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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	From Melanne Verveer re: Naitonal Medal of Arts [partial] (1 page)	06/11/1994	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4889

FOLDER TITLE:

June 12-18, 1994 [2]

2018-0662-S

rs3100

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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



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

June 3, 1994

cc Picki

MEMORANDUM FOR THE PRESIDENT

THROUGH: MACK McLARTY AND PAT GRIFFIN

FROM: RON KLAIN *RAC*

SUBJECT: CRIME BILL -- FINAL PHASE LEGISLATIVE STRATEGY

*15 mins
9/9/94*

Though some potential pitfalls remain, we have reached agreement with Chairmen Biden and Brooks on a plan to complete the Crime Bill. We are asking you to join with Congressional leaders in announcing a final agreement, which we hope to achieve in time for a Rose Garden ceremony, proposed for June 16.

Final Product

As the talks now stand, the Conference Report on the Crime Bill would include every one of the seven major initiatives you have proposed to fight crime, as originally set forth in Putting People First. These are:

- 100,000 more police, engaged in community policing;
- A ban on semi-automatic assault weapons;
- Stiffer punishments for violent criminals, including a federal death penalty and "three strikes and you're out;"
- An attack on youth crime, including boot camps, drug courts, anti-gang measures, and a ban on juvenile gun ownership;
- New crime prevention programs, including your "YES" program fully funded at \$1 billion;
- Initiatives to combat violence against women, rural crime, and protect victims' rights; and
- Funding for states to increase certainty of punishment, and build prisons to lengthen sentences for violent criminals.

These measures would be paid for by a Crime Trust Fund, totalling \$28 billion over a six-year period, funded with the savings from a 252,000 person reduction in federal employment. Again, this is largely as you set forth in Putting People First -- where you proposed paying for 100,000 new cops by cutting 100,000 bureaucrats.



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
June 13, 1994

THE PRESIDENT HAS SEEN 6/15

94 JUN 13 P3:02

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta 
SUBJECT: House Appropriations Committee Approves FY 1995 Agriculture Bill

On June 9th, the House Appropriations Committee approved the FY 1995 Agriculture bill. Floor action is expected on June 16th. Highlights follow (funding levels are preliminary):

(discretionary budget authority in billions)

<u>FY 1994</u>	<u>FY 1995 Request</u>	<u>FY 1995 Committee</u>	<u>Difference</u>
\$14.7	\$13.7	\$13.2	-\$.5

The bill funds about 60 percent of your proposed investment increases. WIC is funded at \$3.47 billion, \$94 million below the request but \$260 million (8%) above FY 1994.

Rural development grants are funded at \$1.1 billion, \$57 million above FY 1994 and \$52 million below the request.

The food safety investment is cut \$103 million below the request and \$79 million below FY 1994 based on the assumption that the authorization committees will enact our proposed new user fee.

The climate change action plan is fully funded (\$7 million).

FDA is provided \$899 million, \$29 million above FY 1994 and \$6 million above the request. The bill increases prescription drug fees, as proposed, but prohibits the collection of the requested \$252 million in general user fees.

- o A Durbin amendment was adopted (voice) which shifts P.L. 480 funds among its three titles to move the distribution closer to the request. A total of \$1.25 billion is provided, as requested and \$.2 billion below FY 1994.
- o A Packard amendment was defeated (voice) that would have prohibited the use of 34 programs (including WIC) for providing assistance to illegal aliens. Earlier, a Packard amendment was adopted (voice) which restates current law prohibiting assistance to illegal aliens for 16 programs (including food stamps).

*Chase
the new
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up there by
then - see
me*

Need to drive

- o Federal crop insurance administration costs are reduced \$213 million below the request. The Committee assumes that the authorization committees will approve our proposed crop insurance reforms.
- o The bill reduces the Export Enhancement Program (EEP) by \$150 million below the \$1 billion proposed level. These are savings that we are assuming for GATT.
- o The bill includes \$61 million for earmarked, unrequested university construction and research projects.
- o This bill also includes \$55 billion for mandatory programs such as Food Stamps (\$29 billion), CCC (\$15.5 billion) and Child Nutrition (\$7.5 billion).



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

June 14, 1994

THE DIRECTOR

THE PRESIDENT HAS SEEN 6/15

94 JUN 13 P2:57

MEMORANDUM TO THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: House Appropriations Commerce/Justice/State
Subcommittee Approves FY 1995 Bill

On June 8th, the House Appropriations Commerce/Justice/State Subcommittee approved their FY 1995 bill in a closed session. Full Committee action is expected on June 15th. The following information is preliminary and embargoed until Monday, June 13th:

(discretionary budget authority in billions)

<u>FY 1994</u>	<u>FY 1995 Request</u>	<u>FY 1995 Subcommittee</u>	<u>Difference</u>
\$23.0	\$26.8	\$26.1	-\$0.7

- o In order to get down to the 602 (b) allocation, the Subcommittee cut a range of programs, both investment and non-investment below the request. Even with the cuts, this subcommittee has the largest increase over FY 1994 (+13%) of all the subcommittees and substantial amounts of our investment proposals were approved.
- o Examples of programs cut include Community Policing, NIST, State Criminal Alien Assistance, Brady bill implementation, EDA Loan Guarantees, the Judiciary, Maritime Administration, Legal Services Corporation, USIA and the State Department.
- o The full request for UN peacekeeping was approved (\$670 million in FY 1994 and \$533 million in FY 1995).
- o The full \$2.4 billion Crime Trust fund was approved but within the total, funds were significantly reallocated. Community policing received \$1.3 billion, \$.4 billion below the request but 79% of our investment proposal.
- o The border security investment proposal got \$287 million, \$13 million below the request (96% of our investment proposal).
- o The \$100 million requested for Brady bill implementation was not specifically approved. The \$350 million request for helping states with the costs of incarcerating illegal aliens was not specifically approved. The Subcommittee did approve an unrequested \$.8 billion for an expanded Byrne grant program which could be used for Brady bill implementation, illegal alien incarceration and regular Byrne grant programs.

How
lower
results
on this
program
expansion

- o We will have to work with the Committee to make sure that the expanded Byrne grant funds are also available to reallocate to cover the \$300 million that we had proposed be available for other subcommittees (Treasury law enforcement, HHS and others).
- o The NIST investment proposal was funded at \$842 million, \$93 million below the request but 77% of our investment proposal and \$321 million (62%) over FY 1994.
- o Information Highways was funded at \$70 million, \$30 million below the request but 70% of our investment proposal and \$44 million over FY 1994.
- o Legal Services Corporation was funded at \$315 million, \$85 million below the request but \$15 million over FY 1994.
- o The EDA loan guarantee proposal was not approved.
- o The Judiciary was cut by \$218 million below their request but still gets a 5% increase over FY 1994.
- o The Maritime Administration was cut by \$125 million below our request of \$380 million. The new Guaranteed Loan Subsidy program was not approved. The Subcommittee notes that none of the FY 1994 funds provided in the DoD Act have been obligated.
- o USIA was cut \$78 million below the request of \$1.4 billion, but is \$213 million over FY 1994. This fully provides for the initial costs of the international broadcasting consolidation proposal.
- o State Department operations were reduced by \$93 million below the request of \$2.8 billion, essentially freezing them at FY 1994 levels.

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO:

Linda Lader

Fax Number:

638-4141

Phone Number:

FROM:

John Podesta

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet):

6

MESSAGE:

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

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June 7, 1994

Office of the Staff Secretary
The White House
1600 Pennsylvania Avenue NW
Washington DC 20500

Copy
Ricki
Alexis
Linda Cader

Dear Sir,

I am writing to seek your assistance in my quest to meet President Clinton later this month. Currently I am in the USA on a five week work trip from Australia.

I have had a life-long interest in the United States since teaching American history during my early days as a High School teacher. Although no longer involved in teaching history, I continue to follow US affairs and politics with keen interest as I have a great respect and love for the country. It has always been my ambition to one day meet an American President, and I am now endeavoring to find opportunity to meet President Clinton during this visit to the United States.

My purpose in travelling to the States is to attend a major Billy Graham Conference in Louisville and visit several very large churches in various part of your country. The ideas, insights and information gained will be invaluable to me in the leadership roles I fill. As well as leading the Christian Family Centre church (a thousand member church in the western suburbs of Adelaide, South Australia), I am the State Superintendent and National Superintendent of the Christian Revival Crusade, the denomination with which my church is affiliated.

I previously visited the USA in 1982 at the invitation of Dr Robert Schuller, when I had the privilege of receiving a scholarship to attend Schuller's Leadership Institute. During the six weeks I spent in the States on that occasion I was fortunate to be able to visit many parts of the country and meet numerous church leaders. I am again enjoying a most profitable time on this visit as I interview the leaders of some of the outstanding churches, and I am looking forward with eager anticipation to the Billy Graham Conference and the remaining churches I have arranged to visit. If I had the honor of meeting the President during my time in the States, it would indeed be the "icing on the cake" for me.

My wife, Dad and I will be in Washington DC between the 20th and 23rd of June and during that time I will be visiting the White House as a tourist. Is there any possibility that I could be granted a five minute meeting with President Clinton at any time during the period I will be in Washington? If that is not possible, I would be delighted just to be able to shake hands with the President at any location where he meets the public during the course of his civic duties.

If a short appointment with President Clinton were granted, or if I could be directed to a location where I just had opportunity to shake the President's hand, then I could be contacted at one of the following addresses during the indicated dates.

13- 19 June

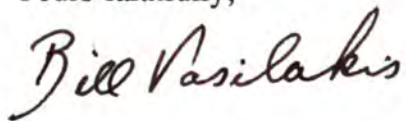
c/- Koula Petrakis
9101 169th Street
Jamaica
New York
Ph (718) 526-2786

20- 23 June

Washington Hilton & Towers
1919 Connecticut Avenue NW
Washington DC 2009
Ph (202) 808-5765
Fax (202) 265-8221

Thank you in anticipation of your consideration of my request.

Yours faithfully,

A handwritten signature in cursive script that reads "Bill Vasilakis". The signature is written in dark ink and is positioned below the typed name.

Bill Vasilakis
Senior Pastor
Christian Family Centre

PROFILE ON PASTOR BILL VASILAKIS, APRIL 1994

Bill Vasilakis is the Senior Pastor of the Christian Family Centre in Adelaide, South Australia. The church, commenced in 1976, comprising of a small group of predominately young people in 1978 when Bill was invited to become their Pastor. Under his leadership the assembly has grown to about a thousand men, women and children. It is now the largest Australian church in the Christian Revival Crusade, the denomination with which the church is affiliated.

In recent years the Christian Family Centre has planted four outreach churches and preparatory work on another three outreaches has commenced. The outward focus of the church is further evidenced by the missionaries it has sent out, and currently it has four missionaries serving in Papua New Guinea, Brazil and Albania. Bill is committed to inspiring, training and encouraging leaders to clarify and pursue their God-given call, and has commissioned a total of nineteen full-time pastoral staff, missionaries and key ministry leaders.

Bill possesses a clear vision for the Family Centre to continue growing in a balanced manner and this planned expansion is reflected in the development of the church property. The current church building is situated on a spacious five and a half acre property, miraculously provided by God and purchased by the church in the mid 1980s. Million dollar extensions which will be completed later this year will provide greatly improved facilities to allow more effective ministry to children and youth, in particular, as well as office and ancillary rooms to cater for increased staffing and expansion of ministry activities. The current auditorium can seat twelve hundred people; and with multiple services planned to accomodate the next growth phase, the church complex will be able to cater for a congregation of five thousand. Provision has also been made for a doubling of the auditorium size and the building of additional multi-purpose facilities to cope with further growth in the longer term. This is conditional on the purchase of more land nearby for car parking purposes.

Bill became a Christian in 1971 at the age of seventeen and graduated from the Christian Revival Crusade Bible College in 1974 with a Diploma in Christian Studies. He also became a qualified teacher, earning a Bachelor of Education and a Diploma of Teaching before entering full-time ministry in 1976. Bill's strong teaching gift and his educational background has resulted in his serving for almost nine years as a foundation Board Member and Senior Lecturer at Tabor College - a Charismatic inter-denominational Christian teaching and training centre with over one thousand students on four campuses (Adelaide, Melbourne, Sydney and Perth). Bill has also played a key role in the establishment (in 1992) of a full-time Christian Revival Crusade Ministry Training College in South Australia, in addition to introducing numerous teaching and training courses in the Family Centre over the past sixteen years.

As well as fulfilling a busy schedule in the Christian Family Centre, Bill serves his denomination in two leadership roles, as State Chairman of the Christian Revival Crusade in South Australia and Vice-Chairman of the movement in Australia.

Bill has four children - Stephanie (13), Nicole (12), Joel (10) and Catherine (8) - and enjoys a vigorous and rewarding home life. He is well supported in all areas of his ministry by his wife, Cathy.



Christian Revival Crusade Australia

30 December 1993

To Whom It May Concern

Dear Sir,

NATIONAL CHAIRMAN:
PASTOR MIKE CRONIN
P.O. BOX 198,
ENDEAVOUR HILLS, VICTORIA 3802
PHONE: (03) 700 2314
FAX: (03) 706 2032

**Re: Introduction of Pastor Bill Vasilakis
from Adelaide, Australia**

Greetings in the name of Jesus.

I write to introduce to you Pastor Bill Vasilakis who is travelling on a Study Tour to the U.S.A. in June/July 1994. Bill is a very competent pastor and a man of the highest quality in spirituality, integrity and honesty. He is straight forward in his discussions and keenly preceptive in his spiritual insight.

Bill Vasilakis is the Vice-Chairman of the Christian Revival Crusade in Australia, a position he has held for 6 years. He is one of three members from Australia on the International Executive of the Christian Revival Crusade. Furthermore he is the State Chairman of the movement in South Australia. He is also the Senior Pastor of the largest church in our movement in Australia - the Christian Family Centre, Seaton, Adelaide. He has led and developed this church for the last 15 years of its 17 year existence. The church now ministers to over 1,000 adults and has a regular Sunday attendance of over 700 people.

In each of these roles Bill is vitally concerned about evangelism and church growth, discipleship and leadership, as well as Church Planting and Missions.

The Christian Revival Crusade is a 48 year old Australian Pentecostal movement of 135 churches in Australia, as well as churches in New Zealand, Papua New Guinea (over 300 churches), Solomon Islands, Fiji, Philippines, Hong Kong and presently expanding into Sri Lanka.

The purpose of this Study Tour is to gain insight and learning from churches and leaders who are on the cutting edge of what God is doing today. I am confident that Bill will draw with keen insight from the things he experiences in the U.S.A. and make relevant, careful contextualised application into his local church and then into our movement.

I am very pleased to commend him to you and appreciate greatly your anticipated help and co-operation.

Yours in Christ Jesus,

(MIKE CRONIN)



Assemblies of God in Australia

National Conference



2 Crowle Road
Paradise SA 5075
Ph: (08) 336 3333
Fax: (08) 365 1744

3rd February 1994

TO WHOM IT MAY CONCERN

The bearer of this reference is Reverend Bill Vasilakis whom I have known for some 15 years.

Reverend Vasilakis is the Assistant Superintendent of the National body for the Christian Revival Crusade and State Superintendent for their branch in South Australia. He also pastors a large church of approximately 1,000 and is held in great respect throughout his own movement as well as the other ministers in this state and in the nation.

I have always found him to be a man of integrity with outstanding abilities to minister the Gospel of Christ.

It is, therefore, my pleasure to give him my highest recommendation.

Yours in Christ,

PASTOR ANDREW EVANS
GENERAL SUPERINTENDENT
ASSEMBLIES OF GOD IN AUSTRALIA

THE PRESIDENT HAS SEEN 6/13

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

June 11, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: MACK McDARTY

SUBJECT: MATERIALS PROVIDED MEMBERS OF CONGRESS

In cleaning up my desk after our return from Europe, I noted that I had not forwarded to you as I intended the material we provided Members of Congress before they went home on their break. Thus I am attaching the material now for your perusal. I hope you will agree, the material is well organized, and it is my understanding that it was both appreciated by and helpful to the members.

While we are still far from perfect in matters like these, we are doing a reasonably good job on our information and message to the Hill. Unfortunately, the landscape is very difficult, as we discussed this morning. Therefore, it is all the more essential that we communicate in an organized and informative manner.

This is too
 much in fact
 for an average
 person to handle
 —

May 26, 1994

MEMORANDUM TO MACK MCLARTY

From: Gene Sperling
Subject: Economic Achievement Material

The following package was sent up to the Hill late yesterday afternoon and will be distributed to members by Gephardt's and Mitchell's offices to members as part of their recess package. We will also distribute this today to the White House staff, to Cabinet Affairs for distribution to Cabinet officers and to Alexis for use as she sees fit. I will get a short memo to you later today outlining the proposal (to come shortly) outlining a structured plan for getting the economic message out as much as possible even during times that our main public focus is on other issues such as health care.

- 
- I. Talking Points on the Economy
 - II. Economic Highlights
 - III. Key Economic Statistics
 - IV. The Facts on Taxes
 - V. Progress on Getting Our Fiscal House in Order
 - VI. Private Sector Job Creation Chart
 - VII. Private Sector Job Creation Chart (Average, Per Month)
 - VIII. Deficit as a Percent of GDP Chart
 - IX. Deficit Projections Chart

MEMORANDUM

TO: MACK MCLARTY
FROM: MARK GEARAN *mg*
RE: ACCOMPLISHMENTS DOCUMENT
DATE: 25 MAY 1994

I attach for your information the accomplishments document prepared by the Communications Department. I have shared a similar copy with Pat Griffin, who will distribute it on the Hill. As you suggested, we have outlined the economic accomplishments, legislative victories, health care advances (two separate documents have been sent to the Hill; also attached), and the themes of community and responsibility from the recent speeches.

Let me know how you wish to proceed with other outreach. I would suggest the following:

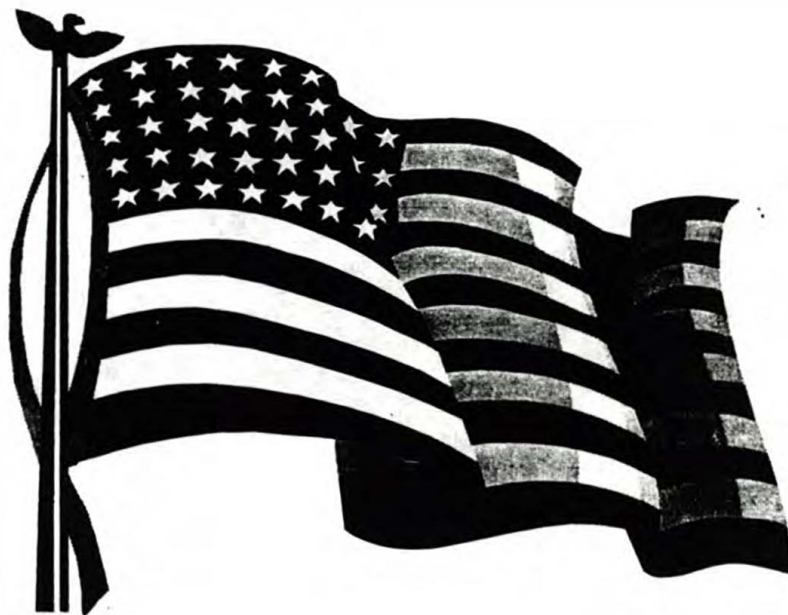
- Marcia Hale -- mail to state and local leaders
- Joan Baggett - mail to key list
- Alexis Herman - mail to key lists
- Christine Varney - send to Cabinet and instruct to
distribute to senior managers

Finally, I will use this document in the series of press roundtables we are organizing for Friday. I would like to meet with you to discuss your participation.

attachments

May 12, 1994

A Compilation of Remarks by the Clinton Administration on Health Care Reform



Excerpts from remarks by the President, Vice-President,
First Lady, Mrs. Gore, and Members of the Cabinet
February, 1993 - May, 1994

Delivering the Message

healthcare

TODD

Bob Kyle

Dear 1-:

Thank you for your letter concerning Canadian wheat trading practices. My Administration is committed to resolving the agricultural trade issues with Canada in a fair way for our producers. I understand your concerns with respect to the pricing practices of the Canadian Wheat Board as it impacts the world wheat market, and feel that our efforts to date have been appropriate.

Secretary Espy and Ambassador Kantor will meet with their Canadian counterparts at the end of this month. I will keep abreast of their efforts and am hopeful that they will develop a solution which will result in a fairer basis for bilateral agricultural trade.

With best wishes,

Bob-

Could you eyeball
this? Look OK?

Tail
x62702

J. JAMES EXON
NEBRASKA

528 SENATE HART BUILDING
WASHINGTON, DC 20510

287 FEDERAL BUILDING
LINCOLN, NE 68508

1825 FARNAM STREET
OMAHA, NE 68102

278 FEDERAL BUILDING
NORTH PLATTE, NE 68101

2108 FIRST AVENUE
SIOUX FALLS, NE 57101

COMMITTEES:
ARMED SERVICES
COMMERCE, SCIENCE, AND
TRANSPORTATION
BUDGET

United States Senate

WASHINGTON, DC 20510-2702

May 27, 1994

94 JUN 1 PM 2:47

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

Dear Mr. President:

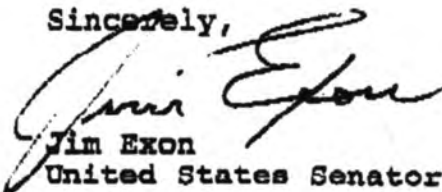
In recent weeks your administration has made considerable efforts to respond to unfair Canadian wheat trading practices. Based on conversations with a number of your senior administration officials, I was optimistic that we were poised to make real progress on this front.

Unfortunately, recent remarks by our Ambassador to Canada, Jim Blanchard, appear to undercut this progress dramatically. I was extraordinarily disappointed to learn of Ambassador Blanchard's remarks and encourage your administration to remind him in the strongest possible terms of his appropriate role in advancing the interests of the United States.

Ambassador Blanchard's criticism of Secretary Espy's efforts on behalf of U.S. interests are inexcusable and contrary to our national interests as well as our mutually agreed-upon Administration decision to work toward sanctions against Canada unless a satisfactory resolution is forthcoming. Please ensure that the Ambassador is promptly advised of his appropriate role in this matter.

With best wishes.

Sincerely,



Jim Exon
United States Senator

KENT CONRAD
NORTH DAKOTA
202-224-2043

United States Senate

WASHINGTON, DC 20510-3403

May 26, 1994

The President
The White House
Washington, DC 20500

Dear Mr. President:

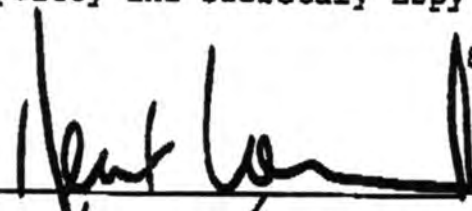
As you know, we strongly support and greatly appreciate the decision by your Administration to respond vigorously to the unfair trade practices of the Canadian Wheat Board in marketing grain in this country.

Consequently, we were dismayed and disappointed to read today the remarks of our Ambassador to Canada, Jim Blanchard, criticizing Secretary Espy's efforts in this regard. Secretary Espy has done a terrific job in exposing the predatory practices of the Wheat Board. Its routine practice of undercutting U.S. and other exporters' prices in world markets such as Mexico and Brazil is unacceptable and injurious to producers, and the Secretary was absolutely right to discuss this issue during his recent trip to Argentina, Brazil and Mexico.

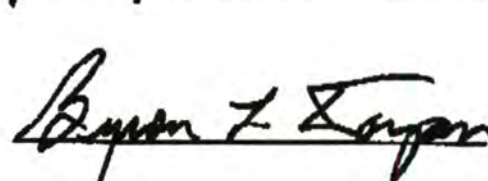
If our ambassador is unwilling to defend the interests of U.S. family farmers against the Canadian government, we think he is in the wrong job. At the very least, we hope Secretary Christopher will instruct Ambassador Blanchard that it is inappropriate to make comments that undermine your Administration's policy.

Again, we appreciate the many actions your Administration has taken so far to begin stemming the flow of unfairly traded Canadian wheat and barley into this country. We urge you to make clear to Ambassador Blanchard that you continue to support this policy and Secretary Espy's efforts to implement it.

Sincerely,







94 JUN 1 11:34

COMMITTEES
AGRICULTURE, NUTRITION,
AND FORESTRY
FINANCE
BUDGET
HUMAN AFFAIRS

The President
May 26, 1994
Page two

Bill K. Brewster

[Signature]

cc: The Honorable Warren Christopher
The Honorable Mike Espy



SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: June 8, 1994

94 JUN 14 A10:52

Date of Request: 6/08/1994
Request for: POTUS/FLOTUS
Type of Request: Honorary Chairpersons
Requestor Name: Ms. Harriet Morgan Ecton
Title: Event Coordinator
Organization: The Arthur Ashe Institute for Urban Health
Dean Sayles Enterprises, Inc.
Suite 702
920 Broadway
New York, New York 10010
Contact Tel. #: (201) 871-3450 or (212) 260-1070
Event Date: 9/28/94
Event Description: The Arthur Ashe Institute for Urban Health
First Annual Awards Gala.
Notes: Event will honor three individuals who have
made great contributions to this country in
the areas of health research, advocacy and
philanthropy.

Recommendations:

MW _____

PL _____

JP 10 _____

6.14.94

FROM THE OFFICE
OF DAN BURKHARDT
IN THE GIFT UNIT.
(ROOM 457)

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: June 10, 1994

84 JUN 14 10:52

Date of Request: 1/21/1993
Request for: POTUS/FLOTUS
Type of Request: Honorary co-chairs
Requestor Name: Ms. Jacqueline Lundquist
Title: Director of Communications
Organization: Youth Service America
1101 15th Street, N.W.
Suite 200
Washington, DC 20005
Contact Tel. #: 202/296-2992
Event Date: 4/20/1993
Event Description: Requestor wants to present honorary degree and wants POTUS to speak before about 1200 business men and women at Southern Methodist office's University's Management Briefing Series in Dallas.
Notes: Scheduling request is pending. Debi Schiff notes on the letter that the requestor wants to offer POTUS an honorary degree.

Recommendations:

PL _____ JP _____

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN 6/13

June 10, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Melanne Verveer

RE: National Council on the Arts Nominees for the
1994 National Medals of Arts

The National Council on the Arts has made its recommendations for the 1994 National Medals of Arts.

Included in this binder are the first and second priority lists of recommendations generated by the Council. The names are listed alphabetically and biographies follow. The Council strongly recommends the artists and patrons noted on the first priority list. However, as you know, substitutions may be made by the President from the nominees on the second list.

The National Medal of Arts is the highest award the President can bestow on our nation's artists and art patrons. The Medal was established by the National Foundation on the Arts and Humanities Act of 1965. It was created to award "individuals or groups who are deserving of special recognition by reason of their outstanding contributions to the excellence, growth, support, and availability of the arts in the United States" (NFAH Act of 1965). The Act empowers the President to choose the recipients of the Medals on the basis of the recommendations made by the National Council on the Arts. No more than twelve Medals may be awarded per year.

In addition, we would like to recommend that Jacqueline Kennedy Onassis be awarded a special Presidential award posthumously. As First Lady, she was the inspiration for the National Endowment for the Arts, she turned the White House into a showcase for the arts and she spearheaded historic preservation and restoration. It would be particularly fitting to make the presentation to her family, as the nation has been so recently reminded, with her passing, of her significant contributions to the arts.

Also included in this binder, for your information, is a list of previous National Medal of Arts recipients. The 1994 Medals will be awarded as they were last year, at a White House Ceremony in October. The Frankel Humanities Awards will also be presented at that time.

THE WHITE HOUSE

~~CONFIDENTIAL~~

WASHINGTON

June 11, 1994

PRESIDENTIAL ACTION MEMORANDUM

FROM: Melanne Verveer

Please choose a total of twelve recipients for the 1994 National Medal of the Arts from the following first and second priority lists of nominees generated by the National Council on the Arts. Biographies of each nominee follow under specified tabs.

First Priority Nominees

<u>TAB#</u>	<u>Nominee</u>	<u>Field</u>	<u>Age</u>	<u>Residence</u>	<u>Birthplace</u>	<u>APPROVE</u>
1	Celia Cruz	Folk Art	70	NY/FL	Cuba	☒
2	Dorothy DeLay	Music	77	NY	KS	☐
3	Frank O. Gehry	Design Arts	65	CA	Canada	☐
4	Julie Harris	Theater	69	MA	MI	☒
5	Erick Hawkins	Dance	85	NY	CO	☒
6	Lena Horne	Music	77	NY	NY	☒
7	Claiborne Pell	Arts Leader	76	RI	NY	☒
8	Pete Seeger	Folk Arts	75	NY	NY	☒
9	Catherine Filene Shouse	Individual Patron	98	VA	MA	☐
10	Wayne Thieband	Visual Arts	74	CA	AZ	☐
11	Richard Wilbur	Literature	73	MA	NY	☒
12	Young Audiences	Arts Organization		LOCATION: NY, NY		☒

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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]
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- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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- 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]

Second Priority Nominees

<u>AB#</u>	<u>Nominee</u>	<u>Field</u>	<u>Age</u>	<u>Residence</u>	<u>Birthplace</u>	<u>APPROVE</u>
13	Licia Albanese	Opera	81	CT	Italy	_____
14	Richard Avedon	Visual Arts	71	NY	NY	_____
15	Louise Bourgeois	Visual Arts	83	NY	France	_____
16	Dave Brubeck	Music	74	CT	CA	_____
17	James Ingo Freed	Design Arts	64	NY	Germany	_____
18	Elia Kazan	Media Arts	85	NY	Turkey	_____
19	Gene Kelly	Dance/Musical Theater	81	CA	PA	_____
20	La Mama Experimental Theatre Club	Arts Organization		LOCATION: NY, NY		_____
21	(b)(6)					
22	Rockefeller Foundation	Patron Organization		LOCATION: NY, NY		_____
23						
24						

Additionally, we recommend that Jacqueline Kennedy Onassis be given a special Presidential award, posthumously, for her extraordinary contributions to the arts.

APPROVE _____

DISAPPROVE _____

FURTHER DISCUSSION _____

MEMORANDUM FOR: Nancy HERNREICH

FROM: Geoffrey Cowan,
Director 

SUBJECT: President Clinton and Jeff Berg

I want to make sure that the President is aware that Jeff Berg and ICM are working on a couple of projects with the Voice of America on a pro bono basis. The projects will involve innovative uses of technologies ranging from on-line computer services to projects involving CD ROMs and the possible development of new books and cassettes for international distribution.

By the way, one of Mr. Berg's associates in this effort at ICM is Ari Emanuel, brother of Rahm Emanuel.

To: Maggie Williams
From: Jim Stewart

Dear Maggie,

Here's the overview you suggested I write for the President.
Let me know if you have any questions or suggestions, or if there's
anything further you want me to do. Julie Allen (212) 492-1309 will
know where to reach me this week.

Sincerely,

A handwritten signature in cursive script that reads "Jim Stewart". The signature is written in dark ink and has a long, horizontal flourish extending to the right.

I propose to write the definitive account of what has become known as Whitewater, a modest, failed real estate venture that became the prism through which the American presidency was scrutinized.

The story, in my view, should be written in book-length narrative style in order to capture its full significance and to make comprehensible what has unfolded piecemeal in the national press. It is hard to know, at this early juncture, exactly what shape the story should take. But it would probably proceed in chronological order, beginning possibly with the death of Vincent Foster, an event which suddenly resurrected Whitewater in the national consciousness, continuing to the recent media fixation and Republican threats of legislative paralysis, to a resolution that lies in the future. It might include flashbacks to, for example, earlier events in Arkansas.

My approach would be to let the facts speak for themselves based on reporting that is thorough, fair and credible. This requires access and editorial independence. I will try to bring readers as close as possible to the principal events and characters, so they not only observe what happens, but understand why people acted as they did, whether in the Oval Office, the headquarters of a right-wing think tank, or the editor's office at a major newspaper. Characters should emerge as they are, complex and sometimes contradictory. While my own conclusions may eventually emerge, my function is not to pass judgment, but to prepare readers to make up their own minds.

My goal would be not only to address lingering questions about the Whitewater investment itself and Foster's death, but to explore numerous unanswered questions that are broader in scope. What forces brought what was once dismissed as a minor campaign issue to the forefront of the Clinton presidency? Who lies behind them, what are their motives, and how are they financed? What role has the media played? Why did the White House react to events as it did, and did its strategy compound its problems? What have the costs been: to the administration's policy goals, to the President and First

Lady themselves, and, perhaps most important, to the presidency as an institution?

I am attracted to this story because I believe it has the potential to transcend its immediate subject and become an enduring study of political power and its limitations, of information and its dissemination and control, and ultimately, like most good stories, of human nature.

James B. Stewart

April 18, 1994

Ukraine — Going, Going...

By Anders Aslund

Ukraine, once Russia's bread basket, has become an economic basket case. Hyperinflation has raged since the end of 1992; last year, the inflation rate was 8,940 percent. Further destabilization may pose a threat to European security.

If the country collapses, Russia cannot stand by without intervening, regardless of who holds power in Moscow. Ukraine is Russia's biggest and most important neighbor, and 11 million Russians live there. Secessionist sentiment is strong in Crimea, where Russians make up 80 percent of the population.

To prevent an economic and political crisis, the West should come forward with a program of economic liberalization, stabilization and privatization of the kind typically recommended by the International Mon-

Hyperinflation, corruption and political sclerosis.

tary Fund and World Bank.

This should prove possible now that Ukrainian missiles, once a source of contention, are being transferred to Russia as a result of a deal that President Clinton brokered with President Leonid Kravchuk.

The time is ripe for a Western proposal. A presidential election is scheduled for June 26, and the establishment was badly set back in parliamentary elections in March: voters turned against Mr. Kravchuk's corrupt supporters and elected liberals and old-line Communists who oppose him.

Voters' anger is understandable. In addition to runaway inflation, the gross domestic product fell by almost

Anders Aslund is director of the Stockholm Institute of East European Economics.

50 percent from 1990 to 1993 (if official data can be trusted). The budget deficit hovers around 30 percent of the gross domestic product. Shortages of such staples as bread and meat abound, as do queues for them.

The cause of this plight? Since Ukraine wanted to differ from its rival Russia, it declined to adopt Moscow's path of economic shock therapy, seeking instead to prove its superior moderation through gradual change. It has only partly deregulated production, prices and trade. Hardly anything has been privatized.

After the 1991 election, the old elite adopted a nationalist course to preserve its power. Preoccupied with the symbols of a new independent state — the flag, military uniforms — the Ukrainians neglected to create democratic institutions and introduce a free market economy.

In short, much of the Soviet system remains, but not intact. Mr. Kravchuk, an opportunistic old-line Communist ideologue who changed his stripes, has refused serious economic reform. His sympathy for the nomenklatura, the carry-over establishment, has been demonstrated by his ousters of officials who favor reform.

Enterprising members of the former elite have been given excellent opportunities to enrich themselves. The self-aggrandizement of the most corrupt is staggering: outside the big cities, there is a construction boom in luxurious villas. (Ordinary people build little but churches.)

People with good contacts and export licenses can buy oil and metals

cheaply from Russia and sell them abroad at huge profits. Credits from the National Bank of Ukraine carry such low interest rates that they amount to gifts.

Ukraine's fundamental political problems are a lack of national cohesion (the eastern region is Russified and the western part is Western-oriented) and of a sense of national security (because it is a new state).

The country is stuck with President Kravchuk because the voters, wanting a strongman who could stand up to the feared Russians, gave him 62 percent of the vote in December 1991.

Why does Russia upset Ukraine? Zbigniew Brzezinski defined the problem in a recent *Foreign Affairs* article: "Russia can be either an empire or a democracy, but it cannot be both.... Without Ukraine, Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire."

In 1992 and '93, as Russia raised its prices for oil and natural gas, Ukraine's trade imbalance grew because of its huge quantity of energy imports. When in early '92 Moscow did not deliver as many ruble bank notes as Kiev wanted, Ukraine replaced the rubles with a coupon currency of its own, printing far too many coupons, thereby adding to inflation. Ukraine doubled its money supply that June by issuing boundless credits to Ukrainian enterprises, prompting Russia to exclude Ukraine from its ruble zone.

The cost of transition to a market economy will be very high because of Ukraine's obsolete economic structure and limited exports. Most of the costs will be carried by Ukrainians, whose average wage is \$18 a month.

To make a successful transition possible, the Group of Seven industrial countries should pledge substantial credits — but only if

Ukraine agrees to carry out full-scale reform. The I.M.F. and World Bank can possibly put up \$2 billion, which is far from enough: at least \$5 billion is needed. The European Union should provide most of the financing, because Europe will suffer most if Ukraine implodes. Europe also needs to open its markets to Ukrainian grain and meat, the principal exports.

If sound economic relations with Russia are to be built, they must rest on the normal rules of market economies. Any aid Russia gave Ukraine would be suspect in Kiev.

To induce Ukraine to focus on its economy and shed its nervousness about Russian ambitions, the West could help by offering some sort of security guarantees.

A new opportunity to end the disastrous Kravchuk era and move toward a market economy began with the parliamentary elections: 74 percent of the electorate voted, mostly for politicians perceived as honest. This opportunity will acquire momentum if the voters oust Mr. Kravchuk on June 26. □

Psyching Out the Hermit Kingdom

North Korea is unlike any other country in that you cannot turn to experts for help in understanding what is going on. The better informed the expert, the more he will insist that there are no reliable answers to questions about the politics behind policies or the convictions of those in charge. Even the kind of essential technical information that can be gleaned from spies or satellites is extremely sparse (vastly more so than data on the Soviet Union at the height of the Cold War) for this small, sealed country of compulsive underground tunnelers.

We don't know, above all, what Pyongyang's original purpose was in pursuing nuclear weapons and, therefore, what its desired outcome is now. Did it want the ultimate bargaining chip, the biggest asset that a weak (now bankrupt) economy could trade for aid and economic relations?

Or did it see the bomb, as South Africa once did, as defense against its particular Armageddon, the possibility of being swallowed up by South Korea? If so, no package of incentives could woo it away, and probably no sanctions either.

Was a nuclear weapons program simply the logical consequence of priorities that allotted a quarter of GNP to the military?

Is it tied up in the mysterious succession from "Great Leader" Kim Il Sung to his even more reclusive and possibly unstable son, "Dear Leader" Kim Chong Il? If so, does the latter want to strengthen his credit with the military by standing off the rest of the world, or with the people by dealing away the nuclear program for an enormous economic boost?

The best available answer is that probably all of these motives have been at work in a shifting mix the present

proportions of which we can only guess at. It is an unsatisfactory bottom line that provides little guidance beyond suggesting an adversary with conflicting, and possibly changing, objectives.

But if we must negotiate in the dark about North Korea's goals, we can be clear about our own. Until now, U.S. policy has had three equal aims. First, to discover what North Korea did in the past, specifically, how much fuel it diverted to weapons use in 1989 and whether it has one or two weapons now. Second, to control what happens in the future through comprehensive inspections. Most immediately, this means keeping the four or five bombs' worth of fuel that has just been unloaded from the reactor from being reprocessed into weapons-usable plutonium. The third aim has been to keep North Korea from withdrawing from the Non-Proliferation Treaty (NPT) or otherwise further damaging the international nonproliferation regime.

Pursuit of multiple goals is often incapacitating. North Korea's recent, unexpected move to destroy evidence of a past diversion by unloading its reactor before international inspectors arrived heightens fears of what Pyongyang intends, but it also clarifies and simplifies the choices for the United States and its allies.

Henceforth, the unambiguous top priority must be to focus on the future. The best explanation of North Korea's behavior, consistent with everything it has done for several years, is that it most wants to protect whatever it did in the past while pushing its program ahead as far as bluff, threat and delay will carry it.

Such a strategy would preserve an actual or (what is almost as good) possible deterrent—enough for an Ar-



BY RANDY MACK BISHOP

maggeddon defense—while raising the price of the bargaining chip as high as possible. It would explain both Pyongyang's absolute refusal to allow inspection of the waste dumps and the used fuel rods—the two clues to the past—on the flimsiest of grounds, and its repeated walking up to, and stepping back from, the brink of confrontation on other matters.

If North Korea does have one or two bombs, they are a deterrent, not a useful offensive force. Since South Korea will not, in fact, invade, they would not be used. They would almost certainly not be sold. If only the ambiguity exists, it must eventually be removed, since even doubt could spur further proliferation in Asia, but it constitutes no other threat.

North Korea's continued membership in the NPT is important too, since it provides the only means of international surveillance. But far more important in terms of the system's credibility is proof that the International Atomic Energy Agency (IAEA) and the rest of the world won't allow themselves to be diddled again by North Korea, or any country. That means that Pyongyang must meet the IAEA's inspection standards or find itself unequivocally labeled in breach of its commitments and a threat to international security. But again, those standards should make present activities the priority. Clearing up the past can wait.

A North Korea with five to seven atomic weapons and a continuing production process presents an entirely different level of threat, with enough weapons or plutonium to spare for export. Realization of this difference presumably lay behind the administration's unsettling public emendation a few weeks ago that North Korea might keep a weapon or two but must not be allowed to become a nuclear power. It was a wise policy change, but one that, as with so much else, would have been better left unsaid.

Even with a clear focus on North Korea's future activities and continued determination and patience on the part of the United States, South Korea, Japan and the IAEA, it may well be too late to catch North Korea in the non-proliferation net. If so, all may not be lost, for if Pyongyang chooses the nuclear route at all costs, the regime's days are numbered, not from foreign threat but domestic, economic collapse.

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

For the Record

From remarks by Deputy Treasury Secretary Roger Altman at a symposium Wednesday at the American Council for Capital Formation, Center for Policy Research:

You all know that America's savings rate has been declining for a number of years. During the '70s, personal savings averaged a bit below 8 percent of disposable income. During the '80s, that rate dropped and fell further in the '90s, where so far it's averaged only a little more than half of that—about 4½ percent. . . .

Many people, of course, ask why savings have declined. . . . One view is that the public safety nets we've created over the past 50 years are perceived as having reduced the need to save. Another view is that rising housing values and stock market values have created a new sense of security among those Americans who otherwise would be in the prime savings years of their lives. And a third view is that spending has simply become too easy, that, as financial innovations have increased access to . . . personal assets, the will to consume and to spend has overcome the will to save. . . .

Of course, our low savings rates are a cause for concern. They force us to be a chronic net importer of capital. And that raises questions from developmental equity to what you might call strategic liabilities. As the world's most developed nation, there's a good argument to the effect that we should be a net capital provider, that rather than consuming 140 billion a year of the world's reserves, we should be contributing to them. And in the most basic sense, we have to ask ourselves why the United States, with a per capita income of more than \$20,000, should be borrowing from the Chinese, whose per capita income is less than \$2,000, in order to fund our investments here at home.

But IAEA has made that impossible

Arthur S. Flemming and Elliot L. Richardson

Let the Employer Provide

President Clinton has done our nation a great service by putting health care reform at the top of our national agenda. His approach is thoughtful and conservative, building on the existing system to guarantee coverage to every American. And as the legislative debate moves forward, the centerpiece of his approach—a guarantee that all employers will provide health insurance to their employees—must be discussed in its proper historical context.

The link between health benefits and employment goes back 50 years. During World War II, when wage and price freezes were in effect, many employers found that offering benefits was a good way to reward and attract workers—a particularly attractive option because of the tax-exempt status of health insurance. By the middle of the 1950s, health coverage through the workplace was widespread.

The growth in employer-provided health insurance continued through the late 1970s. But since then, the percentage of employed Americans who lack health insurance has begun to increase. This reflects in part the changing job market—as manufacturing jobs with generous benefits have given way to service jobs with few or no benefits during the 1980s. Recently, researchers at the Harvard School of Public Health predicted that 30 percent of small businesses would drop coverage for their employees in the coming years because of rising costs.

Extending our current system of employer-provided insurance builds on what we have. Today, the vast majority of Americans with private insurance get it through their employers, yet eight out of 10 Americans who have no insurance are in working families. By extending the employer-based system, we can cover most Americans. The government can help by protecting small businesses and the unemployed. This approach is the easiest, simplest and fairest way to get to universal coverage.

In 1971, President Nixon first proposed comprehensive health reform—with an approach very similar to President Clinton's. Nixon pro-

posed that all employers provide a standard benefits package to their employees and pay 75 percent of the costs, with the government helping to cover the unemployed. President Clinton's proposal calls for the same, except employers would pay 80 percent.

The Nixon proposal—the National Health Insurance Standards Act—was drafted at the Department of Health, Education and Welfare when we were colleagues there. It called for "employers to provide basic health insurance coverage for their employees." President Nixon saw this as part of a tradition of government guaranteeing basic worker protections. "In the past, we have taken similar actions to assure workers a minimum wage, to provide them with disability and retirement benefits, and to set occupational health and safety standards. Now we should go one step further and guarantee that all workers will receive adequate health insurance protection," he argued in his message to Congress.

Today, the vast majority of businesses provide insurance, and most of the rest say they would if they could afford it. Businesses that provide insurance today will undoubtedly gain from both cost-containment efforts and universal coverage, which will eliminate cost-shifting. And though firms that do not now provide insurance would no longer get a free ride, President Clinton's approach protects small businesses by providing them very generous discounts on insurance.

The Congressional Budget Office analysis of the Clinton plan—praised by Democrats and Republicans alike—is valuable in evaluating the impact on business. Even when new spending from those businesses that do not now provide insurance is included, the CBO concluded that American businesses as a whole would save \$90 billion by the year 2004. The CBO also concludes that the president's approach will have a negligible net effect on employment—defusing a main charge by critics.

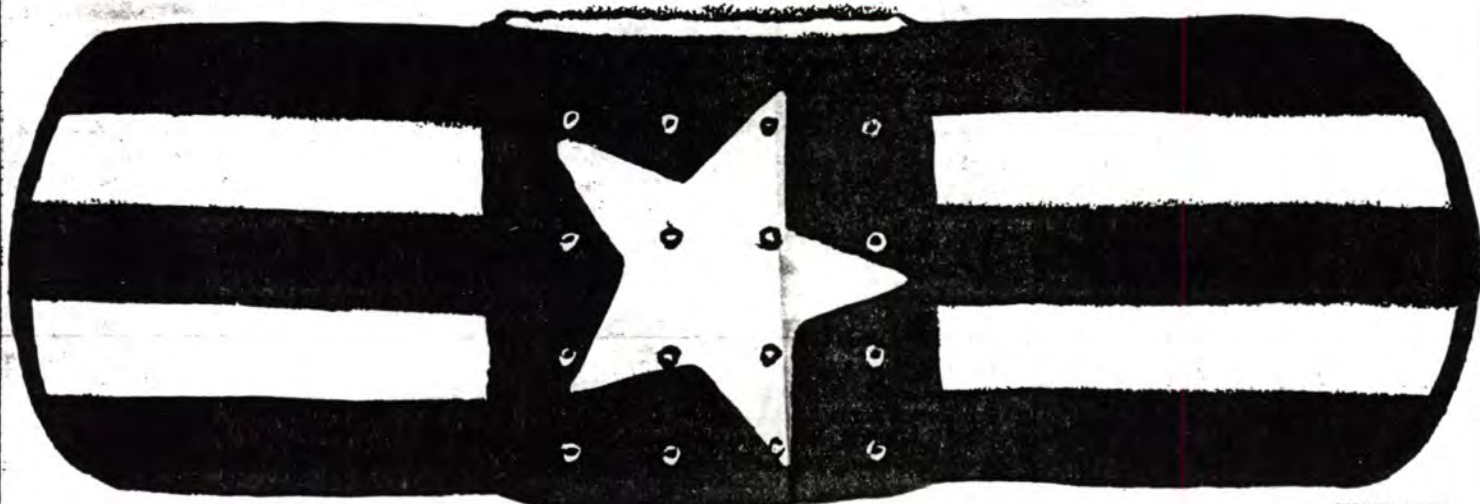
Further, the experience of Hawaii—the one state that has already asked all employers to provide insurance to their employees—bodes well for small business. Since Hawaii passed reform in 1974, the unemployment rate has dropped to one of the lowest in the nation; small business creation rates have remained high; and the rate of business failures has been less than half the national rate. In addition, Hawaii's "rainy day" fund, set up to help small businesses provide insurance, has only been used five times over 19 years.

Despite the "sky-is-falling" rhetoric of some lobbyists (rhetoric that is familiar from past debates), some kind of employer-based approach should be adopted. Proposed by presidents Nixon and Clinton, it is sensible and conservative, building on the existing system that covers most Americans. And it is necessary to achieve universal coverage.

As former secretaries of health, education and welfare in Republican administrations, we have seen past health reform efforts start and fail. But we believe that the dedication of the president and the First Lady, the public demand for action and the commitment of veteran lawmakers will make universal coverage a reality this time. With the cooperation of moderate Republicans, this can be a bipartisan effort that shows the American people what happens when Congress works together to get things done.

We want the president to succeed—not as Democrats or Republicans—but as American citizens. This year's Congress should be proud to leave comprehensive health care reform as its legacy.

Arthur S. Flemming, secretary of health, education and welfare under President Eisenhower, is chairman of a coalition of groups concerned with Social Security and health care. Elliot L. Richardson, secretary of health, education and welfare under President Nixon, is a Washington lawyer.



THE WASHINGTON POST

SUNDAY, JUNE 12, 1994 C3

THE PRESIDENT HAS SEEN

6.13.99

A LOOK AT... *The Communist Comeback*

Lenin's Boom: Why Capitalism Falters in Eastern Europe

cc: Seays
Bentley
Christophers
Borow
Tobolsky

Lenin's Boom: Why Capitalism Falters in Eastern Europe

By Robert McIntyre

THE POST-COMMUNISTS are coming. Just five years after the Berlin Wall came down, the reform Communist parties (or their ideological successors) of eastern Europe and the former Soviet Union are resurgent while the laissez-faire parties supported by the West are faltering.

The victory of the Socialist Party in the recent Hungarian elections is only the latest example of a three-year-old trend. In 1991, the Bulgarian Socialists won a parliamentary plurality. That little-noticed success was followed, at the end of 1992, by the dramatic victory of the Communist Party in Lithuania. In September 1993, the pro-economic reform parties in Poland were replaced by a government dominated by two parties directly descended from the old system. Last December, the Yeltsin-Gaidar government in Russia suffered a devastating defeat. And reform Communist candidates are expected to do well in coming elections in Belarus, Ukraine, Slovakia and Bulgaria.

To be sure, these Communist parties have changed a great deal since 1989. They are reconciled to the introduction of democratic practices and institutions. The new ruling parties in Poland and Hungary have pledged to continue the basic course of neoliberal reform. Still, there is no denying that their opponents, the pro-market political parties associated with the International Monetary Fund-World Bank "shock therapy" approach, have accomplished something unimaginable in 1989: making large numbers of people nostalgic for the old Communist economic order.

The usual explanations for this trend—popular fear of the future or unwillingness to face unavoidable pain—are only part of the story. Western advice to countries in post-Communist transition has avoided careful analysis of how the previous systems functioned. International organizations have encouraged rejection of every aspect of the old system but offer only monetarist nostrums in their place. As a result, the economic transition from communism has provided neither the immediate benefits nor the modernization promised by neoliberal market reformers.

To understand the string of electoral surprises in eastern Europe and the former Soviet Union since 1991, one should begin with the agriculture sector. Here Western reformers usually started with a faulty premise: that collectivized agriculture in the Eastern bloc was a total failure. Forgotten is the fact that under communism, Hungary and Bulgaria were large-scale food exporters to West Europe. Czechoslovakia was a small net exporter and East Germany was self-sufficient. The agricultural performance of these countries tended to get confused with that of the Soviet Union, which was indeed a mess.

In fact, the recent results from Hungary partly reflected a fear in rural areas that successful farming collectives would be destroyed. In Lithuania, it was the rapid decollectivization of the smoothly functioning agricultural sector that created overwhelming Communist electoral majorities in rural areas.

Western preconceptions of agrarian failure are shaped by memories of Stalin's collectivization of Soviet agriculture in the '30s, which resulted in famine and the deaths of millions of Ukrainians. But after the death of Stalin, collectivization was pursued predominantly by administrative persuasion, not force. The collectivization process was also accompanied

Robert McIntyre, a research fellow at the Institute for Policy Studies, is associate professor of economics at Bowdoin College.



BY CHRISTOPHE VOREL FOR THE WASHINGTON POST

by large initial infusions of capital. Farmers often retained legal ownership of land and received at least token rents, even when cultivation was done in large fields. Once doubts about the permanence of the new arrangements dissipated, consolidation of scattered small fields, mechanization and professionalization of the rural workforce resulted in relatively good performance through much of East Europe.

Some regions of the Soviet Union, while not reaching East European levels, became relatively prosperous. Parts of Moldova, Belarus, Ukraine and the Baltics exported food to the rest of the Soviet Union and the Soviet diet steadily improved, with sharp increases in the consumption of meat and dairy products.

Successful rural development in eastern Europe was little noticed in the West, but by the mid-1970s real living standards had reached or surpassed those of urban dwellers (except in Poland and Yugoslavia, which both maintained private farming). To be sure, this favorable performance was partly made possible by state subsidies—common to non-communist agriculture, too—and the willingness of people to cultivate private plots. Success was (and is) also overlooked because standard efficiency measures are difficult to apply to collective agriculture. These measures ignore both the extensive social responsibilities of collectives and the way private plots were incorporated into the overall state system.

The legacy of Stalin also obscured Western understanding. While the police-state control of the rural Soviet population eased after Stalin's death, the Russian agriculture system never fully recovered. But in East Europe, state control of agriculture was never as tight as it was in the Soviet Union. And with de-Stalinization in the mid-'50s, these governments invested heavily to build a relatively modern, scientific agriculture sector. This system supported schools, built housing and provided transportation services. The rural workforce gained

the income stability and lifestyle of urban industrial workers. They worked eight or nine hours a day and had weekends off. They enjoyed regular paid vacations and a full array of social support programs: day- and after-school care, maternity leave, health insurance, retirement and disability benefits, cultural events and continuing education.

Western commentators tend to see these arrangements as inefficient, overlooking state subsidies to private agriculture in the United States (such as water systems in California) and the social security of the rural workers in the East. Unlike, say, migrant farm workers in the United States, agricultural workers in East Europe enjoyed job security and benefits, protections that may be "inefficient" but are socially successful.

Western economists also often cite the percentage of food grown on private plots. But the collective farm and the garden plots did not (and do not) have an adversarial relationship, especially in East Europe. Private plots were—and are—tended by children and retired persons during regular working hours and by fully employed state agricultural employees during their off hours and days. There was a symbiotic relationship between the collectives and the private plots, the state providing fodder, fertilizer, veterinarians and other goods and services for the people engaged in private cultivation.

The viability of this social system in Bulgaria, Hungary, Czechoslovakia, East Germany and parts of the Soviet Union suggests why support for measures that would break up collective agriculture has turned out to be very limited. Marketization tends to be favored by ideologists from the cities or individuals hoping to make short-term speculative gains from selling off land. Mixed agricultural systems with cooperative farms are likely to survive in the former Communist world—unless they are actively destroyed by government policy actions, against the will of the rural population.

The case of economic reform in Russia raises these same issues in a much more dramatic and threatening way. The neoliberal reforms there are associated with falling living standards, rising unemployment and rampant criminality. Even in Hungary and Poland, often cited as the success stories of Western reforms, the neoliberal elites have been chastened by the electorates.

Two points are often overlooked by the West.

First, the effect of eliminating social services once provided by communist-style enterprises has been economically devastating on single-parent families and other vulnerable groups in the former communist countries. The ability of workers to seek and find new jobs, already severely limited by the lack of a housing market, decreases as the public social and transportation infrastructure falls apart. Where an entire small or medium-size city depends upon a single enterprise—as is the case in many parts of Russia and eastern Europe—the problems are especially severe.

Second, the productive activities of communist-style enterprises were organized in unfamiliar ways. Related facilities (often geographically concentrated, sometimes thousands of miles apart) were grouped under the control of a single headquarters plant. The best managers were concentrated in these plants, as were specialized researchers, designers and engineers. The importance of these divisions is not recognized when the enterprises are approached with Western assumptions about across-the-board overstaffing of communist enterprises. And, because they do not generate short-term profits, these divisions are often the first to be dissolved under rapid transformation policies.

In the former East Germany, for example, the research and design divisions of the state enterprises known as Kombinate—staffed by the most educated managers and engineers—were often closed before the privatization of the branch manufacturing plants. Many of these people migrated to the West after 1989, depriving the East of the most skilled workers, younger and male, and leaving behind a socially dependent class of pensioners and women with children.

The faster the process happens, the more complete and irreversible the destruction of the institutional bridges that could lead to viable future arrangements. A kind of negative Darwinian selection occurs, in which the best organizations with the brightest prospects for competing in the world market are the most easily damaged.

In short, the Western strategies, eagerly (and perhaps understandably) accepted by the first generation of post-Communist leaders in the East, offer little guidance for communist-style enterprises trying to enter the world market on non-catastrophic terms. For many such enterprises there is no hope, but others have economic promise that shock therapy policies fail to nurture.

Communists and reform Communists are not winning because they have a painless alternative—there are many alternatives to the Western free-market strategies, none of them painless. Communists and former Communists are winning because the Western economic advice has led to pointless, dysfunctional pain, while failing to set the foundations for politically and socially viable future growth.

How the East Was Lost

Western Donors Ignore Faith in Favor of Finance

By Adrian Karatnycky

TODAY, out of 22 states in central and eastern Europe and the former Soviet Union, there are only five—Albania, Armenia, the Czech Republic, Estonia and Latvia—in which former Communists do not hold power or significantly share in governance. Yet the startling political comeback of ex- and neo-Communists excites little concern in the United States and western Europe. Many of the new ex-Communists are viewed as pragmatic, go-slow reformers committed to playing by the rules of the market and of democracy—a characterization that is more apt in some cases than in others.

Democratic activists in the region do not share the West's lack of concern. Those in Ukraine, for example, report a palpable shift in the attitudes of the media and among academics since the takeover by Socialists and neo-Communists of the country's newly elected parliament. "We are beginning to see a hardening of positions among many Communists who were lying low over the last two years," observes Ilko Kueheriv, director of the Democratic Initiatives polling center. "Now they feel much more self-assured; they are on the offensive."

And that is legitimate cause for alarm, since there is no denying that many self-styled reformers were cogs in a system which for decades proscribed human rights, suppressed religious liberties and crushed opposition. Even more worrying is the fact that many of the millions who voted for them did so out of a nostalgic hope for a return of social and economic security, even if that meant a return to authoritarian order.

To be sure, the difficult transition from statist economies to a market system could have been expected to push millions of disgruntled industrial workers and pensioners to the left. What surprises is that they turned to the old ex-Communist left and not to the new social-democratic parties. How did this come about?

First, the West vastly underestimated the psychological damage inflicted by decades of statism. Communist rule destroys the ideas of voluntarism, self-help and cooperation and with them any sense of authentic community. It is also now clear that the old Communist *nomenklatura* never really relinquished influence over politics and economics, especially in the former Soviet Union. And in central Europe, where privatization has made remarkable progress, much of the power of the ex-Communists was retained through a tightly controlled process of privatization that, accompanied by rampant corruption, seemed to discredit capitalism and economic reform.

The West further underestimated the solidarity of ex-Communists who had worked in the upper and middle reaches of the Communist Party, women's, youth and trade union organizations. Those potent networks remained intact despite confiscation of much party property.

Central Europe's economic difficulties were also greatly aggravated by the selfishness of the European Community, which denied Eastern bloc nations what they really wanted: market access. The EC covered its protectionism with bogus explanations: One sick sheep from Poland was cited as justification for prohibitive quotas on all sheep from anywhere. Not surprisingly, Poland and her neighbors responded with duties of their own, hurting the economics of both areas—but plunging central Europe into political turmoil as well.

Adrian Karatnycky is executive director of Freedom House. A longer version of this article will appear in *National Review*.

Above all, the ex-Communists clawed their way back to power because anticommunists lost their moral voice. Organizations like the National Endowment for Democracy were pushed aside as the big boys from the international financial institutions—the European Bank for Reconstruction and Development, the International Monetary Fund, the World Bank—managed the transition to a convertible currency, and in the process helped make finance ministers the focus of media attention.

When the genuine leaders of democratic movements steeped in the values of human rights and moral courage were replaced on the airwaves by cold-blooded economic surgeons, the public was encouraged to think about reform exclusively in material terms. Detached, pragmatic Eurocrats and Beltway Bandits recoiled at such unifying forces as nationalism and religious revival, which are central to the fragile rebirth of civil society. Instead, nationalism was equated with xenophobia and ethnic hatred—a dangerous threat to stability which, as the former Yugoslavia shows, is often cynically mobilized by ex-Communists.

Richard Rose, of the University of Strathclyde in Glasgow, has been tracking public attitudes toward the transition in most post-Soviet bloc countries. He has found that citizens appreciate the improvements in political rights and civil liberties, the fact that they can now worship in the church and vote for the party of their choice, speak their minds freely and choose television shows and newspapers that are more truthful and open. Yet the democratic revolutionaries who led the movement to secure these new rights failed to remind the public of these tangible gains. Had they done so, they might have withstood the populist and materialist onslaught of the ex-Communists and bought more time for the economic transition.

Can this trend be reversed? Clearly the pendulum will again swing. The ex-Communists who have staged their remarkable comeback are aware that if they return to their old ways they can again be swept out of power. There are economic constraints, as well—among them, the emergence of a true middle class and increased trade links with the industrial democracies.

Yet the worrying signals from the post-Communist world suggest that Western aid programs should be redirected away from their nearly exclusive focus on market mechanisms and local administration. Aid programs should aim at the strengthening of independent media, democratic education of the young and the dissemination of books and journals that promote respect for political freedoms. Help should also be targeted to independent trade unions that give voice to the interests of ordinary working people and so stem the rise of pro-Communist and pro-fascist sentiments among those who have borne the brunt of the harsh economic transitions.

Just three years ago, AFL-CIO President Lane Kirkland met with Sandor Nagy, the leader of what had been Hungary's state-controlled Communist trade union. Nagy told him: "There are three major currents in Hungary today—the Christian Democrats, the liberals and the Social Democrats." Kirkland, who has spent a lifetime fighting totalitarianism, looked him in the eye and asked: "What happened to all the Communists?" Nagy, Kirkland recalled, turned a deep red. Now, he and his cronies are back near the levers of power.

As a lifelong anti-Communist surveying the dismal political landscape of the former Soviet bloc, I am depressed by what I see. But in the post-Cold War world, everyone must make accommodations. And so, I too have abandoned my old faith. Now I am an anti-post-Communist.

Notes to Clinton on Bosnia

By ALBERT WOHLSTETTER

Yesterday the House voted to order President Clinton to lift the U.S. arms embargo against Bosnia. The administration had told its supporters in Congress that allowing the Bosnians to be armed for their self-defense would:

(a) *prolong, widen and intensify the war, and drag the U.S. into it.*

But in fact, as many authorities on international law testify, the embargo in UN 713 (Sept. 1991) applied to a "Yugoslavia" that no longer exists and never had a valid application to Bosnia, a state whose independence has been recognized by the U.S., Europe and the U.N. Moreover, it was the arms embargo, requested by Slobodan Milosevic, that invited Serbian aggression by keeping his victims out-gunned. It has prolonged the war for three years so far, while its advocates have claimed the embargo would shorten it. Depriving the victims of arms invited the widening from Slovenia to Croatia to Bosnia, and now threatens to widen it further in Kosova, the Sandjak and Macedonia; and it increased the intensity of the genocidal slaughter.

It is the promise the U.S. has made to insert a large contingent of lightly armed ground forces in the guise of "peacekeepers," to enforce an ethnic partition between unarmed Bosnians and armed Serbs—which the United Nations and the EC have themselves stated would inevitably be unstable and unenforceable—that might drag the U.S. into a war of aggression, and on the wrong side.

(b) *involve the U.S. in an infeasible program for transporting weapons that Deputy Secretary of State Strobe Talbott says he "presumes" must match in number and caliber the heavy weapons, the medium tanks and the armored personnel carriers that have been supplied by Serbia to its proxies in Bosnia.*

And (c) *that this would involve an infeasibly large and lengthy program of American soldiers training the Bosnian army in their use.*

But, in fact, what the Bosnians (and the new federation between Bosnians and Croats, whose alliance the administration has just brokered) need primarily are: light infantry weapons of the sort that can stop the tanks and armored personnel carriers of the ill-disciplined Serbian invaders, whom the Bosnians greatly exceed in number and motivation: rifles: e.g., Soviet-designed AK-47s; light and heavy machine guns; light mortars and some of more extended range; anti-tank guided missiles of the sort the U.S. provided to the Afghans; and light communications and jamming equipment of the kind that helped the Slovenian guerrilla operations rout the Serbian-controlled Yugoslav Army in less than two weeks at the start, in June 1991, of Serbia's genocidal aggression in the Balkans.

Such weapons are widely available and easy to transport. The Bosnians, who have had, for example, only one rifle for each four of its soldiers, have been receiving some such weapons since their new federation with the Croats, and this has already had an effect on turning the tide on the battlefield.

Gen. Martin Spigelj, formerly of the Yugoslav Army and former Croatian defense minister, has pointed out that Bosni-

ans as well as Croats during their military service have been trained in the use of such weapons. To operate the Soviet-designed versions of them in particular, they will need little or no extra training.

(d) *be acting unilaterally and would jeopardize relief efforts and endanger the United Nations Protection Force.*

In fact, it is absurd to keep repeating that the U.S. would be acting unilaterally. One hundred and nine members of the U.N. General Assembly, including some of



our NATO partners, voted to allow Bosnia to receive arms in exercise of its inherent right of self-defense. No country voted against it.

Preventing the Bosnians from defending themselves has meant the slaughter of over 200,000 innocent men, women and children, and the maiming, torture and systematic rape of countless others. Softening this disaster slightly by sending bandages and anesthetics for surgeons forced to amputate a child's leg can hardly compensate for the continued shelling and maiming of children and other innocents. As for the dangers to the United Nations Protection Force, these have come almost exclusively from the Serbs, who haven't hesitated to harass, shoot at and take hostage the French, British, and even Russian soldiers whose operations have functioned to consolidate Serbian gains, releasing Serbian forces to seize more.

(e) *jeopardize other U.N. sanctions, including those against Iraq, Haiti and Serbia.*

This is the most outrageous claim of all. The sanctions against Iraq were a condition of the U.S.-led coalition's ceasing to fire at the end of Desert Storm, as well as of valid U.N. resolutions directed against Iraq rather than its victims. And also, the U.S., France and Germany—as well as the U.N. bureaucracy—are ignoring the most flagrant violations of the sanctions against Serbia. They are ignoring the network of drug smugglers, pickpockets and thieves in Europe who have been flooding Belgrade with luxury goods and hard currency. And, most outrageous, they are ignoring the thousands of vehicles that daily carry arms and supplies from Serbia to its proxies in Bosnia and Croatia, in direct violation of the valid embargo against Serbia embodied in UN 757.

As many Europeans and an increasing number of Americans understand, it is this that damages the reputation of the U.N. as an impartial, universal organization, and the genuine interests of Europe and the U.S. Congress should demand the enforcement of the valid embargo against Serbia's continuing supply of arms to its proxies in Bosnia and Croatia, and of the U.N.'s de-

mand that Serbia withdraw the weapons and supplies it has sent its proxies in Bosnia.

(f) *cause a rift between the U.S. and its NATO allies, and with Russia.*

In fact, the interests of the U.S., of NATO and of Europe will be served only by the exercise of U.S. leadership—not by the collapse of the U.S. whenever some European government in disarray expresses misgivings. That this collapse disturbs some European governments has recently been observed by several thoughtful European experts on the defense of Western Europe. In the Persian Gulf, the U.S. led a coalition of willing NATO members and other interested powers—in spite of the fact that the Russians opposed it, the Greeks opposed it, the Belgians wouldn't sell ammunition to the British; and the French, who had opposed the use of force against Iraq, went along only when they saw that the U.S. was going to go ahead anyway with those who were willing.

The exercise of such leadership today would strengthen those democrats in Russia who oppose the resurgence of a Russian interest in dominating tens of millions of people who are against such Russian domination in the now-independent former Soviet republics. These democrats recognize that this resurgence is incompatible with the movement of Russia toward democracy and free markets.

Mr. Wohlsetter, president of the Europe-America Workshop, is University Professor Emeritus, University of Chicago.

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Robert D. Novak

Taking On an Insurance Goliath

Rep. Robert Filner, a freshman Democrat from California, is understandably puzzled. He sees \$1 billion to \$1.5 billion a year that could be raised for social welfare programs by closing a gaping tax loophole enjoyed by mutual life insurance companies since 1984.

But in a climate where every dime of scarce tax revenue is coveted, nobody seems interested. Not a single member of the tax-writing House Ways and Means Committee. Not the tax division of the Treasury. Not the Clinton White House.

"They make it sound like it's too complicated," Filner told me. But the problem is not tax complexity. It is sheer power. Filner, a former history professor and San Diego city councilman, is a tax David fighting a mighty Goliath—one of Washington's most remorselessly powerful lobbies, the insurance industry.

Since I wrote about this a year ago, Goliath has flexed his muscles. Transamerica Occidental Life, a stock life-insurance company (owned by shareholders) seeking tax parity with the mutuals (theoretically owned by policyholders), was silenced by intimidation from within the industry. Ex-Los Angeles Mayor Tom Bradley was pressured into resigning as honorary chairman of the "Coalition to Close the Loophole and Put Our Kids First," formed by child nutrition and anti-hunger groups.

At that point, the coalition, headed by social welfare activist Rodney Leonard, found a congressman willing to carry its banner. Last Aug. 11, Filner wrote Ways and Means Chairman Dan Rostenkowski, asking whether it was not possible to tap into this revenue.

Rostenkowski responded Sept. 15, in what clearly was a staff-written letter. Pointing out that "I would not characterize the issue as a loophole," the chairman asserted that Congress has been waiting since 1989 for the insurance industry to negotiate a method of taxation agreeable to both mutual and stock companies.

But Filner refused to be put off. He replied to Rostenkowski that "such a proposal may not be forthcoming from the industry." In fact, it was stone-cold dead. He also noted that a recent court decision was interpreting the 1984 legislation to further widen the loophole.

On Dec. 1, another staff-written

letter from Rostenkowski—again objecting to the word "loophole"—repeated that "Congress continues to wait for the industry to present a proposal." After that brushoff, Filner told this column: "I guess if you're not on the committee and don't have the backing of the chairman . . ." He did not finish the sentence.

There the matter stood for six months, until May 26, when Filner launched a last-ditch campaign to pass a bill to close the loophole in this Congress. He has found 14 co-sponsors and hopes to quickly double that number.

But no sponsor is on Ways and Means or is a member of the Democratic leadership. The Clinton administration maintains an impassive silence. Leslie B. Samuels, assistant treasury secretary for taxation, would say no more to me this week than that the administration has no position on the Filner bill. But he has told representatives of Leonard's anti-loophole coalition, they report, that "it would be a horrendous battle" to get the money and "the administration should stay out of it."

This demonstration of raw political influence comes at a time when the

big mutual companies have been rocked by heavy blows. Prudential Insurance has lost its A-double plus credit rating. Metropolitan Life has agreed to pay \$20 million in fines to settle accusations of deceptive sales.

But none of this has diminished the lobby's power, fueled by unending campaign contributions to key members of Congress. Making sure the money is well spent is an all-star lobbyist team, most recently augmented by former Rep. Thomas Downey.

Defeated for reelection in 1992, Downey formed his own lobbying firm and took on Metropolitan Life as a client. When Rostenkowski himself tried to close the loophole in 1990, it was Downey who led the Ways and Means revolt that rolled the chairman.

Last week, in a secret insurance industry meeting, the mutuals threatened to push a new tax on the stocks unless they publicly opposed the Filner bill. This is a high-stakes game for a congressional rookie like Bob Filner. "But I'm a real bulldog, and I think we're going to get it," he told me. The first step for this David might be to find out why the Clinton Treasury bows to Goliath.

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Ukraine Hints It Won't Close Nuclear Plants at Chernobyl

By DOUGLAS JEHL

Special to The New York Times

WASHINGTON, June 12 — Two months ago Ukraine pledged to shut down its nuclear power plant at Chernobyl, but American officials are concerned that Ukrainian leaders are having second thoughts, and the Americans are at odds over what to do about it.

New evidence, including a secret directive by President Leonid Kravchuk, suggests that Ukraine may not close the two reactors still operating at Chernobyl because it needs the energy.

In fact, Administration officials say, Ukraine appears to be planning to restart a third reactor that was shut after a fire in 1991. That would leave only one of the plant's four reactors closed — the one destroyed eight years ago in the catastrophe that made Chernobyl synonymous with nuclear disaster.

Western scientists and government nuclear experts fear that as long as the flawed and unstable reactors at Chernobyl operate, the danger remains that another disaster could spew radioactivity across much of Europe.

The agreement worked out in April between the United States and Ukraine was significant because it was the first time a former Soviet republic had bowed to Western pressure to shut down such reactors.

Western leaders are to review the issue next month when they gather in Italy for a Group of Seven meeting, and the White House is scrambling to persuade Ukraine to stay its promised course. But the task has already prompted a battle within the Administration over what price the West should pay to finally close the dangerous plant completely.

The State Department approach, with cost estimates ranging into the hundreds of millions of dollars, calls for the West to help Ukraine complete at least three Soviet-style nuclear reactors now under construction. But the Energy Department strongly opposes the idea, saying the West should not help start up reactors that critics regard as flawed.

To compensate for the energy Ukraine would lose if Chernobyl shut down, Energy Department officials have urged that the West help Ukraine to become more energy-efficient and to build plants that use renewable resources like wind.

Dissent Within the Group of 7

Both France and Germany favor completing the three reactors under construction, raising the possibility of a dispute within the Group of Seven. Aides to President Clinton say there will be little time at the Group of Seven meeting, from July 8 to 10 in Naples, for any last-minute resolution of differences.

But with memories still vivid of the failure of past calls for Chernobyl's demise, American officials say they are determined that the Naples meeting make clear not only that the major industrial nations want the plant closed, but that they are willing to make it worth Ukraine's while.

In an interview last week, Deputy Energy Secretary William H. White, who worked out the agreement with Ukraine to shut Chernobyl "at the earliest possible date," expressed

some urgency about sealing the deal.

"I think the Group of Seven will push for a plan that will detail and outline the steps Ukraine should take in closing down Chernobyl, and what would be planned in terms of the role of the West," Mr. White said. "And I believe there are many who will want the communiqué to discuss specific timetables."

The Unstable Graphite

All four reactors at Chernobyl, including the two still running, are of a design known as R.B.M.K., notorious since the 1986 disaster for a reliance on graphite instead of water to assist in the nuclear reaction. Graphite is inherently unstable.

Ukraine had once promised to shut down the plant altogether by 1993. But in October, Russia began to reduce shipments of oil and gas, and the Ukrainian Parliament voted to keep the plant in operation.

The new pledge in April was made by Vice Prime Minister Valery Shmarov, who signed an agreement saying Chernobyl would be closed once the country "reached a balance in the energy system and found resources to take the plant out of operation."

But American officials now say the "commitment in principle" appears far from solid. Many Ukrainian officials are convinced that nuclear power represents the only realistic alternative to dependence on Russian gas, and they have drafted ambitious plans to build their energy capacity.

Although the two reactors still operating at Chernobyl produce just 1,700 megawatts of power, about 3 percent of Ukraine's needs, officials there are suggesting that they are not prepared to shut them down until five new reactors supplying 5,000 megawatts are in operation.

Ukraine's Plans

Perhaps even more troubling, Administration officials say, are indications that Ukraine is preparing to restart Chernobyl Unit 2, which has been out of service since the 1991 fire.

A quarrel simmers in Washington about how to get dangerous A-plants closed.

A copy of President Kravchuk's directive, made available this week by the Natural Resources Defense Council, an environmental group that has expressed alarm at Chernobyl's continued operation, lists the reactor as one that Ukraine should "bring on line" in 1995.

In seeking to block that plan, Administration officials say they have agreed that the West should at least pledge to upgrade any new reactors to meet Western safety standards. In looking ahead to the Group of Seven meeting, they also say there is consensus within the Administration that a communiqué being drafted this



The New York Times

Experts say Chernobyl's nuclear plant continues to pose a danger.

week by an Italian-led working group is too permissive in declaring that Chernobyl should not be closed until Ukraine's domestic energy demands can be satisfied at economical prices.

Administration officials say the dispute between the State Department and the Energy Department leaves unclear how far the Administration would go in promising Western aid to complete or build Soviet-designed nuclear reactors in Ukraine. The two departments plan more meetings next week.

The Czech Example

The Administration has already approved \$317 million in loan guarantees to allow the Westinghouse Electric Corporation to complete two such reactors at Temelin, in the Czech Republic. At the State Department, advocates of adopting a similar approach in Ukraine contend that the advanced VVER-1000 design of the reactors at Temelin makes them a relatively low safety risk.

But Energy Department officials opposed to that plan contend that the West should refrain from any connection to the Temelin reactors, in part because the International Atomic Energy Agency has said they suffer from design problems. The energy officials say the West should instead make an aggressive effort to persuade Ukraine that the power lost by closing Chernobyl could be replaced through non-nuclear means.

"If the international community is willing to invest hundreds of millions of dollars on some form of energy supply for Ukraine," a senior Administration official said this week, "it might as well make sure it explores the energy-efficiency and renewable-energy options before plunging into this new territory of building brand-new reactors or reactors that still have a substantial amount of work toward completion."

Meg Greenfield

Loose Lips Sink Ships

The Clinton administration has responded to disclosures of internecine battling and procedural messiness in Bob Woodward's new book by saying that results, not the process of reaching them, are what count. True enough, and I also think that at the end of 16 months in office, the president has some notable domestic achievements to his credit. His aides and associates can point out as well that some previous governments known for their flow-chart efficiency and tidiness produced relatively little in the end and that, anyway, beyond the Potomac people don't care about the process so long as they like what eventually comes out of it. Still, these aides and associates would make a mistake to take their stated indifference to governing style too seriously or too far. It is much better as an argument than it is as a way of life. It has already caused some damage and botched opportunities and could cause more, especially as the tricky health care endgame gets underway.

The problem, or at least one of the main ones, is talk—undisciplined, shortsighted talk from everywhere. In World War II they used to admonish factory workers, servicemen and others, "Loose lips sink ships." Loose lips famously also sink legislation, pointlessly offend needed potential allies and inform adversaries of one's plans, prospective tactics and weaknesses.

The Clinton administration certainly

did not invent this penchant in government. Going back through the Bush, Reagan and Carter years, the memory dredges up quantities of gratuitous, harmful (to their own program) commentary too. But that was then and this is now, and it's Clinton's capacity to get a decent health bill through that is at stake. On that

The administration talkathon exacts a high price.

subject, anyone in Washington in the past several months could, with no difficulty, hear certain administration insiders boasting of a strategy to get their own bill or a close variation on it through Congress by cleverly outsmarting a few key legislators like Senate Finance Committee Chairman Daniel P. Moynihan. This is clever? This is productive? If you heard it and I heard it and the person sitting next to you on the Washington-New York air shuttle heard it and everybody at Bootsie's barbecue heard it, is it not at least reasonable to suppose that the legislators penciled in for outsmarting heard it too? I don't think Bill Clinton, for all the vaunted temper people say he displays, is ever going to impose a strict system of discipline on his staff or enable his

chief of staff to do so either. But the people in his government—meaning a lot of those in the departments and agencies, along with many on the White House staff—ought to be made to consider that what they say is heard by people every place, not just by those they are trying, for the moment, to impress or please or disarm.

There is one whole category of blurted remarks that may do terrible damage and about which probably nothing can be done until the laws of human nature are repealed. The angry outburst is one example. So are the incautious and often even more reckless things people say in the momentary euphoria and loss of judgment that follow their having come through some fearsome political ordeal. The late Clare Boothe Luce, having prevailed over an antagonistic senator's protracted effort to prevent her confirmation to be ambassador to Brazil, exulted that his behavior had demonstrated the effects of his having been kicked in the head by a horse when young. Guess who then did not get confirmed by the Senate for her ambassadorship?

But even leaving damage by blurt out of the picture, there is plenty that can be controlled in the realm of thoughtless speech, if two main temptations are resisted. One is the temptation to brag and/or show off; the other is to defend oneself and one's own position of the moment without regard for the unfortunate impact the

defense will have on some larger administration interest.

The first of these is endemic to people who want to show you they are in the know or are awfully important or awfully smart. We in the press love them even though they are often just beating their own drum and may be giving out misinformation. There have been countless examples in this administration (the unending braggadocio about how the Congress is going to be managed is one). My favorite came on opening the paper the day the Al Gore-Ross Perot debate was to occur and reading an outline of the Gore secret strategy as participated in by the quoted person—what surprises were in store, what the vice presidential nominee's tack would be and so forth. Lucky for them the Perot people evidently didn't see it. I don't give this indiscretion the pennant out of hand, but it certainly deserves a place in the playoffs.

That was before the election, of course, but this kind of self-indulgent showing-off has, if anything, become more prevalent with ascension to office. True, especially in its last days, the Bush government was famous for this, too, but I do not believe that is the model the man who beat him set out to emulate.

The second careless habit, that of saying anything at all to explain or defend yourself in an argument, evidently not caring about how it may

affect your other business, has brought the administration in for much criticism, particularly in foreign affairs. It is often in this context that an administration spokesman or a leaker or just a plain old "reliable source" will leap to win a point concerning, say, criticism of the government for not being tougher or more resolute here or there with a litany of explanations of how impossible it is to do anything or how politically it cannot be achieved or something—signaling whatever foreign government or leader is involved where our back-off points are, what we think we can't do. Clinton himself has done this on occasion. Much of what is called administration zigzagging in foreign policy has to do with having to amend such heedless, overexuberant positions taken to win an argument.

I don't think the administration would have to stop talking to journalists or trying to explain its ways to Congress and the public to get a grip on this. The discipline required is not even the external, administered-from-the-top-down kind that apparently is anathema to Clinton. It would be the self-discipline of innumerable people who subordinated their own immediate desire to win the point or gain an edge or show how terrific they were to the larger interest they purport to represent.

THE WHITE HOUSE

WASHINGTON

94 JUN 10 P5:37

June 10, 1994

THE PRESIDENT HAS SEEN

6.13.94

MEMORANDUM FOR THE PRESIDENT

FROM:

CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT:

Summary of Weekly Cabinet Reports
June 10, 1994 through June 17, 1994

CABINET-WIDE ACTIVITY

PERSIAN GULF MYSTERY ILLNESS

This week, Secretary Brown announced the administration's decision to back Congressman Montgomery's bill to compensate Gulf veterans suffering from undiagnosed illnesses. The reaction from the Hill and in the press was almost entirely positive, the exception being Senator Rockefeller's response that he believes legislation is unnecessary. The Departments of Veterans Affairs, Defense and Health and Human Services are coordinating a strategy to work with the Senator.

** * * * *

DEPARTMENT SUMMARIES

Department of the Treasury

First NAD Bank Board Meeting: On Friday, June 17, Secretary Bentsen will attend the first meeting of the North American Development Bank in San Antonio.

Bipartisan Commission on Entitlement and Tax Reform (Kerrey Commission):
On Monday, June 13, the Kerrey Commission will hold its first meeting.

Department of Commerce

- Grey Whale "De-Listing":** Next week, NOAA will announce the "de-listing" of the Grey Whale from the endangered species list. This is a success story involving protection provided to this species under the Endangered Species Act. These marine

**Remarks of President William J. Clinton
Commerce Bank
Kansas City, Missouri
June 14, 1994**

I have come to the heart of America to talk about the values that brought us all here: Faith and family; work and responsibility; community and opportunity.

Last week, Americans took a journey of remembrance, to honor the sacrifices a generation made for freedom. I came home from Normandy with a renewed sense, which I hope you share, of the work we must do in our time to preserve and to use our freedom for generations to come.

Those who won World War II and who rebuilt our country were driven by the bedrock values that have made America strong. Now, facing the dawn of a new century, we must use those same values to light the path ahead. But our challenge is different. For today, we must restore faith in basic principles that those before us could take for granted -- the bond of family, the virtue of community, the dignity of work.

No single public concern poses this challenge more starkly than our welfare system. For there is no greater gap between our people's good intentions and our policy's misguided consequences than in welfare. Our system was started for the right common purpose of helping those who have fallen by the wayside. But it has resulted in the perversion of the very values people need to put themselves back on track.

We must no longer tolerate the gap between our policies and our values. We must repair the damaged bond between our people and their government. That is why I say again: We must end welfare as we know it.

In a few days, I will send Congress my plan to replace a system based on welfare with a system based on work. The Work and Responsibility Act of 1994 will make welfare what it was meant to be: a second chance, not a way of life.

I worked on this problem for years before I became President, with other governors and members of Congress in both parties. I worked on it with people who were on welfare -- lots of them. Let me say to anyone who wishes to join in this debate: If you want to know what's wrong with welfare, listen to the people on it. The people who want to change the welfare system most are the people who are trapped by it.

Here today, I met a dozen parents who used to be on welfare but now get up every morning and go to work in factories, small businesses, and banks like this one. People like Yolanda Magee, a single mother trying to raise her two-year-old son without any child

support, who left welfare to work for a living. Most people on welfare want to do exactly what she has done -- get off welfare, go back to work, and do right by their kids.

People who can work ought to go to work, and get a pay check, not a welfare check. If you can do that here in Kansas City, we can do it all across this country.

We must begin with responsibility. Governments don't raise children, parents do. Our plan includes the toughest child support enforcement measures ever proposed. We're going after the \$34 billion child support gap in this country by saying to absent parents: If you're not providing for your children, we'll garnish your wages, suspend your license, track you across state lines, and if necessary, make some of you work off what you owe. We can't let fathers just up and walk away.

Responsibility also means rewarding responsible parents. Now, the system does just the opposite: it actually pays teen parents more to move out than to stay at home. That's crazy. Teen parents ought to live at home, stay in school, and take responsibility for their and their children's futures.

We have to change the signals we're sending the next generation. The rate of illegitimacy in this country has quadrupled since Daniel Patrick Moynihan first called it to our attention nearly 30 years ago. At the rate we're going, within a decade more than half our children will be born into homes where there has been no marriage.

We must keep people from the need to go on welfare in the first place. Together, we must undertake a national campaign against teen pregnancy, to send the powerful message that it is wrong for teens to have children outside marriage. We will never find a substitute for the American family. No nation ever has.

Even if we strengthen our families, no system will ever do the job unless it is rooted in one basic goal: getting people who can work back to work. For work is the best social program this country has ever devised. Work gives hope and structure and meaning to our lives. Every one of us would be lost without it.

We'll offer people on welfare a simple compact: We'll help them get the skills they need. But after two years, anyone who can work will have to go to work, in the private sector if possible, in a subsidized job if necessary.

This plan will let communities do what's best for them, not what somebody back in Washington says is best for them. We'll give communities the chance to put their people to work -- in child care and home health care and other fields we desperately need. We want every community to do what you've done here in Kansas City, and bring business and civic leaders together to find people on welfare lasting jobs in the private sector.

If we want people to work, we've also got to reward people for going to work. That's why we pushed so hard last year to increase the Earned Income Tax Credit, a tax cut that will help 15 million families pull themselves out of poverty. People who work shouldn't be poor.

That's just one more reason Congress needs to pass health reform this year to ensure all Americans health coverage wherever they work. One million women and children are on welfare today because it's the only way they can get health care. Those who choose to leave welfare for jobs without health benefits find themselves in this incredible position: They're paying taxes that help to pay for health care coverage for those who chose to stay on welfare. We can't solve the welfare problem unless we also solve the health care problem.

I'm asking Congress to pay for welfare reform not by adding to the deficit or imposing new taxes. We're going to pay for this through spending cuts, as well as savings within the program from reducing caseloads and cracking down on fraud. Welfare reform costs money, but over time, it will save money, too. Even by the most conservative estimates, these changes together will move a million adults who would otherwise be on welfare into work or off welfare altogether by the year 2000.

And if we can change the values system of our society toward work and responsibility, the full savings over the long haul are more than we can count. As Pat Moynihan wrote 25 years ago, "The true issue about welfare is not what it costs the taxpayers, but what it costs the recipients."

None of what we propose today will be easy to accomplish. We're trying to turn around a problem that has been generations in the making. That is why the next generation is where we must start. They are the ones who must break this awful cycle. We can't afford to lose another generation arguing over what must be done.

For that reason, ending welfare ought to be a bipartisan issue. Over the last 30 years, the poor have seen all the political posturing they can take. If we can heal families, I don't care who gets the credit. Family is where we learn responsibility for ourselves and those we love, and family is where we find faith, dignity, and hope. Those values aren't Republican values or Democratic values. They're American values.

I once had a hearing when I was a governor, and brought in people on welfare from all over America who had found their way to work. The woman from my state who testified was asked, what's the best thing about being off welfare and in a job? Without blinking an eye, she looked at the governors and said, "When my boy goes to school and they say what does your mother do for a living, he can give an answer."

We owe every child in America the chance to give that answer. Today, the end of welfare must begin.

REVISED

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DEPUTY SECRETARY OF LABOR
WASHINGTON, D.C.
20210

94 JUN 10 P4:
June 4, 1994

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6-13-94

To: John Podesta
From: Thomas P. Glynn *TE*
Re: Dunlop Letter

The Commission on the Future of
Worker-Management Relations just completed
its findings.

The press was generally very positive.
See attached.

The findings were received favorable by
both labor and business -- NAM, Chamber, and
Labor Policy Association. See attached.

We think it would be appropriate to send
Dunlop a preliminary thank you and words of
encouragement.

DRAFT

Professor John T. Dunlop
Harvard University
208 Littauer Center
Cambridge, MA 02138

Dear John:

When I asked you last year to take on one of the toughest tasks facing our administration, we were all appropriately cautious. The reexamination of worker-management relations is a task fraught with difficulty.

You and your fellow Commissioners deserve enormous credit and thanks for the excellent work done on the Commission's findings.

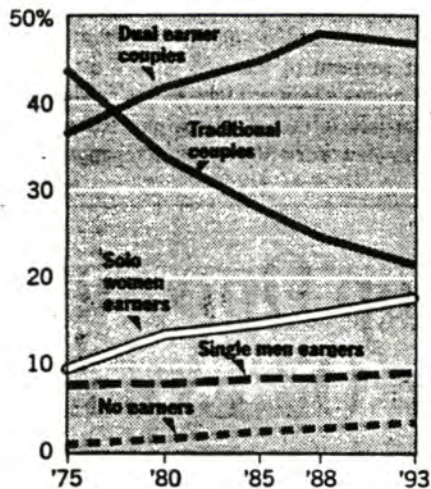
I wish you and the Commissioners well as you begin the task of formulating Commission recommendations.

Sincerely,

William J. Clinton

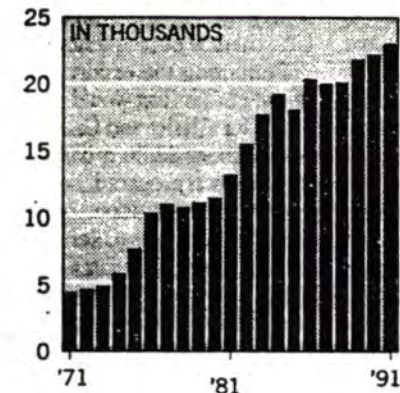
CHANGING JOBS AND LAWS

A rapidly changing work force...



...and a rise in labor litigation...

CASES FILED IN FEDERAL DISTRICT COURTS



SOURCES: Labor Department, Commerce Department



Another era of work: the IRS collection division in 1946.

...prompted the study on worker-management relations

Some of the "critical factors in the American Labor Market" cited by the report:

1. A long-term decline in the rate of growth of productivity.
2. Increased globalization of economic life, such as trade, cash flows and immigration.
3. Changes in work performed due to changing technology.
4. A shift from goods-producing to service-producing employment.
5. A shift from traditional blue-collar jobs to those that require considerable education.
6. More minorities in the work force.
7. Changing age structure of the work force as the "baby boom" ages.
8. Stagnant real hourly compensation, with real compensation for male workers falling.
9. A rising gap in earnings between more skilled, educated workers and less skilled, less educated workers.
10. A decline in the prevalence of collective bargaining.

THE WASHINGTON POST

Hauling Labor Law Into the Next Century

White House Report Likely to Start Bitter, Lengthy Fight Over Updating '30s-Era Reforms

By Frank Swoboda
Washington Post Staff Writer

A special White House commission issued a report on labor relations yesterday that the Clinton administration will use to try to update labor laws so that they fit the diverse work force of the 1990s.

The fact-finding report by the 10-member Commission for the Future of Worker/Management Relations will serve as the starting point or what promises to be a bitter and lengthy legislative fight over reforming labor laws that date back to the Great Depression.

Unlike the U.S. work force of the past six de-

acades, the report said today's workers are "more educated; more female, often part of a two-earner family; more likely to be members of a minority group; and getting older as the baby boomers age." This, it said, "poses challenges to the traditional modes of compensation and organization of work schedules and makes provisions of equal opportunity for all increasingly critical to our economic success."

Labor Secretary Robert B. Reich called the report "an attempt to begin the process of dialogue." Reich said the question that has to be answered is whether the current system of laws governing the workplace is "appropriate to the times. . .

"The American workplace has undergone extraordinary transformation over the last six decades and will be evolving still more dramatically in the future," he said. "But our legal framework and many of our notions about worker-management relations were made for a 1930s world—not the 21st century."

Headed by former labor secretary John Dunlop, the commission will use the report to make recommendations by the end of the year for changing a wide range of laws governing the workplace, covering such diverse subjects as collective bargaining rights, overtime pay rules, anti-discrimination rules and unpaid medical

See LABOR, B4, Col. 1

McP

Study Warns of Growing Underclass of the Unskilled

By CATHERINE S. MANEGOLD

Special to The New York Times

WASHINGTON, June 2 — Opening a wide door for changes in labor law, but then hesitating to walk through it, the Labor and Commerce departments issued a joint report today, detailing shifts in the American workplace, but delaying any recommendations to deal with them for months.

The report details the development of an underclass of low-paid and unskilled workers unable to compete in a complex marketplace. The changes come against the backdrop of an increasingly adversarial climate between management and labor while America is slipping behind other in-

dustrialized nations in wages and benefits, Labor Secretary Robert B. Reich said at a news conference.

The report, by a commission headed by Prof. John T. Dunlop of Harvard University, is the first important salvo in the Clinton Administration's battle to change and update labor laws. It offers the closest scrutiny of American labor practices since World War II.

But, after a year of study, the report's authors stopped short of proposing a plan for change. One person close to the committee said the members had had a series of disagreements over how new laws would af-

fect unions, businesses and leading industries.

Mr. Reich spoke of the polarization of the American workplace and the need to find solutions that suit both workers and their managers. He painted a bleak picture of an economy destined to spiral downward unless growing imbalances between those sectors are corrected.

"A society divided between the haves and the have-nots or the well-educated and the poorly educated can not be a stable society over time," he said. He said sharp inequalities between the well-educated, well-paid workers and those at the bottom of the pay scale "spells a breakdown somewhere down the line."

Those remarks and the report's conclusion that "a healthy society cannot long continue along the path the U.S. is moving," seemed to signal a move to increase Federal involvement in worker-management relations. But without a blueprint for that involvement, all sides seemed inclined to take a cautious public stance.

Responses to the findings were measured. Jerry Jasinowski, the president of the National Association for Manufacturers, praised the focus on excessive litigation and global competitive pressures. But he cautioned that in places, the report tended to generalize and imply "a more negative labor relations environment than is justified."

Women in Dire Straits

The Women's Legal Defense Fund said the report underscored the need to close the gaps "that leave so many working women in dire economic straits." In fact, the report found a declining gap in the earnings of men and women. The more troubling statistics, it said, pertain to a "stagnation in the gap between white and nonwhite workers."

An unrelated study released today

by the Center for National Policy, a research group, came to the same conclusion. It showed that the median pay for women increased 9.2 percent over the last decade while many of the relatively well-paid jobs traditionally held by men had disappeared, to be replaced by low-paying jobs. As a result, pay for men overall declined by about 5 percent.

The scope of possible recommendations could not be broader. Professor Dunlop, a former Labor Secretary, said no existing law was sacrosanct. Instead, the next six months promise a broad, though to some extent hidden debate. Dr. Dunlop has a reputation as a tough-minded, behind-closed-doors deal maker: who has little patience with public dialogue.

These were among the other problems the commission found:

- ¶ Falling real earnings for less-educated and less-skilled workers.

- ¶ Stagnant growth of earnings for more-skilled employees.

- ¶ High levels of occupational injuries.

- ¶ Lack of health insurance and other fringe benefits for many workers.

- ¶ An increased proportion of young male workers in prison.

- ¶ High rates of joblessness for the unskilled.

Most chilling of all, however, was a brief notation at the end of the second chapter which warned of "a large, growing population for whom illegal activity is more attractive than legitimate work."

Sprinkled throughout the findings are indications that workers, not their employers, may have the most to gain. An anthem of cooperation, collaboration and mutual benefit even seeped into the Commerce Department. Commerce Secretary Ronald H. Brown, who often advocates big business positions and was a former lobbyist for some of the nation's largest corporations, skipped the presentation while taking a day off.

NEW YORK TIMES

JUN 3 1994

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

THE DIRECTOR

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THE PRESIDENT HAS SEEN

6-13-94
94 JUN 10 P4:02

June 10, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Bipartisan Commission on Entitlement and Tax Reform

*Called Kerrey and
Danforth this week*

The Commission will convene its first public meeting this Monday afternoon in the Cannon House Office Building on Capitol Hill. Chairman Kerrey and Vice Chairman Danforth have provided the attached material to each of the Commission members.

Schedule for the Commission

June: Two meetings (including the Monday session) will involve discussion of entitlement programs, including spending trends for these programs and options for reform, including, presumably, deficit reduction proposals.

July: At least one meeting on tax reform options. A discussion document similar to the attached entitlement material will be developed which examines "alternative approaches to fundamental reform of the tax law."

August: An interim report is planned which will summarize the budget situation with regard to entitlements and taxes and set forth various options for reform.

September - December: Additional analysis of entitlement and tax reform proposals with the goal of reaching "consensus on a course of action, including specific entitlement reform recommendations, by December."

Content of Commission Document

The following are major points made by the Commission document:

- o There is a consensus among the Commission members that Federal entitlement programs must be reformed.

- o Reasons for reform include: ensuring improvements in the standard of living, preventing overburdening of future generations, ensuring the solvency of Medicare and Social Security, and relieving pressure on other needed government programs.

- o Federal spending growth is primarily due to entitlements, particularly health care and retirement programs.

- o Reform will occur because the fiscal situation becomes untenable if action is not taken.

- o Among the options for reform to be examined by the Commission members will be: programmatic reforms, taxation of benefits, means-testing, tax expenditures, and process reform.

A number of charts describing future trends in investment, debt, entitlement spending, Social Security, and Medicare are also included in the package.

94 JUN 10 P5:37

THE PRESIDENT HAS SEEN

6.13.94

FROM:

CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT:

Summary of Weekly Cabinet Reports

June 10, 1994 through June 17, 1994

PERSIAN GULF MYSTERY ILLNESS

This week, Secretary Brown announced the administration's decision to back Congressman Montgomery's bill to compensate Gulf veterans suffering from undiagnosed illnesses. The reaction from the Hill and in the press was almost entirely positive, the exception being Senator Rockefeller's response that he believes legislation is unnecessary. The Departments of Veterans Affairs, Defense and Health and Human Services are coordinating a strategy to work with the Senator.

DEPARTMENT SUMMARIES

Department of the Treasury

First NAD Bank Board Meeting: On Friday, June 17, Secretary Bentsen will attend the first meeting of the North American Development Bank in San Antonio.

Bipartisan Commission on Entitlement and Tax Reform (Kerrey Commission): On Monday, June 13, the Kerrey Commission will hold its first meeting.

Department of Commerce

- **Grey Whale "De-Listing":** Next week, NOAA will announce the "de-listing" of the Grey Whale from the endangered species list. This is a success story involving protection provided to this species under the Endangered Species Act. These marine

mammals increased their population numbers while being protected by the Act, and can now be removed from that standing.

Department of Justice

- **Honoraria Ban Case:** On Monday, June 13, the Department will file a brief in U.S. v. NTEU, the case arguing that the First Amendment rights of federal employees are not violated by the Ethics in Government Act banning honoraria. The Department will argue that Congress was entitled to enact the ban to ensure the integrity of the federal workforce and even if the ban is unconstitutional when there is no nexus between the honorarium and the worker's employment, it should be constitutional when such a nexus exists.
- **Immigration:** On Wednesday, June 15, the Attorney General will testify before the Senate Judiciary Committee on the administration's immigration accomplishments.

Health and Human Services

- **Rate of Uninsured Individuals Proliferated in the 1980's:** Next week, Secretary Shalala will announce that the percentage of uninsured individuals under age 65 grew from 12.5 percent of the population in 1980 to 17.2 percent in 1992. This finding comes from one of two studies, prepared by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention, that will be released simultaneously next week.
- **HHS to Release Child Support Enforcement Report:** On Sunday, June 12, the Department will announce the release of a report which shows that the country's child support enforcement system is failing to keep pace with the rising number of children who should receive payments from their non-custodial parents. The report, prepared by the Welfare Reform Working Group, recommends fundamental, nationwide changes to close a \$34 billion gap in uncollected child support.
- **Aid to Families with Dependent Children Disallowances:** As required by law, the Department will soon inform 13 states and territories of disallowances (totalling approximately \$36 million nationwide) resulting from AFDC Quality Control measurements for FY'91. Earlier this spring, the Administration for Children and Families informed these states of potential disallowances due to their high rates of error in AFDC distribution. It is likely that fines will be assessed for: Florida, Texas, Alabama, Arizona, Delaware, Louisiana, Mississippi, Nebraska, New York, Ohio, Puerto Rico, Tennessee, West Virginia.
- **NCI Investigation of Breast Cancer Study:** The National Cancer Institute (NCI) continues to address mismanagement and possible scientific misconduct at the NIH-funded, multi-center breast cancer study based at the University of Pittsburgh. NCI

officials have had fruitful conversations with top officials of the University. Discussions are coming to closure on a series of management controls, including on-site monitoring by NCI, to assure the integrity of the study in the near-term. In addition, the University has asked the principal investigator of the study to step aside and has appointed an interim replacement, who will serve until a determination can be made as to the future of the program.

NCI is keeping interested members of Congress, including Senator Specter and Reps. Dingell, Snowe, and Schroeder informed of progress on this issue.

- **AIDS Vaccine:** On Friday, June 17, the AIDS Research Advisory Council will hold a public meeting to decide whether testing of an experimental AIDS vaccine should be expanded to a larger group of volunteers. The meeting may attract media interest due to news reports from May 30-31 that five volunteers in a vaccine study had become infected. The five did not become infected from the vaccines, but through high-risk behavior during the course of the three-shot immunization.
- **Patient Dumping:** Within the next week, HCFA and the Office of the Inspector General expect to publish a regulation to implement a 1986 statute requiring Medicare participating hospitals with emergency departments to screen and treat individuals with emergency medical conditions and women in labor who present themselves to the emergency room. Hospitals failing to meet those requirements may have their Medicare provider agreements terminated, and hospitals and responsible physicians may be subject to civil monetary penalties.
- **Kentucky Sues Over Hyde:** On Friday, June 3, the State of Kentucky filed suit against the Department regarding our enforcement of the revised Hyde Amendment provisions requiring Medicaid funding for abortions resulting from rape or incest.

Housing and Urban Development

- **Risk Sharing Initiative with Fannie Mae:** On Wednesday, June 15, the Department will announce a new risk sharing initiative with secondary market agencies to increase the nation's supply of affordable housing. The Department will enter into partnerships with financial institutions which will share in the cost of multi-family lending.

Office of National Drug Control Policy

- **Rand Treatment Report:** On Monday, June 13, a Rand Report will be released that is supportive of investments in treatment and less enthusiastic about interdiction efforts to fight drugs. The report was funded by the U.S. Army, ONDCP and the Ford Foundation.

Department of the Interior

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Call
Wash
Post
May 1995
- **Mining Reform:** This is a critical week for mining reform. Senator Johnston is under immense pressure from industry to roll back the Chairman's mark as the Conference Committee approaches. In spite of a series of favorable editorials and op-eds in the Washington Post and papers throughout the West, industry is pulling out all stops to weaken the Chairman's mark against the ultimate threat of a Senate filibuster. If the Johnston proposals are undermined by industry pressure, it will be virtually impossible to achieve mining reform.

North Platte Water Rights Agreement: Interior is in the final stages of negotiating a three-state water compact for North Platte River water rights among Wyoming, Nebraska and Colorado. If the Department is able to finalize details today, Secretary Babbitt will fly to Colorado to join Governor Roemer in announcing this important agreement. The Department will also schedule media availabilities to support the work of Governor Sullivan and Governor Nelson.

Department of Agriculture

- **Appropriations Bill:** After some delay, the House Appropriations Committee is in the process of marking up the FY'95 Agriculture Appropriations Bill. The bill assumes adoption of crop insurance reform, passage of mandatory user fees on meat, poultry and egg inspection and implementation of the Department's reorganization proposal. It also includes full funding of the Women, Infants and Children (WIC) program.
- **Mexican Ban on California Poultry:** Mexican Director General Hector Campos Lopez notified the Department this past week that Mexico will ban imports of California poultry and poultry products due to an outbreak of *Salmonella Enteritidis* Phage 4. There is concern that Canada could follow Mexico's lead. The Acting Administrator of the Animal Plant and Inspection Service (APHIS), travelled to California this week to discuss biological controls to the outbreak with State officials. The Department is also exploring NAFTA considerations relative to the import ban.
- **Smokey the Bear:** Tuesday, June 14, is the 50th Birthday of Smokey the Bear. Assistant Secretary for Natural Resources and the Environment Jim Lyons will do a series of interviews on Forest Service efforts to prepare for fire season, particularly in California.

Department of Energy

- **Hanford Summit II:** On Thursday, June 16, Secretary O'Leary will co-sponsor the Hanford Summit II with Governor Mike Lowry. The purpose of the event is to facilitate dialogue among the States of Washington and Oregon, the Department and

local stakeholders including representatives of environmental groups, community economic development organizations, labor unions, whistleblowers and Native American Nations. This summit is a follow-up to one held last fall. Significant regional media coverage is expected.

- **Alternative Fuels:** On Tuesday, June 14, Secretary O'Leary will participate in a ceremony to open Amoco's first compressed natural gas (CNG) fueling station in Washington, D.C. Over the next several months, four more stations are scheduled to open. Developing this infrastructure is essential for the advancement of the alternative fuels market.

Environmental Protection Agency

- **Clean Water Act:** EPA continues to work closely with Chairman Max Baucus and Chairman Norm Mineta to forge consensus and pass the Clean Water Act. As part of that effort, EPA yesterday released a state-by-state breakdown of the economic benefits of the Administration's Clean Water bill. The report shows that the bill will reduce costs to state and local governments and will create jobs across the country.

HAITI

In anticipation of today's announcement of additional sanctions against Haiti, State has established a task force to handle inquiries and help coordinate the possible departure from Haiti of 8,000-10,000 U.S. citizens. Processing of Haitian asylum seekers will begin in Jamaica on or soon after Monday, June 13, when ships are on station with capacity to hold 2,000 persons. The USNS Comfort departed Florida on Tuesday for service in the vicinity of Kingston, Jamaica as a Haitian Migrant Processing Center. No formal announcement is planned for the start of offshore processing. Talks with Turks and Caicos representatives on a memorandum of understanding for processing there are continuing in Washington.

Department of State

- **Middle East Peace Process:** State's trilateral meeting with Jordan and Israel last week made important progress. The parties agreed to begin plans for joint development of the Jordan valley, for a highway linking Jordan, Israel and Egypt, and for expansion of civil aviation service and tourism. The two agreed to establish a Commission to facilitate work on these issues in the region beginning in July.
- **Rwanda:** Fighting between RPF and government forces continues, despite two recent U.N.-sponsored meetings between the two sides to discuss a possible cease-fire. The U.N. Security Council formally approved sending 5,500 peacekeepers to Rwanda to protect civilians but not to stop the fighting.

Department of Defense

- **C-17 FY'94 Contract Award:** On June 3, The Air Force awarded McDonnell Douglas the contract for the next six C-17 aircraft, which were authorized in FY'94. The contract is a Fixed Price Incentive Firm contract valued at \$1.6 billion. The Air Force also awarded a Firm Fixed Price contract to Pratt & Whitney valued at \$76.3 million to produce the engines for these C-17's.
- **Saudi Arabia Trust Fund:** Saudi Arabia again allowed its FMS Trust Fund balance to decrease to a critical level and continuing requests for deposits from the Defense Security Assistance Agency and the U.S. Embassy have not been successful. If new deposits are not received before cash balances are exhausted, DoD must direct stop work orders for ongoing production contracts and in-house supply and services for Saudi Arabia.
- **Partnership for Peace:** Twenty countries have now signed up for PFP including Kazakhstan which signed the framework document on May 27 and Krgyzstan on which signed on June 1. Preliminary planning is underway for the Polish PFP exercise in September.

United States Trade Representative

- **Japan:** Ambassador Kantor met with Special Envoy Matsunaga at the OECD Ministerial in Paris and reminded Matsunaga that the U.S. must make a decision on Title VII government procurement involving telecommunications and medical equipment by June 30. USTR also expressed concern over recent decisions of Japanese importers to stop importing American rice after they had asked the U.S. producers to hold all of their production for export to Japan.
- **Europe and the Mediterranean:** USTR will convene the first Ministerial level U.S.- Israel Free Trade Agreement Joint Committee since 1991. Discussion will include reconciling agriculture commitments in the Uruguay Round and FTA, government procurement, standards, beef imports and port fees.

United Nations

- **Georgia:** The Russians remain disturbed at our refusal to be more "approving" of their CIS (Commonwealth of Independent States) peacekeeping operation and link our attitude in this operation to their likely position on matters important to us.
- **Chad/Libya:** The French are preparing a letter welcoming the Secretary General's latest report on the completion of the Libyan withdrawal from the Aouzou strip in Chad. We expect to be able to support the French action, which will welcome a rare event: the successful completion, and termination, of a U.N.- mandated monitoring mission.

cc: Vice President Gore
Mack McLarty

PS from 6/10
CAB:net
Report

6-13-94

Department of the Interior

- **Mining Reform:** This is a critical week for mining reform. Senator Johnston is under immense pressure from industry to roll back the Chairman's mark as the Conference Committee approaches. In spite of a series of favorable editorials and op-eds in the Washington Post and papers throughout the West, industry is pulling out all stops to weaken the Chairman's mark against the ultimate threat of a Senate filibuster. If the Johnston proposals are undermined by industry pressure, it will be virtually impossible to achieve mining reform.

North Platte Water Rights Agreement: Interior is in the final stages of negotiating a three-state water compact for North Platte River water rights among Wyoming, Nebraska and Colorado. If the Department is able to finalize details today, Secretary Babbitt will fly to Colorado to join Governor Roemer in announcing this important agreement. The Department will also schedule media availabilities to support the work of Governor Sullivan and Governor Nelson.

Department of Agriculture

- **Appropriations Bill:** After some delay, the House Appropriations Committee is in the process of marking up the FY'95 Agriculture Appropriations Bill. The bill assumes adoption of crop insurance reform, passage of mandatory user fees on meat, poultry and egg inspection and implementation of the Department's reorganization proposal. It also includes full funding of the Women, Infants and Children (WIC) program.
- **Mexican Ban on California Poultry:** Mexican Director General Hector Campos Lopez notified the Department this past week that Mexico will ban imports of California poultry and poultry products due to an outbreak of *Salmonella Enteritidis* Phage 4. There is concern that Canada could follow Mexico's lead. The Acting Administrator of the Animal Plant and Inspection Service (APHIS), travelled to California this week to discuss biological controls to the outbreak with State officials. The Department is also exploring NAFTA considerations relative to the import ban.
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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

THE PRESIDENT HAS SEEN 6/13/94
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this on memo to
Kerry

MEMORANDUM FOR THE PRESIDENT

Purpose: The Alan Guttmacher Institute (AGI) will be releasing "Sex and America's Teenagers" today. The report raises a number of important findings about America's teenagers and is likely to receive press attention. It may also focus attention on your health and welfare reform proposals.

AGI is a major and well regarded research, policy analysis, and public education organization. Its efforts focus on reproductive health, including issues such as sex education, contraceptives, abortion, maternal and child health, and the use and availability of family planning services. In a field where there is often a lack of good data, AGI is viewed as using the best available data. Prior to the Reagan Administration, AGI did a substantial amount of work for the DHHS. The Department has recently awarded a \$2 million research grant to them.

This memorandum provides a brief summary of the AGI report and highlights the actions taken by your Administration to address many of the concerns raised in the report.

Steps to Unwed Teenage Parenthood

One helpful aspect of the AGI report is that it desegregates the various steps which lead a teenager to becoming an unwed parent and examines each. To become a parent, a teen must first have sex outside of marriage, must fail to effectively use contraception, must become pregnant, and must carry the pregnancy to birth while remaining unmarried. All of these behaviors have changed over time. The evidence provided in the AGI report suggests that to have an impact on teenage childbearing, it is imperative to intervene at each of the steps contributing to teenage parenthood outside of marriage.

Early Premarital Sex--It is widely recognized that early sexual activity has increased dramatically in recent years. While less than 30 percent of women began having sex before their 18th birthday in the mid 1950s, today almost 60 percent have. Nearly 3/4s of men have sex before the age of 18. Perhaps less well understood is that part of the pattern reflects a rather dramatic decline in the age of puberty (menarche) along with an equally dramatic rise in the age of marriage. Girls come of age 2 years earlier and marry 2 years later than they did a century ago. Thus the interval between puberty and marriage--the potential period for premarital sex--has widened by more than 4 years.

The report also highlights that we should not think that early sexual activity always involves young men and women of similar ages in consensual activity. The AGI report notes that almost half of women under 15 who have had sex did so involuntarily--"rape or forced to have sex against her will". The male partner is often considerably older. Some 20 percent of teen mothers who gave birth became pregnant by a man at least 6 years older, and 30 percent of mothers aged 15 reported the father was 21 or over. It may be difficult for teenage girls to insist on using contraception in situations like this--especially condoms, which require the cooperation of the male partner.

* (Use of Contraception--The good news in the report is the finding that contraceptive use is rising among sexually active teens. While less than half of all teens used contraception at the time of first intercourse in 1982, by 1988, nearly 2/3s reported such use. Nearly all of the increase can be traced to a dramatic rise in condom use. Condom use also has the benefit of significantly reducing the risk of acquiring a sexually transmitted disease (STD), though condoms are not one hundred percent reliable in preventing pregnancy. Indeed, some groups are now promoting the "double dutch" method of contraception, where both parties take steps, thus greatly reducing the risk of pregnancy and also reducing the dangers of STDs.

* (Teen Pregnancy--Unfortunately, though press reports have not emphasized this fact, the incidence of early sexual activity has increased faster than the use of contraception. Thus, while a smaller fraction of sexually experienced teens get pregnant, so many more women are having sex that teen pregnancies overall are up.

What are the numbers? (A Pregnancy Leading to an Unwed Birth--Many teen pregnancies do not lead to unwed births. Some women choose to marry before the birth of the child. This was relatively common in the 50s and 60s, but it is rare today. Adoption also is selected by a very small group of women today. Another group loses their child due to spontaneous abortion or premature birth. Finally some women have medically performed abortions. Abortions rose dramatically with the legalization of abortion, but since 1980, they have declined steadily. There is too little evidence to determine whether the decline in abortions was due to changing availability or altered attitudes regarding abortion and childbearing.

These trends together: more sexual activity, better contraception, changed patterns of pregnancies to birth, and declining marriage, adoption and abortion, have collectively led to the dramatic increase in unwed births to teens which plagues the country.

Who is At Risk

The risk of teen pregnancy is not shared equally. One of the most powerful charts in the AGI report is one which shows the proportion of women at each stage who are low income (below twice the poverty line) in 1994. Some 38 percent of all teenagers are in this disadvantaged group, yet 85 percent of all teens who become pregnant outside of

marriage come from such low income backgrounds. Why? Because at every stage along the way low income women are at greater risk: they are somewhat more likely to be sexually active, much less likely to effectively use contraception, and more likely to have a pregnancy lead to a birth.

The report also indicates that there are very heavy costs to those who become teenage parents.

Policy Directions

The AGI report calls for:

- sex education, including lessons on interpersonal skills to withstand the pressure to engage in sexual activity and accurate information about preventing pregnancy and STDs;
- clear messages to teenagers about the importance of making conscious decisions about whether or not to have intercourse; and
- easy access to contraceptive services, STD screening and treatment, and abortion to women of all income levels.

AGI calls for teenagers to be assured that access to confidential services, including abortion, be maintained and expanded, regardless of any changes to the health care system. On the issue of welfare reform, AGI asserts that denying eligibility to unmarried teenage mothers might cut the welfare rolls, but would not address poverty.

Issues and Administration Responses:

The AGI report underscores the need to pursue vigorously multiple initiatives for preventing adolescent pregnancy. Our approach encompasses a broad range of adolescent health and education services. As the Surgeon General and I have repeatedly emphasized, abstinence is, and will continue to be, an important component of our comprehensive strategy.

The proposals of this administration on health care and welfare reform are significant steps towards addressing many of the concerns raised by the AGI report.

Health Policy

The Health Security Act includes a comprehensive benefit package that would provide all teenagers access to preventive services including regular clinician visits and services for pregnant women with no cost sharing; and family planning services including prescription contraceptives. The Act also authorizes two new programs for school health

Page 4 - The President

education including motivating teens to avoid teen pregnancy and stay in school, and school health services targeted especially to those areas with high levels of poverty and high rates of health risk among children and youth.

In addition, your Administration has ended the restriction on discussing all pregnancy outcome options in the Title X Family Planning Program and has recommended an \$18 million increase in FY 1995 for family planning services.

Welfare Policy

The welfare reform proposal focuses on sending two clear messages to young people: you should not have children until you are able to nurture and provide for them, and if you do have a child, there will be clear responsibilities for both mothers and fathers.

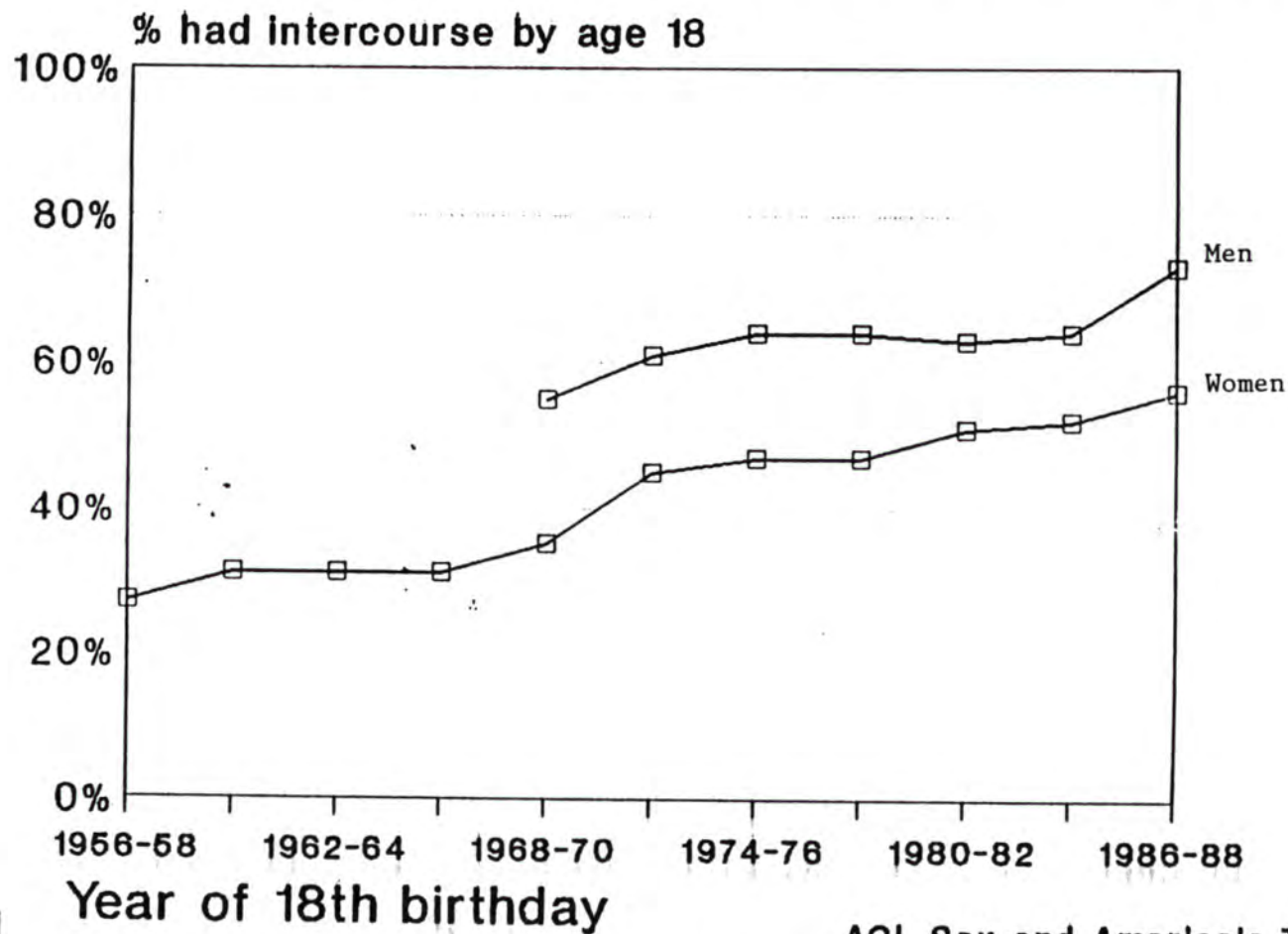
Specific proposals include a national campaign against teenage pregnancy. This will include teenage pregnancy prevention grants for areas with high poverty or high teenage birth rates and comprehensive service demonstration grants for various prevention approaches. It will require young people who have children to live with their parents or another responsible adult. It allows states to deny additional benefits to parents who conceive additional children while on welfare. It requires intensive case management for teens on AFDC and helps them access services such as parenting classes and child care. It seeks to ensure that paternity is established in every case, and that fathers meet their responsibilities along with mothers. It also encourages states to set up mandatory training and work programs for fathers as well as mothers.

In short welfare reform is heavily focused on sending a clear message of work and responsibility to young people while seeking to help young parents escape welfare and long term dependence.

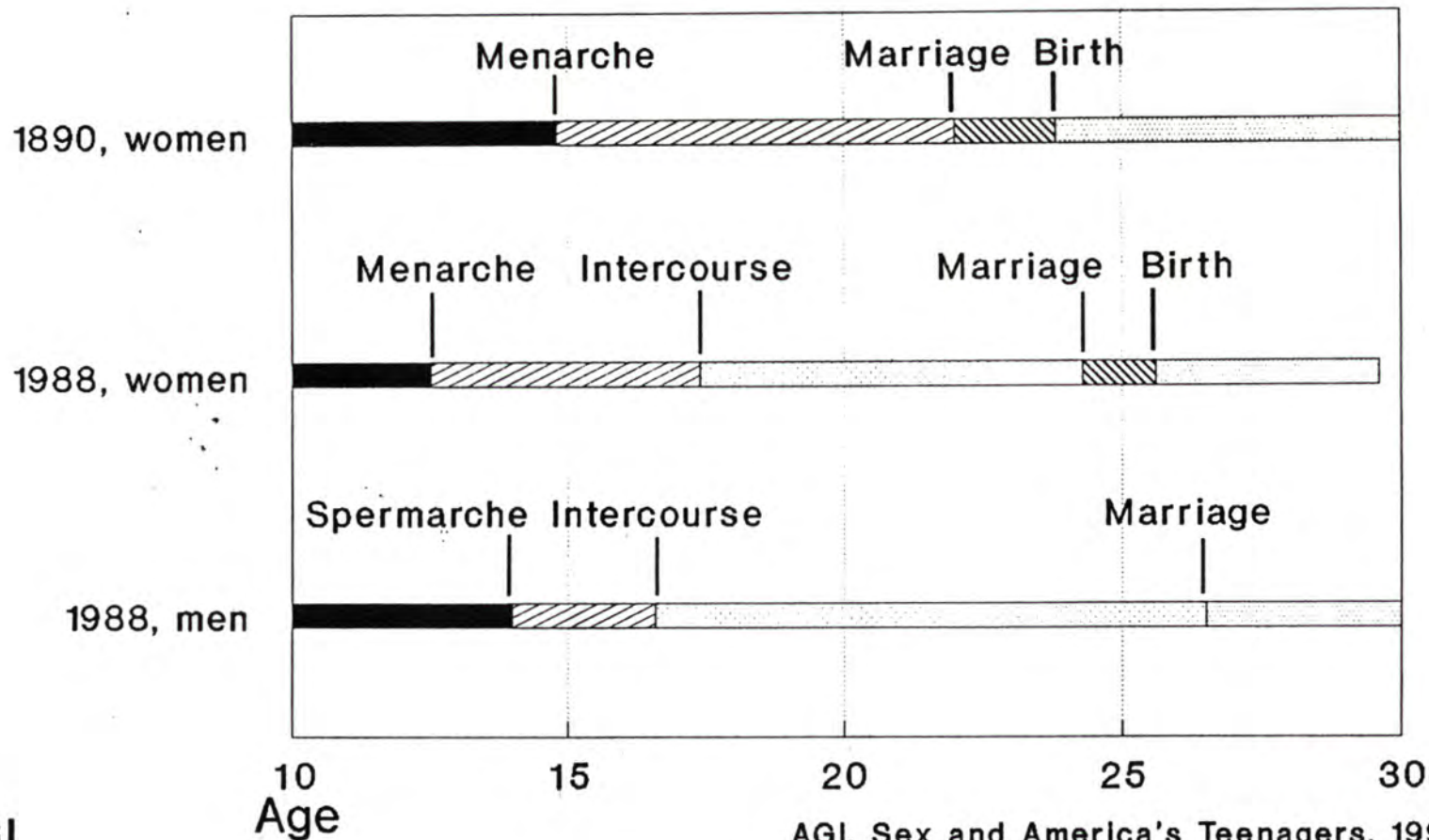


Donna E. Shalala

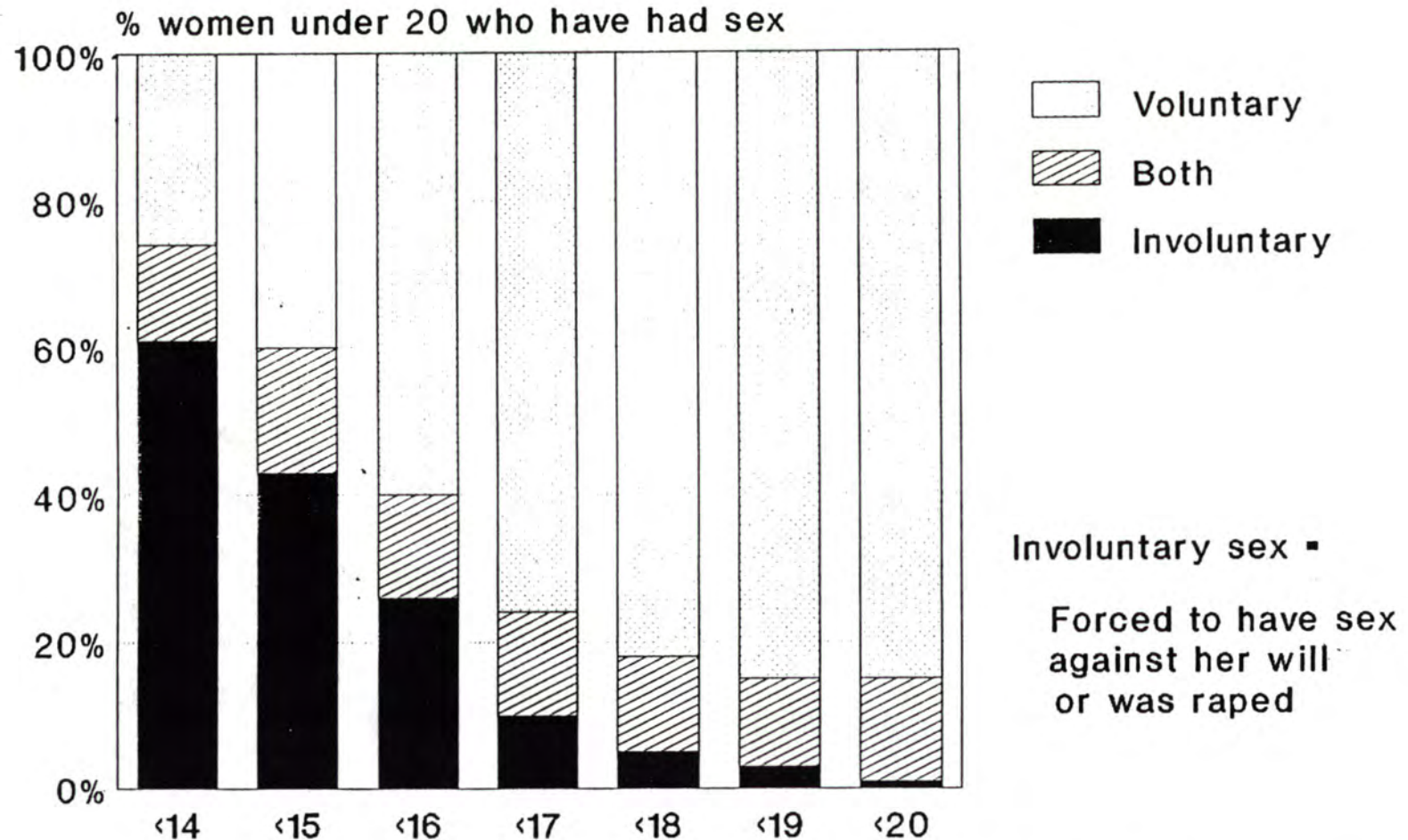
More women and men now begin sex as teenagers. Today 56% of women and 73% of men have sex before age 18



Interval from puberty to marriage rose for women from 7.2 to 11.8 years over last century; it is 12.5 years for men



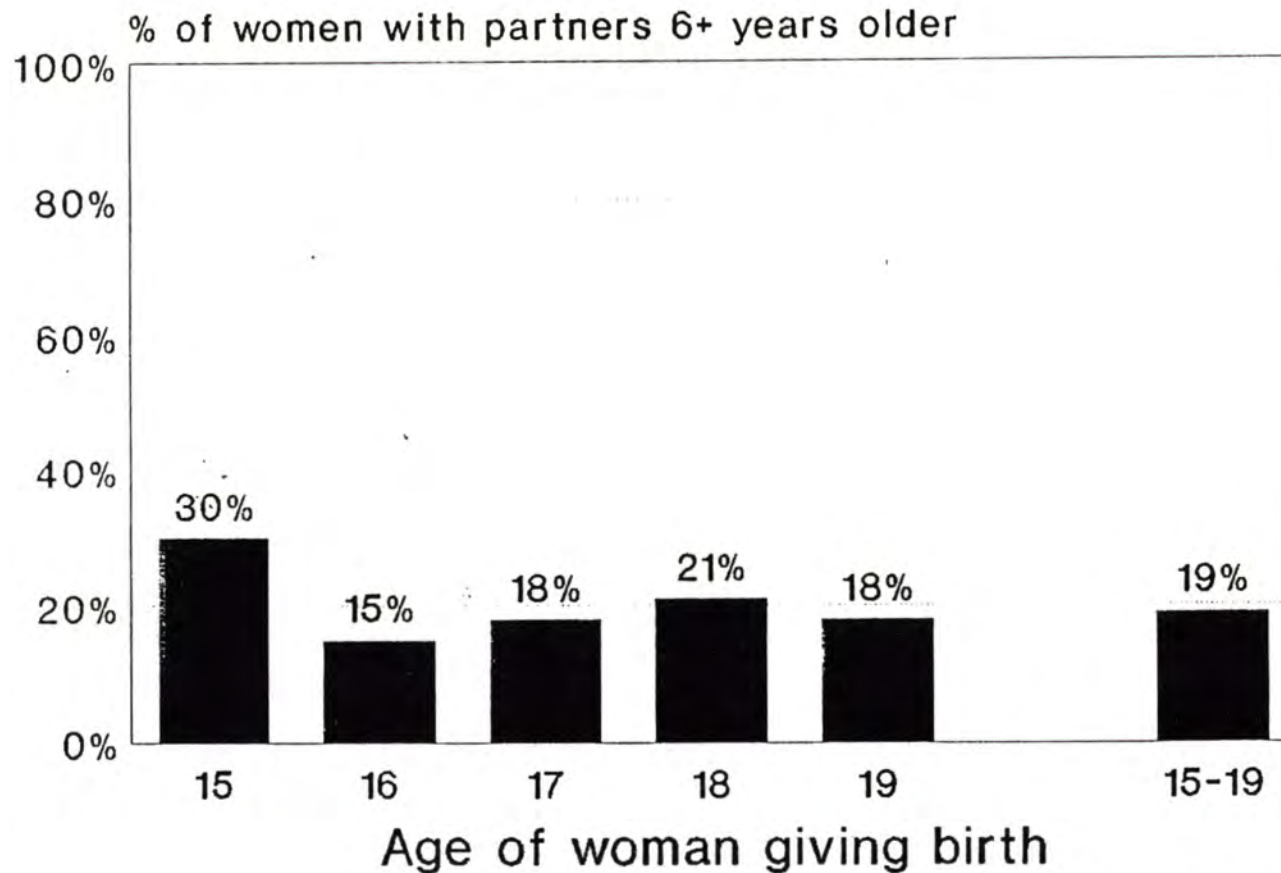
The younger a sexually experienced teen, the more likely sex was involuntary



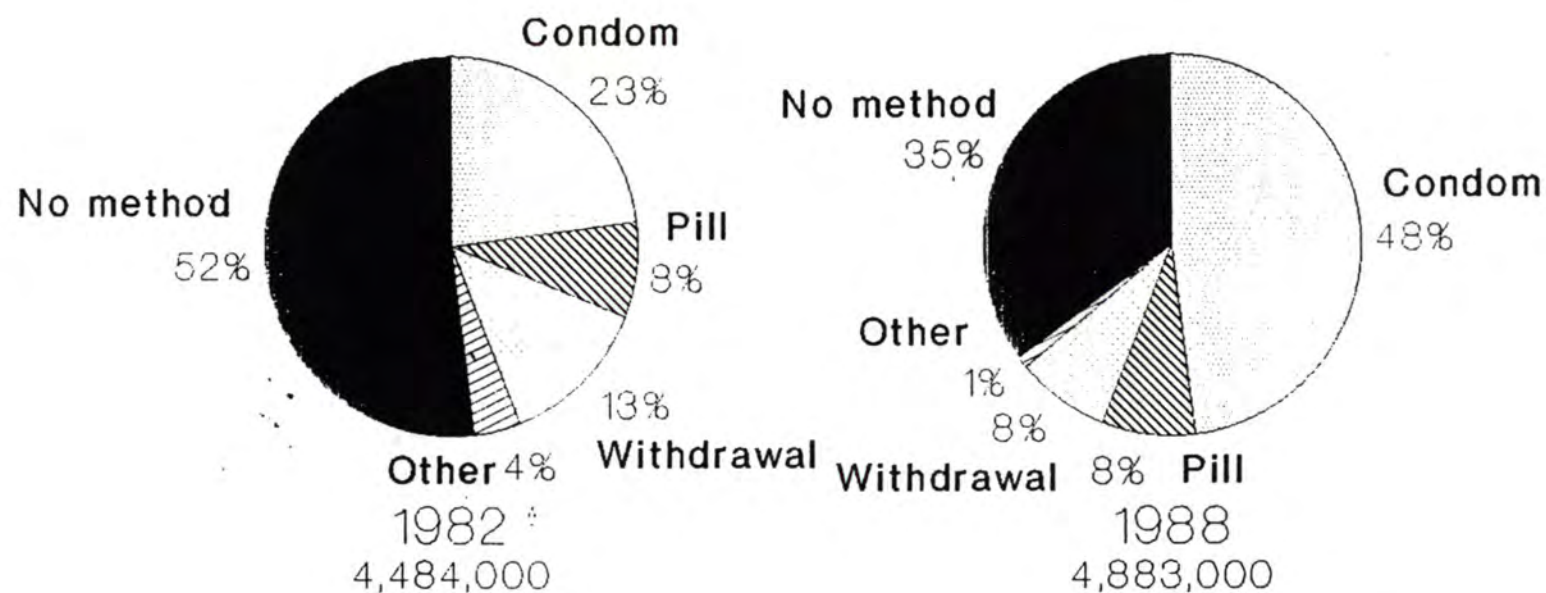
AGI

AGI, Sex and America's Teenagers, 1994

For many young women becoming mothers,
the baby's father is considerably
older - by six years or more

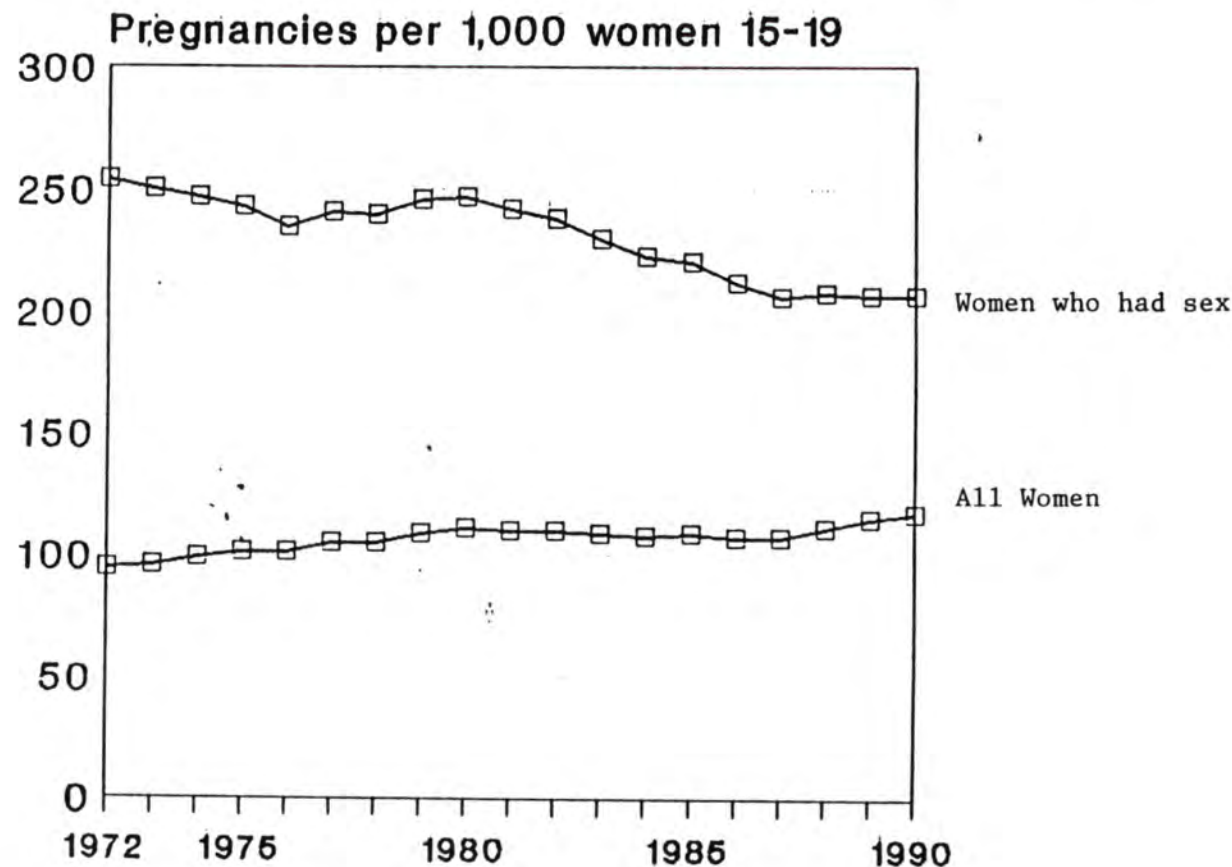


Contraceptive use at first sex rose from 1982 to 1988; condom use doubled.

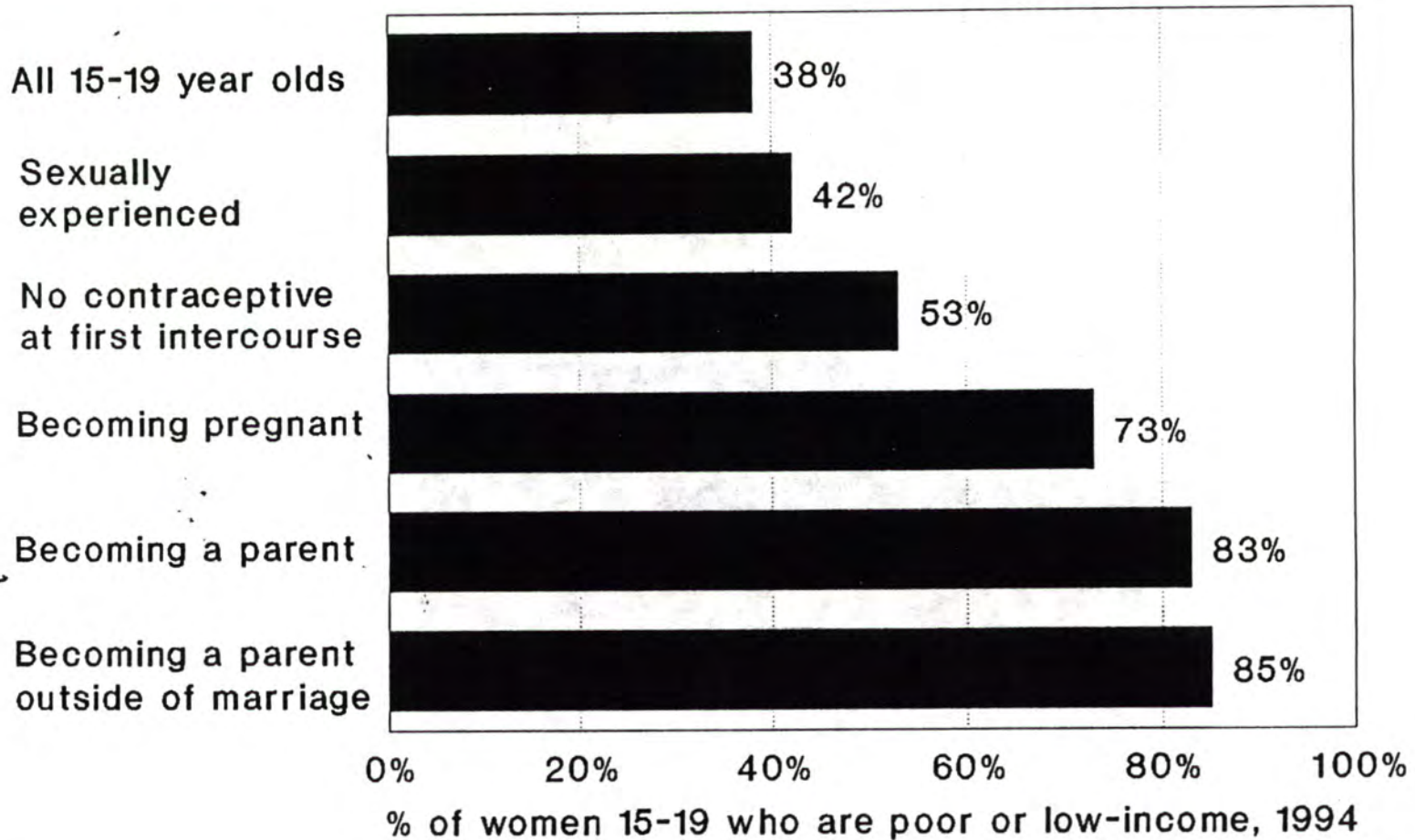


Sexually experienced women 15-19 at interview

Fewer sexually experienced teen women now get pregnant, but since more teens have had sex, total pregnancies are up



At each successive stage, teenagers are more likely to be already disadvantaged



AGI

AGI, Sex and America's Teenagers, 1994

less likely to have abortion?

Washington Post

EDITORIALS/COLUMNISTS C1

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and Opinion

THE PRESIDENT HAS SEEN 6/13

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BACY

The Secret Korea Debate

*Washington Teeters Between
Mind-Reading, Miscalculation*

By David Ignatius

AS THE Korea crisis slowly gathered momentum over the past several years, a debate has smoldered within the U.S. intelligence community over North Korea's intentions. Though it has mostly been argued in dry, bureaucratic prose, this debate could affect the lives of 37,000 U.S. troops based in South Korea, many thousands of whom could die in the first hours of a new Korean war.

As with most debates, the two sides in this quarrel can be loosely described as the pessimists and the optimists. The pessimists have assumed the worst about North Korea—that it is an implacable enemy rushing to build a nuclear weapons capability. The optimists have hoped for the best. They have argued that through negotiations, North Korea can be brought into compliance with international agreements to limit the spread of nuclear weapons.

President Clinton has generally been inclined to side with the optimists. But the evidence is mounting that this hopeful view is wrong—that the North Koreans have only played at allowing international inspection and supervision of their nuclear program—and that the Clinton administration has made a potentially disastrous error in judgment.

The intelligence dispute, as outlined by knowledgeable U.S. officials, has centered on two basic issues:

■ What is the goal of North Korea's nuclear program? Is

THE PRESIDENT HAS SEEN 6/13/94

IN THE YEAR 2000, UNDER REFORM:

- * 2.4 MILLION ADULTS WILL BE SUBJECT TO THE NEW RULES, INCLUDING TIME LIMITS AND WORK REQUIREMENTS.
- * ~~AND ALMOST ONE MILLION PEOPLE WILL EITHER BE OFF WELFARE OR WORKING:~~
 - * 330,000 PEOPLE WHO WOULD HAVE BEEN ON WELFARE WILL HAVE LEFT THE WELFARE ROLLS.
 - * 220,000 PARENTS WILL BE WORKING PART-TIME IN PRIVATE SECTOR JOBS.
 - * 390,000 PEOPLE WILL BE IN THE WORK PROGRAM: EITHER IN SUBSIDIZED PRIVATE SECTOR JOBS OR WORKING IN THE PUBLIC SECTOR.
- * ANOTHER 870,000 YOUNG RECIPIENTS WILL BE IN TIME-LIMITED SCHOOL OR TRAINING PROGRAMS LEADING TO EMPLOYMENT.
- * FEDERAL CHILD SUPPORT COLLECTIONS WILL HAVE MORE THAN DOUBLED, FROM \$9 BILLION TO \$20 BILLION.
- * TEEN PREGNANCY PREVENTION PROGRAMS WILL BE OPERATING IN 1000 MIDDLE AND HIGH SCHOOLS IN DISADVANTAGED NEIGHBORHOODS.
- * ALL HOSPITALS WILL HAVE PATERNITY ESTABLISHMENT PROGRAMS IN PLACE.
- * A NATIONAL CLEARINGHOUSE WILL BE IN PLACE, TRACKING FATHERS WHO OWE CHILD SUPPORT ACROSS STATE LINES.

Bleed

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- This moved in in new release
- go to all papers on them that endorsed
- give this to our radio address - ?



THE WHITE HOUSE
WASHINGTON

6-11-94

Mr. President

George just received the
attached from Sen. Moynihan.

George indicated you should
read this BEFORE you talk
with Moynihan.

bmc



Daniel Patrick Moynihan
New York

United States Senate
Washington, D. C.

June 10, 1994

Dear Mr. President,

I have just read your wonderful address to the French parliament with that notable passage about militant nationalism on the rise, "transforming the healthy pride of nations, tribes, religious and ethnic groups into cancerous prejudices, eating away at states...." And of the difficulty with which democracies face such a challenge.

Hence, I am moved to this act of hubris, or more forgivingly, *folie de grandeur*. Come July 1st it will be 50 years since I joined the United States Navy. I am alive today because of the atom bomb. Absent that, next July you would be visiting graves on Honshu, and a great many more than you visited in Europe. It is said that the atom bomb project began with a letter to Franklin Roosevelt from Albert Einstein. Obviously, I am no Albert Einstein but it occurs to me that I might be an intermediary. A year ago I received a letter from Edward O. Wilson, Baird Professor of Science at Harvard, to whom I had sent a copy of Pandaemonium. You may know that he has twice won the Pulitzer prize and that his work is considered by many to be the most important contribution to biology and evolution since The Origin of Species. It happens we have never met and so I was most surprised to received such a warm response. Particularly, the thought that the potential strength of the "core issue of ethnicity" was not

fully revealed until the overwhelmingly suppressive force of supranational ideology was lifted. It was an unintended experiment in the natural science mode: cancel one factor at a time, see what happens.

He went on to write that a "coiled and ready ethnicity is to be expected from a consideration of biological evolutionary theory."

May I suggest that the United States needs to address this subject with some of the urgency with which we addressed atomic issues a half century ago? The socio-biology approach is but one paradigm among several which need to be vigorously explored. There will be no secrecy about it and obviously, there can be no climactic event such as Alamogordo. But it may be that just as much is at stake. What better mission for the first ever incumbent President of the United States with an Oxford degree!

Respectfully,



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

THE PRESIDENT HAS SEEN 6/13

ROBERT TRENT JONES II
Golf Course Design and Recreational Planning

June 10, 1994

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

Dear Mr. President:

I was moved by your impressive performance in Europe and especially in the eloquent remembrances of the sacrifices by our armed services in Italy and, especially Normandy. From what I've heard from my many friends in Europe, they too were greatly impressed. Congratulations on an excellent job.

I look forward to seeing you again next week. I'll be there to help welcome and honor Emperor Akihito of Japan on Monday as well as Secretary O'Leary on Tuesday evening.

After mulling over our conversations, I would like to raise one matter with you. Multi-lateral initiatives have impressed me as often being highly effective. I found participation, with Ambassador Max Kampelman, in the CSCE process for many months in Madrid to be particularly productive. Thus I would hope you might consider appointing me to the United States delegation to the United Nations General Assembly for the fall session of 1994. If there is room for someone who might be able to work with delegates on environmental, human rights, and international economic issues, I would be proud to serve.

Thank you for your consideration.

Again, I would like to say that it was a great privilege and pleasure for me to play golf with you at the Robert Trent Jones Golf Club at Lake Manassas. Your

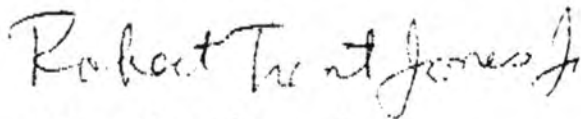
June 10, 1994

Page 2

game is strong and intense and if you have time for another round of golf, I would love to have a rematch. As you know, the inaugural President's Cup honoring presidents of the United States will be played among the U.S. professionals vs. the rest of the world, except Europe, at the Robert Trent Jones Golf Club in September. I hope to see you at that time as well.

Warmest regards,

ROBERT TRENT JONES II

A handwritten signature in cursive script that reads "Robert Trent Jones, Jr.".

Robert Trent Jones, Jr.
President

RTJ:gsn