
General Accounting Office

MR. ROBERT HOUKE
The Public Printer
Government Printing
Office

MS. CHRIS SALE
Acting Commissioner
Immigration and Naturalization
Service

MR. ROBERT M. YAHN
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MR. PHILLIP M. SMITH
Executive Officer
National Academy of Sciences

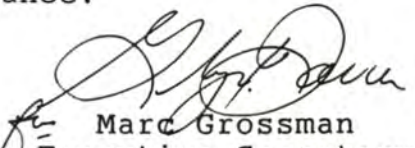
MS. LYNN CLINE
Deputy Director of
International Relations
National Aeronautics and
Space Administration

Subject: Contacts with the Iranian Government

Despite the absence of diplomatic relations between Iran and the United States, elements of the Iranian government occasionally make inquiries directly with USG agencies other than the Department of State. These approaches usually come from Iranian universities (all of which are government controlled), and from the Iranian Interests Section of the Pakistani Embassy in Washington.

The only correct channel for USG contact with the government of Iran is through the Department of State. Please refer approaches from elements of the Iranian government to the Department of State, Office of Northern Gulf Affairs, room 4515, telephone (202) 647-6111.

Thank you for your assistance.


for Marc Grossman
Executive Secretary

LIMITED OFFICIAL USE

NATIONAL SECURITY COUNCIL

May 11, 1994

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WILLIAM H. ITOH *Wan*

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