

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	re: Special Defense Report (2 pages)	06/20/1994	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

June 19-25, 1994 [3]

2018-0662-S
rs3102

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

THE WHITE HOUSE
WASHINGTON

DATE: 6/22/94



TO: PAT GRIFFIN

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

Let's discuss.



THE WHITE HOUSE

WASHINGTON

June 21, 1994

94 JUN 21 P 6:01

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKS
SUSAN BROPHY

SUBJECT: Senate Confirmation of the CIA General Counsel

Purpose

To respond to the Senate Select Committee on Intelligence regarding confirmation of the CIA General Counsel.

Background

Senators DeConcini, Glenn and Warner have written to you requesting your support for Senate confirmation of the CIA General Counsel. Senator Glenn asked that you not respond until after the Senate Intelligence Committee marked up the intelligence budget. He was concerned that an unfavorable or ambiguous response would undercut his ability to get the proposal out of Committee.

The provision requiring Senate confirmation of the CIA General Counsel is part of the FY 1995 Senate Intelligence Authorization bill reported out of Committee last month and is expected to pass the Senate with little, if any, opposition. This proposal was first adopted by the Senate last year as part of the FY 1994 Senate Intelligence Authorization bill but was dropped in conference to allow the House to hold hearings on the proposal. No hearings have been held and the Administration was not asked and did not take a position on the matter.

The House has been generally cool to the idea in part because it has no role in the confirmation process and probably views the requirement as a means of enhancing Senate influence on the Intelligence Community at its expense. The House Intelligence Committee has scheduled hearings for the latter part of June. DCI Woolsey will be asked to testify on the Administration's views.

Arguments Opposing Senate Confirmation of the CIA General Counsel

Jim Woolsey opposes Senate confirmation of the CIA General Counsel. He argues there is no demonstrated need for confirmation and notes he is very satisfied with the CIA General Counsel. He also believes that making the position subject to

cc: Vice President
Chief of Staff

Senate confirmation would politicize the CIA and lead toward subjecting other senior intelligence positions to Senate confirmation. Nominations are routinely used by the Senate to leverage concessions or commitments from bureaucracies or individuals.

The DCI notes there are only three Senate confirmed positions within the Intelligence Community: the DCI, Deputy DCI and the CIA Inspector General (since 1989). The number of Senate confirmed positions has been kept intentionally limited to ensure intelligence activities and analyses are not influenced by advocates for particular policies.

Opponents believe making the CIA General Counsel a Presidential appointee could: divide the loyalty of the CIA General Counsel since he or she would also be directly accountable to Congress; provide the individual with a base of support independent from the DCI; effectively make the CIA General Counsel the lead counsel for the Intelligence Community (where now it is one among equals); and lead to Senate confirmation of additional senior CIA officials.

Arguments Supporting Senate Confirmation of the CIA General Counsel

Proponents argue that all elements of the US Intelligence Community except CIA are part of departments that have statutory General Counsels who are Senate confirmed Presidential appointees, including the Departments of Defense, State, Treasury and Energy.

Advocates also argue that the importance of the duties of the CIA General Counsel, especially with respect to ensuring CIA's full compliance with U.S. laws governing intelligence activities, has increased in the past two decades and are distinct from those of CIA's operational components. They argue that the responsibilities of the CIA General Counsel are in many respects more significant than those of other General Counsels because of the many unique and sensitive programs the CIA undertakes, e.g., covert action programs. Many of the legal issues confronting the CIA General Counsel must be handled without established legal precedents and the public discourse that aid General Counsels of other federal agencies.

The impetus for a Senate-confirmed General Counsel at CIA is also the result of several instances in which the performance of the CIA General Counsel's Office was called into question, most notably in the BNL-Atlanta case and the Iran-Contra affair.

In sum, proponents view Senate confirmation of the CIA General Counsel as a way to enhance public and Congressional confidence in the CIA by ensuring the qualifications and integrity of the agency's top legal advisor are independently vetted through the Senate confirmation process. Advocates further contend that Senate confirmation would increase the stature of the office, protect the independence of judgment of the General Counsel, improve public accountability, and would not impair the authority

of the DCI since the proposed legislation would allow the DCI to remove the General Counsel at his discretion. Proponents contend they have no desire to seek Senate confirmation of additional senior level CIA officials.

While there are strong arguments in favor of confirming the General Counsel (as well as against), Jim Woolsey remains strongly opposed. Your support of the provision will be seen as undercutting the DCI who is already under siege on the Hill. We therefore recommend that you support the DCI at this time but that you not put a great deal of personal effort into opposing the provision.

RECOMMENDATION

That you oppose Senate confirmation of the CIA General Counsel and sign the letters at Tabs A, B and C.

Approve _____ Disapprove _____

Attachments

Tab A	Letter to Senator DeConcini
Tab B	Letter to Senator Warner
Tab C	Letter to Senator Glenn
Tab D	Incoming Correspondence

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Thank you for your letter seeking my support for a provision in the FY 1995 Intelligence Authorization Act requiring Presidential nomination and Senate confirmation of the CIA General Counsel. Based on the recommendations of my national security team, however, I must oppose such a provision at this time.

As I have stated in the past, my Administration is deeply committed to the principles of accountability embodied in the Congressional oversight process and to the rule of law. I expect the highest standards of professional responsibility from the General Counsels serving in my Administration, whether or not they have been confirmed by the Senate.

I look forward to continued consultation with you on this and other issues affecting the well being of the Intelligence Community.

Sincerely,

The Honorable Dennis DeConcini
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

Dear Senator Warner:

Thank you for your letter seeking my support for a provision in the FY 1995 Intelligence Authorization Act requiring Presidential nomination and Senate confirmation of the CIA General Counsel. Based on the recommendations of my national security team, however, I must oppose such a provision at this time.

As I have stated in the past, my Administration is deeply committed to the principles of accountability embodied in the Congressional oversight process and to the rule of law. I expect the highest standards of professional responsibility from the General Counsels serving in my Administration, whether or not they have been confirmed by the Senate.

I look forward to continued consultation with you on this and other issues affecting the well being of the Intelligence Community.

Sincerely,

The Honorable John W. Warner
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Thank you for your letter seeking my support for a provision in the FY 1995 Intelligence Authorization Act requiring Presidential nomination and Senate confirmation of the CIA General Counsel. Based on the recommendations of my national security team, however, I must oppose such a provision at this time.

As I have stated in the past, my Administration is deeply committed to the principles of accountability embodied in the Congressional oversight process and to the rule of law. I expect the highest standards of professional responsibility from the General Counsels serving in my Administration, whether or not they have been confirmed by the Senate.

I look forward to continued consultation with you on this and other issues affecting the well being of the Intelligence Community.

Sincerely,

The Honorable John Glenn
United States Senate
Washington, D.C. 20510

DENNIS DeCONCINI, ARIZONA, CHAIRMAN
JOHN W. WARNER, VIRGINIA, VICE CHAIRMAN
HOWARD M. METZENBAUM, OHIO
JOHN GLENN, OHIO
J. ROBERT KERREY, NEBRASKA
RICHARD H. BRYAN, NEVADA
BOB GRAHAM, FLORIDA
JOHN F. KERRY, MASSACHUSETTS
MAX BAUCUS, MONTANA
J. BENNETT JOHNSTON, LOUISIANA
ALFONSE D'AMATO, NEW YORK
JOHN C. DANFORTH, MISSOURI
SLADE GORTON, WASHINGTON
JOHN H. CHAFEE, RHODE ISLAND
TED STEVENS, ALASKA
RICHARD G. LUGAR, INDIANA
MALCOLM WALLOP, WYOMING

GEORGE J. MITCHELL, MAINE, EX OFFICIO
ROBERT DOLE, KANSAS, EX OFFICIO

NORMAN K. BRADLEY, STAFF DIRECTOR
JUDITH A. ANSLEY, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-8475

SSCI #94-1260

April 1, 1994

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

Dear Mr. President:

Last year, in its consideration of the Intelligence Authorization Act for Fiscal Year 1994, the Senate Select Committee on Intelligence (SSCI) added a provision in its mark-up of this legislation requiring Presidential nomination and Senate confirmation of the CIA General Counsel.

Ultimately, this provision was not included in the conference agreement with the House Permanent Select Committee on Intelligence (HPSCI) because of the HPSCI's desire to first hold hearings on this provision. As stated in the conference report, "[a]s a matter of comity and without prejudice to its position on the matter, the Senate recedes to the House... to allow the House the opportunity to conduct its hearings on the matter. The conferees expect that the matter will be addressed in the process of considering the Intelligence Authorization Act for Fiscal Year 1995."

We are writing to request your support for this provision as we consider your request for the Intelligence Authorization Act for FY 1995.

We believe that Senate confirmation of the CIA General Counsel will enhance the accountability of the individual holding this important post. The confirmation process has become an increasingly important means to ensure the accountability of senior level Executive Branch officials to the American people through their duly elected representatives in the Congress. This is particularly true of the CIA, which is unique among all federal agencies in the level of trust it demands from the American public and the Congress.

Senate confirmation is a constructive means of enhancing public and congressional confidence in the senior leadership of the CIA. This is accomplished not only by ensuring that the nominee has the necessary qualifications for the job, but that the nominee is also firmly committed to the intelligence

oversight laws and will be truthful, candid, and forthcoming in dealing with the Congress. Through the record established during confirmation, the nominee and the SSCI can clarify and establish a common understanding of the position's role and responsibilities, develop a constructive working relationship, and define the appropriate constraints on CIA activities. This process will go a long way toward avoiding problems as a result of misunderstandings, which in turn could lead to abuses of authority.

All General Counsel positions (or the equivalent) in all Departments and many agencies currently require Senate confirmation -- including all elements of the Intelligence Community except the CIA. The CIA should be treated in the same manner as other departments, including those having national security responsibilities.

The responsibilities of the CIA's General Counsel are in some ways more significant than those of other General Counsels in view of the extreme sensitivity of CIA programs that directly affect our nation's security. Many of the legal issues are unique to the CIA and have to be treated without the extensive public discourse and numerous precedents that aid other General Counsels. In addition, since the CIA General Counsel's Office is also the point of interface with the Department of Justice and the courts, it is essential that the CIA have someone in this position who not only understands intelligence, but the law enforcement system and judicial process as well. The CIA General Counsel deserves the status of a Presidential appointment and Senate confirmation as well as the prestige that this status will give the incumbent in inter-agency deliberations.

Senate confirmation of the CIA General Counsel is not a new idea. Indeed, it has been recommended to the Senate several times over the last two decades -- by both the Church Committee and the Iran-Contra Committee. Concerns about the operation of the CIA General Counsel's Office were raised more recently. Last year, SSCI staff completed an investigation of the Intelligence Community's role in the BNL-Atlanta affair and documented a number of instances where the performance of the CIA General Counsel's Office was deficient.

Some have argued that requiring Senate confirmation of a senior position at the CIA -- or anywhere else in the federal government -- somehow "politicizes" the office. In fact, just the opposite is true. The confirmation process can only block

The President
April 1, 1994
Page Three

the President from appointing a particular individual -- it cannot compel the nomination of anyone with a particular viewpoint preferred by the Senate.

Indeed, Senate confirmation will help prevent politicizing the position of the CIA General Counsel by raising the standards of this important post. Because the nominee must appear before the Senate Select Committee on Intelligence, the nominee is more likely to be scrutinized carefully -- by both the Executive Branch and the Congress -- than otherwise. Requiring Senate confirmation of the CIA General Counsel is no more likely to politicize the operation of the Central Intelligence Agency than would the existing requirement to confirm the Director of Central Intelligence, the Deputy Director of Central Intelligence, and the Inspector General.

The two intelligence oversight committees were established almost 20 years ago precisely to seek greater accountability of the CIA and the rest of the U.S. Intelligence Community. We know you share this objective. As you stated in a letter to the Senate Majority Leader on December 27, 1993: "...I remain committed to the principles of accountability embodied in the Congressional oversight process." We are convinced that Presidential nomination and Senate confirmation of the CIA's General Counsel will serve to strengthen the accountability of the CIA -- and ultimately enhance the effectiveness of this important agency.

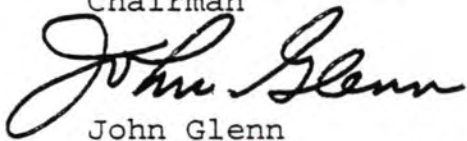
We would appreciate your support for this provision.

Best regards.

Sincerely,


Dennis DeConcini
Chairman


John W. Warner
Vice Chairman


John Glenn
United States Senator

cc: The Honorable R. James Woolsey
Director of Central Intelligence

THE PRESIDENT HAS SEEN
6/22/94

THE WHITE HOUSE
WASHINGTON

June 18, 1994

MEMORANDUM FOR THE PRESIDENT
FROM: MACK McLARTY
SUBJECT: AFSCME CONVENTION

Attached is Joe Velasquez's memorandum which summarizes with some advocacy Jerry McEntee's request that you appear at the AFSCME Convention, June 28, 29 or 30.

Jerry has called Joan Baggett, Joe, and me about this, and it is a huge deal to him. I don't believe you spoke at last year's convention, although there will, of course, be 1995. We need to give Jerry a decision, and Harold, George, and I thought you should be aware of the situation and provide us with your guidance.

June is a full month, San Diego is a long way away, and speaking at the AFSCME Convention is somewhat off message. But still, Jerry and AFSCME were there when it counted, and continue to be good friends.

It is a close and difficult call. What else is new. Please give me your guidance at your earliest convenience.

Attachment

cc: Joan Baggett
Harold Ickes
George Stephanopoulos

McL

cc
Ricks
Hatch

To be declined
Tues day 6/29 or
Wed 6/30 or
Thurs 7/1
on way but a
few more weeks
on WWS

THE WHITE HOUSE
WASHINGTON

June 14, 1994

MEMORANDUM FOR MACK McLARTY

FROM: Joe Velasquez
SUBJECT: AFSCME Convention

I understand you spoke with Jerry McEntee yesterday concerning his union's convention in San Diego. I want to underscore the importance of this event for the President.

There's no question that AFSCME is one of the President's leading supporters. They are always there with people and financial resources when we need them. They were the first big union to support the President when all the others were going the other way. They have been out front on almost every issue important to us. They have made major financial contributions to the health care campaign – well beyond what should be expected by any one union.

Jerry McEntee has to demonstrate the close relationship between the President and the union to justify to his members the investment they have made in Bill Clinton's Administration. If we can't get the President to San Diego on June 28, 29 or 30, one of our strongest supporters will face an embarrassing political problem.

Your help in making this happen will be appreciated. Thanks.

cc: Joan Baggett
Harold Ickes

THE PRESIDENT HAS SEEN

GS/Gergen/Bee
Fyi - on copy to.
my pers. file - ~~from~~
we should include
to some columnists -
B.

Dale Bumpers

NORTHWESTERN UNIVERSITY LAW SCHOOL ALUMNI
Chicago, Illinois
May 9, 1994

I usually scribble off a few notes before a speech -- then, for expediency and pure laziness, say roughly what I've said in the last 8 - 10 speeches, which is mostly partisan rhetoric. But I've learned that people aren't much impressed with rhetoric, especially of the partisan variety. As a matter of fact, most people just aren't very partisan -- outside of the Washington types. As a matter of fact, despite our best efforts Congress has yet to convince people that most politicians aren't corrupt, and that they do care about them. I don't know what does impress people now-a-days. People are a contradiction. They say they want us to quit worrying about the next election and cast courageous votes. But a courageous vote is by definition an unpopular vote, and then we get their scorn because we "don't care what they think. We do as we please." The other night, in our continuing effort to convince people how righteous we are, we were making fools of ourselves trying to one-up each other by proposing bans on all gifts and travel, a 15% pay cut, a resolution that would require everyone who voted for a 15% pay cut to actually take the cut, and then a counter resolution that would require those who voted against the last pay raise, three years ago, to return all of the raise. Phil Gramm, in an unusual spate of brilliance, said we were missing the point. He went on, "People aren't concerned about what we're doing to ourselves, they're interested in what we're doing to them."

Rush Limbaugh, one of our new national heroes with no value scale or moral compass, loves evenings like that, and he knows how to get the glands going. He loves to embellish, when the truth would do just fine. He says national health insurance promises the efficiency of the Postal Service with the compassion of the I.R.S., and that is dutifully chuckled over in every coffee shop the next morning. When I say he has no value scale, I don't know of anything he's ever championed that comports with what most of us agree are our values. He seems totally indifferent to 38 million people who have no health insurance, and millions more going broke trying to keep from joining them -- or the 81 million who, if they lost their insurance today, would be uninsurable because of a pre-existing condition. I see big signs on cars that say "Rush is right" and I wonder about what. Garrison Keillor says Rush never voted in a presidential election till 1988. He said, "I guess it took him a while to figure out what he thought, and if I thought what he thought, I'd still be puzzled by it. It must be fun to say what Rush Limbaugh says, but imagine having to believe it and base your life on it." I sometimes think most people have given up trying to figure out what they think. Life is just too complicated and contradictory.

They seem to be willing to let the print and electronic media do their thinking for them. They say they don't believe what they read and hear -- but they have no choice. The serious question today, and the question we must all face, is whether any political system can withstand the media's withering, relentless drumbeat of suspicion, contempt and accusations against just about everybody but Mother Teresa. I'm having quite a time trying to figure out just how serious the problem is, but I have concluded that, for more reasons than I have time to enumerate, the trends are potentially lethal.

The President is from my state and has been a close friend for many years. So I, too, feel stressed out with Whitewater, new accusations of sexual harassment, and Hillary's futures trading.

As I watched Richard Nixon's funeral service, I reflected on my long-held conviction that Watergate was the catalytic event which brought on Whitewater and everything in between. As I sat pondering about the last 20 years, my conviction was fortified. Unlike lawyers who are taught, if nothing else, that words have meaning, and that you use them carefully, reporters use "Whitewater scandal," "troopergate," and "bimbogate" to recklessly convey much more than is there. Sam Dash -- Watergate counsel -- said the only similarity between Watergate and Whitewater was the word water. Think of the millions who originally thought Cardinal Bernardin must be guilty before his accuser recanted. Woodward and Bernstein put the bit in every reporter's mouth, and now most of them sit in judgment on every single personal and public act, and no good deed goes unpunished. Where once 60 MINUTES had it all to themselves, and the evening news was 15 minutes, there are now nine copycats on network TV, not counting HARD COPY. So don't forget that we're talking big money and big competition -- between the anchor men and women, other star reporters, TV vs. print media, network against network, and so on. These tabloid TV shows are cheap to produce, are pure "show biz," and are very profitable.

What we call the "news hole," -- news space in papers and periodicals and time on radio and TV -- has grown exponentially in the past 30 years, and it is now impossible to fill that big hole every day with "straight on" news. What Congress, airplane crashes and parking meter scandals don't fill will be filled with opinions and big non-breaking feature stories. The atmosphere is so poisoned that in a poll in Iowa 73% of the respondents said the Mayor was involved in the parking meter scandal, and the town didn't have parking meters. So the adjectives, the innuendos, the insinuations, all of which require follow-on stories, each embellishing the previous story, grow, and the citizenry grows more and more cynical because there's little to counter the daily conventional wisdom.

The President told me he had just read a book by a Syracuse professor. He illustrated the difference between reporting in 1960 and today. In 1960 John F. Kennedy said there was a missile gap between the United States and the USSR, and if elected, he would close it. That story today would begin, "JFK, in an eleventh hour, desperate attempt to salvage a sagging campaign . . .".

Newsweek doesn't really suffer much for its deception and errors. It reported that Hillary Clinton put up no money to engage in cattle futures. False. Time had a misleading picture of Bill Clinton and George Stephanopoulos on its cover depicting their serious concern over Whitewater, but the picture was six months old. NBC issued a simple apology to GM for simulating a truck explosion and representing it as real. But people can't vote Newsweek and Time and NBC out of business or really punish them in a way calculated to change their conduct. So couple that fact with the big protection they have with New York Times v. Sullivan on their side, and there's little reason to be more responsible. A Senator told me last week he would never again vote to confirm a Supreme Court Justice who was not committed to reversing that decision.

Writings of both history and current events have always had a relative bent -- that is, they are written with a personal slant by someone. I never read an autobiography in which all the author's dire predictions hadn't come true, and every unheeded piece of advice had cost the unheeder dearly. Churchill's "Gathering Storm" comes to mind. And more currently -- Dan Quayle's book. Quayle said George Bush lost because he refused to heed Quayle's advice on a host of matters, notably listening to James Baker instead of Dan Quayle. And I can read a story of Whitewater or just about anything else and tell you what the writer's personal view is.

Is all of this cause for alarm because things are indeed different and do indeed represent a threat, or is this simply the musings of those of us who have developed something of a siege mentality because we feel abused, and because the press portrays a collective guilt and doesn't distinguish between the thoughtful and the charlatan? Those who seek perpetual reelection and those who really care about our future? Is public service really being shunned by those who should seek it, or is all this talk about what the media are doing to the country simply the whining of those who seek adoration and get contempt? You might ask yourself when you last heard a person, friend or anyone else you respect say they would seek a political career. Even people who are willing to run for office usually say they're running to get rid of the politicians, because they're corrupting the political process. I come from the Harry S. Truman school. HST was asked, "Mr. President, how does it feel to be an 'elder statesman'?"

Answer: "I'm not an elder statesman. I'm a politician and damned proud of it."

I believe the problem is real and getting worse and that the erosion of people's faith is a threat to our system.

Some quote Will Rogers to prove things have always been thus. He used to say to the nostalgics who longed for yesteryear that, "Things ain't like they used to be, and they never was." Funny, but not really true. Things were different then. My generation didn't have as much money, all the electronic gadgetry and modern contrivances, running water, electricity, alarm systems, fancy cars, and air conditioning, and those things are indeed nice. It's hard to imagine life without them. But we didn't have 230,000,000 guns - 65,000,000 handguns - in private hands, the highest crime rate in the world, nobody had bars on his or her windows. We didn't have an illegitimate birth rate that is the shame of the nation, nor were 82 percent of all children born out of wedlock certain to be on welfare by age 18. Things indeed ain't what they used to be.

Small numbers of single issue ideologues always believe that they are a vast majority and that Congress delights in thumbing its nose at them. Pat Robertson, Jerry Falwell, Rush Limbaugh, Pat Buchanan and many more come to mind. It is truly amazing how much hate TV preachers can generate. My mail often begins, "I know you're trying to please all the liberals" etc. Arkansas is about 2 percent liberal now. They want town hall meetings all across America with the results electronically tabulated and binding on Congress and the President. Then, we wouldn't really need those clowns in Washington anyway -- though those clowns have somehow provided us with 205 years of uninterrupted freedom -- unparalleled anywhere in the world. Even so, our democracy is fragile, always hanging by a slender thread.

While most great civilizations and empires have degenerated and fallen, the reasons were mostly because of corrupt leadership, military misadventures, pure moral degeneracy, etc. We have no record of a collapse because of miscreant media, but I believe that's possible.

The solution is not solely in repealing New York Times v. Sullivan, though I'm coming around to believing that may be necessary. Certainly, we are very reluctant to tinker with the First Amendment. A highly sophisticated electorate would be the most desirable solution. But pending that happy day there are a few rather mundane interim things that could be done.

Some wealthy foundation could set up a alternative to the Pulitzer prize and announce with great fanfare the newspapers, periodicals, radio and television news - local and national -

which had proven to be the most inaccurate and irresponsible during the preceding year. Another award for the single most inaccurate and damaging story. Another award for greatest demonstrated bias by either a reporter or a newspaper. There are endless possibilities. Even tabloids could be judged in a separate category. There are a number of organizations and groups that do this now, but they are all highly partisan or philosophical. Objectivity would be essential to the credibility of such a group. Bar associations comply with the Canon of Ethics -- doctors have their own Hippocratic Oath and Code of Ethics. Why not the media? I promise you no reporter, network, newspaper or periodical would want his or her or its name on the list.

I have great faith in the ultimate judgment of the people when they're given the facts, but in the short term people can be wrong -- wrong because of either a lack of or distortion of the facts. The South once believed in slavery -- women were once subservient -- minorities had no rights. The list of former wrongs that were acceptable is endless. Harry Truman told me once that the only time we ever get in trouble is when there's some lying S.O.B. sitting in the Oval Office. (Nixon happened to be sitting there at the time.) But there are ways other than having a lying President for a nation to get in trouble and we should be willing to talk about them.

In fairness the press has served this nation admirably and nobly at times. Joe McCarthy ran roughshod over innocent people with scurrilous attacks and totally false accusations, which Americans believed until finally one reporter -- Ed Murrow -- took him on. But before that, people were looking under their beds every night for Communists, and virtually every politician was frozen with fear of being charged with something by McCarthy. Harry Truman was virtually alone among politicians who called McCarthy what he was -- a skunk.

There are plenty of legitimate issues on which to report the pros and cons, plenty of room for honest debate on the affairs of the day. But we are on a course where the aberrational exception is reported as the rule; that reports Whitewater as misconduct, a scandal, without a shred of evidence, that causes ever-increasing distrust of everyone in the political system. And I personally believe the best and brightest are indeed shunning their civic obligation by refusing to become involved. Politicians are pretty much normal human beings -- subject to all the human foibles. But the fact that their mistakes, errors, lapses, and sometimes questionable conduct are so widely reported guilt is instantly assumed in advance of the real story.

There was a time when we were engrossed in the sex lives of Hollywood stars, but it became obvious over time that Hollywood

stars could care less what was reported. In addition, the people had no way of punishing them for their peccadillos, so the media gave up and turned to Washington, where people can punish their elected officials at the polling booth.

Back to shunning politics. When I was a lad, my father instilled in his three children the idea that politics is a noble profession. I used that theme when I ran for Governor. I believed it then, and I believe it now. Even so, I have now reached the point where I cannot bring myself to encourage my own children to choose a political career. There are indeed some highs, but there are many more lows. There is adulation enough for those who live on approval. But the hate mail, which has grown exponentially since I went to the Senate, is a big offset. Incidentally, some of the most vicious letters I receive are signed "Yours in Christ."

There has also been an accompanying increase in uncivil conduct. People are not as courteous. "Thank you," "please," "excuse me," and "I'm sorry" are heard less and less frequently, and virtually never on TV or in the movies, from which most of our conduct derives these days.

Politicians do not deserve sympathy, nor do I know many who seek it. I was most reluctant to even discuss these problems this evening because of the general belief that politicians are a whining, "poor me" bunch. I agree with Harry Truman that if "you can't stand the heat, stay out of the kitchen." But there is a difference in criticism of policy decisions, to which I suspect Harry Truman was referring, and personal vilification, to which the present President and others are being unrelentingly subjected. There is a vast chasm between legitimate criticism of a vote or policy decision, and impugning one's motives for such a vote.

The Wall Street Journal seems on the verge of hysteria where Bill Clinton is concerned. Recently, Anthony Lewis reported that the Journal's editor made the point on a TV talk show that Clinton only got 43 percent of the vote. Lewis reminded him that that's 3 percent better than Lincoln did. I would add that it's about the same as Richard Nixon did, and slightly less than Harry Truman.

I have not lived long enough to feel comfortable with a prediction as to how or whether our system will survive, or what specific things we can do to ensure its survival. As a matter of fact, the only reason I feel reasonably sure that the danger is increasing is because I have lived long enough to observe the trends and know that they are dangerous, and because a comparison of societal values of the past and now is pretty alarming.

A dramatic improvement in our educational system, especially in the humanities, would provide me considerable comfort, but I don't see that happening. A national leader with great knowledge, integrity and leadership who could go over the heads of those who always critically analyze every jot and tittle would help, but that has been a real rarity. Bill Clinton has been more successful than most at that.

Our system is probably inferior to a parliamentary system in choosing leaders, mostly because we pick ours by television appeal, and don't really know the true fiber of the people we're supporting, while Prime Ministers are picked by their colleagues, who know them best.

Finally, people may become so indifferent, because they have OD'd on the lurid details of every sex escapade, every peccadillo, every ethical lapse, that they will choose to ignore both the media and the process. This is already being reflected in the fact that only about 50 percent of the people vote, and that has its own set of problems.

I honestly believe in the collective judgment of people once they get the truth and have a chance to reflect on it. I also believe television lenses can reveal to voters a great deal about one's character, if one is given the opportunity of more than a 3-second sound bite or 30-second commercial. Those lenses cost Richard Nixon the presidency in 1960.

I divinely hope we can mesh a more responsible press with a more enlightened electorate, and a more intellectually honest Congress.

Harry Truman talked about trusting people with the truth, something politicians have a very difficult time doing because, as Walter Lippmann said, "The key to political survival is in not being right before its popular." But I agree with Truman.

I was the only Senator from the South to oppose a Constitutional amendment on prayer in schools. My opponent was having a field day, until one evening at a large political rally I had an opportunity to tell the audience that the amendment would have allowed school boards to adopt prayers composed by Jerry Falwell, Pat Robinson, et al, and set the times of day those prayers must be recited. The crowd had never heard that version, and their reaction was such that my opponent never mentioned the prayer issue again.

I'm not as apocalyptic as I may seem. On the contrary, I'm hopeful because as I have sorted out my thoughts, I have concluded that the changes I believe necessary are not impossible -- simply difficult and long-term. Even the Rush

Limbaughs of this world have never been able to fool all the people all of the time.

Mac 12
Re John
Rubin / Disc - Their money will
show very concerns

THE PRESIDENT HAS SEEN
6.21.94
THE WASHINGTON POST

Jim Hoagland

Monetary Maginot Line

Two in over a certain
power realities - BC

One man's job is another man's basis point in the brave new economic world of the central bankers. Being unemployed may be bad for you, but cheer up: It cools inflation and should be good for the markets.

That is part of the unspoken (and unspeakable) philosophy that lies behind the manipulation of interest rates in the world's leading industrial economies in recent months. Because of the central bankers' abiding and unbalanced fear of inflation, declining unemployment rates have become a hair trigger for raising interest rates.

Even if they have not noticed it, most Americans have recently felt the impact of the jobs-interest rate connection as the Federal Reserve pushed up rates (measured in "basis points") throughout the spring as unemployment moved down. The home purchaser's mortgage payments have gone up, and businesses seem to be restraining expansion and hiring, as the Fed desired.

The relationship is neither totally new nor is it a one-way street. Interest rates are generally lowered at times of soaring unemployment in the hope of stimulating the economy. Few complain then.

But two things are new: One is the high level of unemployment that needs to be sustained in developed economies for Fed Chairman Alan Greenspan and his international colleagues to feel secure in their jobs and reputations. Second is the politicians' acquiescence in this monetarist strategy, which makes full employment not a goal to be sought by government but something to be opposed at all costs.

In America, alarm bells now go off when 6.2 percent or less of the work force is unemployed. In Europe, the central banks' threshold number is closer to 10 percent. Anything less is a cause for gloom in the markets and action by the central bankers, who see a sustained decline in unemploy-

ment as a terrible development: a signal that 1970s-style inflation is on its way back.

The bankers and fund managers resemble old generals refighting the last war after the battlefield has changed. They build a Maginot line of high long-term interest rates instead of adapting monetary policy to a world in which the greater barriers

In today's economy, low inflation rates bought by high unemployment are a bad bargain.

to economic renewal are unemployment and lack of public investment in productive enterprises.

"This is tilting at windmills," says New York investment banker Felix Rohatyn. Market heavyweights like Rohatyn, a Democrat, and Pete Peterson, a Republican, support the objectives of fighting inflation and deficit reduction. But they say they have to be coupled with sensible increased spending for national infrastructure to cut both short-term and long-term unemployment.

Policy makers have in fact moved from striving for full employment (in the 1960s) to accepting 4 percent unemployed as a tolerable feature of the labor market (in the 1970s) to today's 6 percent threshold with little public discussion. This hidden assumption about the "right" level of unemployment ties Reaganomics to Clintonomics and links Paul Volcker's policies to those of his successor, Greenspan.

"Not long ago, 4 percent growth and 4 percent

unemployment were not seen as something to worry about," says Rohatyn. "In recent years technology, restructuring and foreign competition have put significant downward pressure on prices and wages. It is illogical, then, to change the parameters and treat 3 percent growth and 6 percent unemployment as danger signals for inflation."

Why are the politicians quiet about this when the investment bankers speak out? They seem cowed by the success of Ross Perot's deficit-cutting demagoguery and by the dangers of seeming soft on inflation.

The influence Greenspan seems to exert on President Clinton is one theme of Bob Woodward's timely new book, "The Agenda." The portrait of Clinton is a familiar southern one of the responsible populist: His heart is with the little man, but the banker just won't let him do the right thing. So the president reluctantly agrees to put his first priority on fighting the deficit and inflation instead of pushing for the billions in public investment in education and other infrastructure projects pledged in his 1992 campaign.

But the Economist magazine argued last week that neither the administration nor the book examines the premises of that "false dichotomy." The magazine added, "Not only are deficit reduction and big public investments not mutually exclusive: the latter are more or less impossible without the former." This brutal truth escapes the political people around Clinton.

Rohatyn is more succinct: "Unless you have growth, you cannot reduce the deficit."

Growth is measured in jobs as well as stock and bond prices. Low inflation rates purchased by high unemployment will turn out to have been a dubious bargain.

THE WHITE HOUSE
WASHINGTON

June 16, 1994

Christopher C. Ashby
Chemical Bank
30 Rockefeller Plaza
New York, New York 10112

Dear Kit:

Thanks for your letter of June 1 and for the update on Anson. You're right about the importance of following our dreams.

Thanks, too, for your thoughts about the speech Winston Lord gave and also about my proposal that an Economic Security Council be formed.

I was sorry about Tommy's mother. I remember visiting them on the Eastern shore almost 30 years ago, but it is amazing they were married almost 62 years! I'm glad the flowers we sent were pretty.

Let me know when you'll be here next. I hope to see you. ①

Sincerely,

B. Rubin

② Anson did the right thing —

I'll rethink the Econ. Security Council idea — I gave Rubin a memo a few days ago but you may be right on the issue.

*Call him
Letter to B. Rubin
W. post*

*Bob Rubin -
The President
thought this
might interest
you — might
be some good
ideas here in A*



July

Chemical Bank
30 Rockefeller Plaza, Mezzanine
New York, NY 10112-0230
212/974-0457

Christopher C. Ashby
Vice President
Midtown District

June 1, 1994

Dear Bill,

~N
Thank you very much for sending Anson a letter about his college acceptances. This whole process is a bit of a trauma, but in the end I think he made the right decision. He decided to follow his star, to try to become a professional soccer player, and to go to the University of North Carolina. They were fifth in the nation last year in soccer, and he believes that if he does well and gets noticed, he may have a chance to get a contract with a foreign or eventually an American professional team. As he said to me, "I may not make it, but if I don't try, I will always wonder if I would have been good enough." I told him that if he gets into the habit of following his dreams, he will do well. I remember when I was his age and looking at colleges, I had a dream of living and working abroad. It seemed pretty gutsy at the time for a kid from Texas who had never crossed the Mississippi or flown in an airplane. But it worked. Now I just have to figure out what is my second dream, and go after it.

I heard a speech by Winston Lord the other night. He outlined his three biggest problems as the MFN status of China (since decided), trade policy toward Japan, and the nuclear problem in North Korea. He was then asked which of those problems was the most important, and he responded that it was the problem with North Korea. It impressed me that, among the foreign policy community, "security" issues always take precedence over "life style" issues, especially economic ones. That is why we did so poorly at the Rio Conference on the environment. Obviously, a worst case scenario in each of those three situations would make Korea the most important. But a probable outcome for each make our relationship with Japan the most important, because it will probably effect the life of the average American more profoundly. I got the impression that Winston Lord would not make a high priority of non-security issues such as negotiating with the EU on the ability of our pharmaceutical companies to recoup some of there R&D costs in the European market, so that they do not have to recoup virtually all of those costs in the U.S. market. Perhaps he did not understand the political consequences of the level of trade interrelationships that we now have with China.

When I got home, I pulled out my copy of Putting People First, to see if my recollection was correct. And sure enough, you had recommended that an



Economic Security Council be formed, to parallel the National Security Council, to bring the economic interests of the United States to a more proper level vis a vis our political and security interests in the conduct of foreign affairs. I think you ought to consider doing that. The China situation is a good example. Most people agree with your final decision, but you caught a lot of grief in the way that you got there. By the way, if you need someone to organize and run the Economic Security Council, I would love to. Besides, I am also a Viet Nam veteran, which I gather from this mornings paper you need more of around you.

Thanks very much for your letter of May 17, stating that you had turned my note over to Veronica Biggins. I will send her a copy of my resume, and try to meet her on my next trip to Washington.

I saw Carolyn Staley the other day here in New York. She missed her flight to Frankfort because of bad weather, and had to spend three extra days here. She is a really neat lady, who I admire more with each conversation. She also may be one of the few people who is more concerned with your well being than the well being of your administration. I'm sure its good to have friends like her around.

I heard this morning about Tom Caplan's mother. It was a big shock. I had talked to Tom a couple of weeks ago about his Dad, and he seemed quite positive about him. I really didn't know his mother was ill. I suppose it is that time in all our lives. I plan to drive down early tomorrow morning for the service. She was a neat lady, who, like Tom's dad, were as unpretentious as he tried to be the opposite.

I hope to see you sometime this summer. Keep up the good work. The economy is getting better, the deficit numbers are unknown by the public but remarkable positive, and people seem to feel pretty good about you.

Best Regards
Kit

P.S. I drove down to Baltimore for Tom's mother's funeral. Jim came as well. Tom seems to be doing pretty well, as is his father. The flowers you + Hilary sent were lovely. Amazingly, Me + Mrs. Caplan were married almost 62 years.

Dick Darman's Field of Dreams

Richard Darman is the contemporary political equivalent of Philip Nolan, the central figure in the classic American tale, "The Man Without a Country."

Dick Darman is a man without a party, shunned by the Democrats who still smart over what they consider his devious brilliance during the Reagan and Bush years. Republicans find the former director of the Office of Management and Budget a convenient villain for the 1990 budget measure that boosted taxes, breaking George Bush's "read my lips" vow.

The 51-year-old Mr. Darman also possesses an ego that matches his considerable intellect; not surprisingly, with that combination, he has been known to display disdain for lesser lights—that is, most of

tively address the "real and salient problems" of most Americans; slogans and merely "aggregating the alienated" aren't sufficient substitutes.

He listed major problems that offer a framework to test the seriousness of any agenda. One is the aging of society as the baby boom generation approaches senior citizenry and life expectancy makes huge strides. In 1970 less than 10% of the U.S. population was over 65 years old; by 2025, almost one-fifth of the population will fall into that category. That's a prescription for exacerbated social and economic tensions.

At the top of any agenda, according to Mr. Darman, should be what he calls the "decivilization of America's urban core."

It's not uncommon in American cities to see rampant drugs and crime, 80% of babies born to single mothers, rat-infested housing, more guns than homework at schools, and nonexistent job opportunities.

The popular Republican refrain of empowerment is fine, but it is more of a slogan than a solution. Ending welfare as we know it—whether Bill Clinton's or Charles Murray's way—is desirable. Over the short run, however, it will cost more money. School choice is worth trying; it's ridiculous to suggest it's a panacea. Even more absurd than old-fashioned liberal calls for throwing more money at existing programs are suggestions that the pervasive and pernicious problems of urban America can be addressed without devoting considerably more resources.

Finally, Mr. Darman worries about "the presence of excessive cynicism," a phenomenon that the former OMB director's many critics believe is one of his legacies. Many Republicans today revel in this mood, since much of it is directed at President Clinton. That's shortsighted. Newt Gingrich, never one to shrink from partisan advantage, privately worries about

this pervasive cynicism, shrewdly understanding that it won't suddenly disappear if the Republican fortunes improve. But if the essence of a political party's message is "we may not be a day at the beach but we're better than those other bums," cynicism will only increase.

The Democrats have their own hurdles to overcome. If they really want to govern seriously, as Sen. Bob Kerrey suggested to Dennis Farney in this newspaper this week, they probably will have to move toward a consumption tax, which should be framed progressively and used to replace

tives, that a half-century ago "Eisenhower and the allied command, faced with a giant challenge and the need for heroic vision, would not have been deterred from their quest by the possibility of a fractional increase in the marginal tax rate."

Little of this will matter in the fall elections. In off-year contests what counts is intensity, and opposition invariably produces more intensity. The GOP will do well across the board in November. But as Jeffrey Bell noted at the same forum last week, the Democrats thought they were in fat city after the successful 1982 elections and failed to shape a positive agenda for the future.

And the GOP's optimism diminishes when the subject shifts to 1996. In part, that's because the field looks weak. But 15 years ago the Republican field also looked weak; for all of Jimmy Carter's problems, Democrats were confident for 1980—especially if the Republicans were foolish enough to nominate Ronald Reagan.

But back then the Republicans, led by Jack Kemp and other young Turks, assembled an agenda of tax cuts, deregulation and hefty defense spending that certainly addressed serious problems. (Oh sure, we discovered that the only way to cut taxes, boost defense spending and reduce the budget deficit was with blue smoke and mirrors, but it all sounded very coherent and appealing.)

That contrasts with the small-minded GOP agenda of today: term limits, more morality or better values, some anti-welfare rhetoric and the concept of empowerment, which is, as Dick Darman noted, embraced not only by Bill Bennett and Jack Kemp but also by Bill Clinton and Gloria Steinem.

Mr. Darman's message the other day was analogous less to Philip Nolan's than to Ray Kinsella's in "Field of Dreams." Build it, a real agenda, and they, the voters, will come.



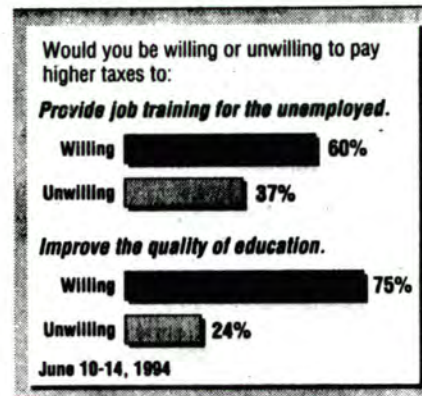
Politics & People

By Albert R. Hunt

us. For more than a year he has shunned the political limelight, making deals, primarily in telecommunications, for a high-powered investment company, the Carlyle Group. Personal experiences have softened the hard edges, but his wide-ranging public policy mind is as attuned as ever.

This was on display last week when Mr. Darman spoke to Bill Kristol's think tank, the Project for the Republican Future. They may not like the messenger, but their fellow Republican's message should be a wake-up call.

The impressive string of Republican victories since the 1992 presidential election, Mr. Darman suggested, could lead to a misplaced confidence. Unlike the situation in the late 1970s, the GOP lacks a positive agenda that will sustain it when the electorate wants to do more than send a message to Bill Clinton. The GOP mission, Mr. Darman cautioned, must be to effec-



THE WALL STREET JOURNAL/NBC NEWS POLL

some existing levies, as well as to raise additional revenue. Also, an eventual means-testing of entitlements is unavoidable.

But Republicans have a lot of baggage to discard too. Democrats inevitably will be more prone to higher domestic spending or tax boosts—they are, after all, the more liberal party—but the GOP's "read my lips" message may prove to be bad politics as well as bad policy. This week's Wall Street Journal/NBC News poll shows Americans are willing to pay higher taxes if they are devoted to productive endeavors. "I might note as an unwelcome aside," Mr. Darman told the conserva-

THE PRESIDENT HAS SEEN

6.21.94

To Phil Galtton
2:30-3:00 PM

22

What's the Rush On North Korea?

This town is itching to go to war. But with whom? Some in Congress and the journalistic community prefer Bosnia. Others prefer Haiti, where sanctions have been tightened and rumors abound that the Yanks are about to hit the beach. Still others prefer North Korea. Bomb its nuclear facilities and then, if we have to, fight another war on the Korean peninsula. If President Clinton did what was asked of him, the United States could be fighting in three different places at the same time—and maybe, as in the Vietnam War era, in our streets as well.

It is to Clinton's credit that America is fighting nowhere yet. Waves of trigger-itchiness come and go, sometimes abetted by a presidential remark or two, but Clinton waits them out. Now, though, the war drums are growing more and more persistent: Something has to be done about North Korea—and quick. The first is certainly true—something indeed has to be done. But what's the rush?

To most Americans, the Korean crisis must be nearly incomprehensible. What with the IAEA and the NPT (International Atomic Energy Agency and the Non-Proliferation Treaty), fuel rods and plutonium, it suggests a college course to be avoided at all costs. Throw in some exotic names like Kim Il Sung (North Korea's leader) and Pyongyang (the capital), and you have all you need to get the average reader to turn in a near-panic to the comics. If so, the joke's on us. America may well be going to war in Korea.

But if war comes, it will only be after the Clinton administration has given North Korea every chance to get out of the box it has gotten itself into. That's because no one here knows for sure what North Korea's intentions are. Is Kim Il Sung really intent on developing a nuclear arsenal and, possibly, selling those weapons to other rogue states like Libya or Iraq? If that's the case, war is down the road a piece.

If, however, North Korea has blundered into its present spot or, by some wild chance wants to leverage its nuclear program for some economic goodies, it's going to find an attentive ear in Washington. A second Korean war, after all, is almost unthinkable. Seoul, the South Korean capital, is within artillery range of North Korea. So, for that matter, are many of the 37,000 U.S. military personnel stationed in South Korea. Another Korean war would surely cost many American lives, devastate South Korea and conceivably—although not likely—see the use of

nuclear weapons. At its minimum, this would be an ugly war.

In fact, the stakes are so high the administration is inclined to let bygones be bygones. If North Korea wants to retain ambiguity about its past nuclear program, the Clinton administration is not going to protest. What matters is the course North Korea takes in the future—not whether it has the two bombs the CIA says it may have, but whether it tests an atomic weapon and tries to develop others. Pulling out of the NPT would be a telling signal of intentions, and so would removing cameras and other devices by which nuclear programs are monitored. These steps would certainly heighten the crisis.

Trouble is, that's the course North Korea seems to be on. It seems hell-bent on doing . . . what? No one can be sure. The only certainty is that it is playing a dangerous game. It said sanctions would be tantamount to war, and the Clinton administration has promised sanctions. Moreover, an American military buildup is under consideration. The administration is serious about being taken seriously.

The Clinton administration is following a prudent course. Bit by bit, it is increasing the pressure on North Korea without issuing the sort of ultimatums that might be seen as a provocation. After all, time is not North Korea's ally. It's an old regime, deep into ideological senility. Its people are impoverished, the country near ruin. Some military units are not combat worthy because the personnel are undernourished, and in certain factories, managers fear that starving workers will faint and fall into the machinery, of course.

Sooner or later, North Korea will go the way of East Germany and, to the chagrin of South Korea, ask for a reconciliation—and a handout. In the meantime, though, the United States and other countries must deal with a maddening, if not mad, regime whose intentions are neither clear nor, maybe, rational. Either way, North Korea has to understand that it simply cannot have a nuclear arms program. The world, not to mention Bill Clinton, will not stand for it.

A war in the cause of nonproliferation may well be unavoidable. But a war based on misunderstandings and triggered by exaggerated notions of national pride ought to be avoided at all costs. If Clinton wants to take some time feeling out the North Korean position, then he ought to have it. What's the rush? There's always time for war.

George F. Will

Jeffersonian Fallacy

From the Caribbean to Korea, the gales of crises are gusting, forcing this nation again to choose: Will it be Rome, or Venice or a bit of both?

Any new republic, wrote Machiavelli, must decide whether to expand her dominion by power, like Rome, or to be like Venice, located "in some strong place" that protects it as it goes about its business, which for Venice was business. During America's first century, broad oceans and placid neighbors enabled it to be Venetian, in a strong place, practicing commerce.

However, even then there was an itch to be Roman, too—but with a difference. America would seek, in Jefferson's words, "an empire of liberty," but without becoming imperial. We would expand our sway by the sparkling example of our institutions, and by what political scientist Gary Schmitt calls Jefferson's "strategy of peaceful coercion." We would use our commercial power to punish disrespect for natural rights.

War, said Jefferson, was "not the best engine for us to resort to" because we had a better one "in our commerce." Thus would America refute Frederick the Great's dictum that diplomacy without armaments is like music without instruments. Using economic power we would pursue Roman potency with Venetian means.

Britain, warring with France, would not respect the rights of neutral shipping? Jefferson would use an embargo to make it in Britain's "interest . . . to do what is just."

It was not a success. The embargo stirred commercial New England to talk of secession—a threat duly noted in Dixie—and did not prevent war.

The world has turned over often since then, and still we seek new ways of tutoring the wayward world. Regarding Haiti, the Clinton administration has declared the restoration of President Aristide a "vital" U.S. interest, for no better reason than that Haiti is nearby and badly abused by its government. This policy, so far, is Jeffersonian: It is couched solely in terms of rights and wrongs and relies on commercial severities.

However, the policy may become mildly Roman. There may be a military invasion, if being Venetian with commercial sanctions does not suffice.

North Korea is a tougher nut to crack. The Venetian approach assumes that our adversaries aspire to be like us, prospering through commerce. If that were their aspiration, they would already be like us, because they share our bourgeois values. But the utter futility of U.S. diplomacy backed only by commercial threats suggests that the North Korean regime remains unaware of any affinity with us.

There is a vital national interest at stake here. If North Korea demonstrates the impotence of restraints on

nuclear proliferation, in 15 years there could be 15 more nations with nuclear weapons backing their hatreds. Such is the progress of military technology over the centuries, from an innovation along a river in Central Asia to a reactor on the Korean peninsula.

In his new "A History of Modern Warfare," John Keegan says military historians recognize that "the banks of the Oxus are to warfare what Westminster is to parliamentary democracy or the Bastille to revolutions." It was on or near the Oxus River separating Central Asia from

States like North Korea don't aspire to be like us, and they are not sensitive to economic pressures.

Persia and the Middle East that man first learned to turn horses into instruments of war. This development shaped military power and notions of martial ethics and valor—until a second great development, gunpowder. That began the equalization process: In the age of gunpowder, the nature of military materiel mattered more than the nature of military personnel.

Nuclear weapons have pushed this transformation to the point at which North Korea can be a crisis for the United States in its most Roman stance. Roman, that is, in this sense: The United States is attempting to change the behavior of a nation halfway around the world in order to shape the future all over the world. Call the objective Pax Americana.

Well, perhaps not exactly pax. The aim is a world of merely gunpowder wars—wars without the worst weapons. In which regard, it is well to remember, as Keegan does, that since Aug. 9, 1945, nuclear weapons have killed no one:

"The 50,000,000 who have died in war since that date have, for the most part, been killed by cheap, mass-produced weapons and small-caliber ammunition, costing little more than the transistor radios and dry-cell batteries that have flooded the world in the same period."

The calculations confronting the Clinton administration are excruciating precisely because North Korea—which says economic sanctions are acts of war, not alternatives to it—has so much gunpowder and so little inclination to act like us in response to us.

THE PRESIDENT HAS SEEN

6.21.94

THE WASHINGTON POST THURSDAY, JUNE 16, 1994

SS/ [Signature]

2 good pieces
we should cultivate Cohen

56

THE PRESIDENT HAS SEEN
6 21 89

~~Wally~~
~~Fry~~

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

TO: THE PRESIDENT OF THE UNITED STATES
FROM: Craig T. Smith
RE: AMBASSADOR TO GERMANY
DATE: June 17, 1994

It is my understanding that Secretary of State Christopher has discussed the possibility of replacing Richard Holbrooke with a career foreign service officer. It is also my understanding that you told him that you would consider that request.

Prior to deciding, you should be aware that Billy Webster is interested in that position. He was a Fulbright Scholar in Germany and speaks and writes fluent German. Additionally, he has traveled there extensively.

The word is that while he does desire the appointment, he will not ask you for it, believing that you have done enough for him.

THE PRESIDENT HAS SEEN

6.21.94

Maal
Fg

Gerald W. McEntee

Mr. President

We need you at
our Convention.

Similar to the one
you attended in 1992,
I talked to all of
your Ex. Staff - they
seemed enthused.

Dates June 27, 28, 29



AFSCME
in the public service

American Federation of State, County and Municipal Employees, AFL-CIO

THE WHITE HOUSE
WASHINGTON

Chen

DATE: 6/21/94

NOTE FOR: Tony Lake

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

Information ☐

Action ☒

Thank you.

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

cc:

~~Don't~~
~~See you in~~ B

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	re: Special Defense Report (2 pages)	06/20/1994	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

June 19-25, 1994 [3]

2018-0662-S
rs3102

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

THE WHITE HOUSE
WASHINGTON

Chen

DATE: 6/21/94

NOTE FOR: Tony Lake

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

Information ☐
Action ☒

Thank you.

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

cc:

Jim Hoagland

Africa: End To Myths

Africa is a continent of enormousness. Its deserts, waterfalls and vast interior spaces dwarf those of other regions. So now do its political contradictions.

While South Africa astonishes the world by staging a peaceful transition to democracy and black-and-white rule, Rwanda plunges deeper into black-on-black genocide. Zaire and other countries totter on the brink of collapse as nation-states.

South Africa, a pariah state while ruled by its white minority, has been able to contain its political strife well enough to earn the promise of a better tomorrow. To the north, in black-ruled states, collective murder and misrule have become regular occurrences.

Racial ideologues will be tempted to explain this contrast in terms of black inferiority and savagery. But the hollowness of such racism is shown by the South African experience. That nation's 5 million whites, who comprise 15 percent of the population, dramatically acknowledged the falsity of the myths of racial superiority at the voting booths in April.

Black Africa now faces the need to do something similar—to give up myths and political systems built on false premises that ruin their citizens' lives. They should examine the fact that the South African experience is not just the work of Nelson Mandela and F. W. de Klerk but also of history, geography and politics in the broadest sense.

The first set of assumptions that Africa must deal with date back to the colonial era and the wave of independence that followed it four decades ago. It was widely assumed that the horrors of colonialism and the struggle for independence had forged a lasting national unity in the member states of the Organization of African Unity that would flower with the departure of the colonialists.

But in their different ways, South Africa and Rwanda illuminate how far from reality that conventional wisdom was. Apartheid, a national invention of the white Afrikaner tribe, triggered a genuine national response—black resistance and a genuine South African nationalism across racial lines.

The force of colonialism, imported from Europe, and the nationalist responses it triggered, withered quickly after independence. For much of Africa, the future began to go backward, toward tribal warfare and despotism.

The white Afrikaners are the descendants of the Boers who trekked into South Africa's dry interior to preserve the fiercely egalitarian traditions of their group. The Afrikaners set down strict apartheid barriers to divide themselves from blacks and allowed no one across the line—no matter how wealthy, cultured or patriotic a black might be. In that sense, the Afrikaners maintain, their oppression was relatively "democratic."

But colonial rule to the north was built on favoring certain ethnic groups, usually minorities, and using them to rule over the other tribes.

That is what the Belgians did with the Tutsis, who make up about 15 percent of Rwanda's population and who have been slaughtered mercilessly by vengeful Hutu militia units. Whatever the immediate trigger for this genocide, its roots run into the colonial past and further back.

Colonialism did not offer unrelenting and equal oppression to all Africans, as much post-independence literature and history maintains. Some tribes benefited from colonial rule and now, as the Tutsis have, pay a terrible and unfair price. The story is the same in country after country, either through tribal discrimination or violence.

Equally damaging to Africa's hopes for a fresh start is the lingering belief that black Africa won its independence from the colonial powers by the force of arms, in wars of national liberation. That is only partly true.

The borders of most African states as they exist today were created by the colonialists, and the states they enclose were given their independence when France, Britain, Belgium, Portugal and others found it uneconomic to continue to rule them.

The exceptions are Algeria, the Portuguese territories and Kenya. And now one more: South Africa.

Mandela and his African National Congress forged an effective political opposition to apartheid that the Afrikaners eventually had to accept into the government through long and difficult negotiations.

The South African whites did not simply dump European-style government structures into the hands of their favorite Africans and run for the door. (For one thing, there was no door—no country in Europe would have taken them back as refugees.) They resisted fiercely until they saw the game was up.

On the myth of the strength of African nationalism in the 1960s was built the belief that Africans could overcome the liabilities the colonialists had created with the artificial borders and structures they imposed on the Africans. The OAU made protecting the colonial borders its founding principle.

But genocide in Rwanda and national collapse in Zaire show the fallacy of that belief. Africans must redraw their boundaries, not in blood and chaos, but through tough negotiation with each other and a vision of Africa's role in the world.

Until now, that seemed impossible. But South Africa has shown that African miracles can happen despite the predictions of disaster—once myths are jettisoned.

*Really
how could
that be
done?
B.*

THE WASHINGTON POST TUESDAY, JUNE 21, 1994

THE WHITE HOUSE
WASHINGTON

June 20, 1994

T. J. Milton
123 Valley Club Circle
Little Rock, Arkansas 72212

Dear Tom:

Thanks for your letter of June 13. I appreciate your letting me know of your upcoming trip to Washington. While I never know what my schedule will hold, I do hope to have a chance to see you. When you have more details about your visit, please call Nancy Hernreich in my office at (202) 456-6610.

Thanks, too, for your offer of help. It means a lot to Hillary and me to know of your continued support. Please give our best to Dee.

Sincerely,

Bill

cc NH
would like
to see him

T. J. MILTON
123 VALLEY CLUB CIRCLE
LITTLE ROCK, ARKANSAS 72212

June 13, 1994

The Honorable Bill Clinton
President of the United States
The White House
Washington, D. C. 20500-2000

Dear President Clinton,

This will be my first letter offered since you took office that doesn't contain any suggestions or advice!

Rather, I'm coming to Washington on July 10-22 for my annual Air Force Reserve active duty tour--this time at the Pentagon. While I'm in town, I'd like to stop by and personally deliver some warm Arkansas greetings, that is if it can be worked out.

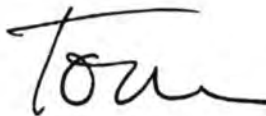
I fully realize you're awfully busy, as are the staff. But since I will be there anyway, I thought I'd give it a try.

And speaking of my AF Reserve time, if there's any additional service could perform at the Pentagon for you, I would be glad to help in any way possible.

I truly realize there's little chance of saying "Hello!" to you and the others, but I appreciate the hard work and sacrifices you're making and wanted to tell you that in person.

Good luck to you and Hillary--Dee sends her best, too!

Sincerely,

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

The
Washington Post
Writers Group

YODE17718 i
r k

THE PRESIDENT HAS SEEN
6-20-94

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

ON Korea

(800) 879-9794

THE PRESIDENT HAS SEEN

Italy

^bc-yoder-column adv20<

^EDWIN YODER COLUMN<

^(Advance for Monday, June 20, 1994, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--There is an uneasy feeling here that history may be repeating itself on the Korean Peninsula. That feeling harks back to a talk at the National Press Club on Jan. 10, 1950, in which secretary of state Dean Acheson said, among other things, that the Pacific was now "an Anglo-Saxon lake," and that "our line of defense runs through the chain of islands fringing the coast of Asia."

Acheson's speech excluded Korea, which had been under U.N.-sponsored U.S. protection since the Japanese withdrawal in 1945. His omission has ever since been identified as an implied invitation to the Russians and North Koreans to seize South Korea, which was indeed attempted six months later.

In fact, the confusion lay in the strategic setting of Acheson's remarks. It was assumed at the time that any conflict would be a "general war" and that the United States and its allies would fight on advantageous terrain or at sea. The bleak, mountainous Korean Peninsula, given to great extremes of heat and cold, would not be a favorable theater. What was not then clearly understood was that the nuclear standoff (the Soviet Union had exploded its first atomic device a few months earlier) would create a novelty called "limited war."

What has brought a similar note of uncertainty to the picture today is the mystery of North Korean's nuclear "intentions." The evidence, while ambiguous, strongly suggests that Kim Il Sung, the dictator who executed the surprise attack 44 years ago, is developing nuclear weapons and has aimed to do so for a decade. North Korea has used the Nuclear Non-Proliferation Treaty (which it belatedly signed only in

(more)

1985, after its Yongbyon reactor began to be suspect) as a smoke screen.

North Korea's ambiguous behavior--its threats to denounce the Nuclear Non-Proliferation Treaty and to expel international inspectors and to attack South Korea--has generated a clamor for a tough American response. Two outspoken advocates of a U.S. crackdown are eminent alumni of the last administration, Lawrence Eagleburger and Brent Scowcroft, respectively secretary of state and national security adviser to George Bush. Eagleburger and Scowcroft speak with the vehemence of men who believe they were gulled by bad advice. Beyond question, the nuclear problem worsened after 1989, during George Bush's watch. North Korea built a reprocessing facility near its nuclear reactor and began unloading spent fuel for possible reprocessing into weapons-grade plutonium.

* [The Bush administration's failure to take timely measures that Bill Clinton is being urged to take now is neither here nor there, except to the degree that former Bush officials have helped galvanize the press campaign to depict their successors as namby-pamby temporizers.

It would give satisfaction to Kim to believe that his menacing threats to attack South Korea had intimidated Clinton into withholding whatever reinforcements would be needed if North Korea attacked across the demilitarized zone. It would also be very dangerous.

David Ignatius of The Washington Post recently described a ``secret'' debate between optimists and pessimists in Washington over North Korea's nuclear ``intentions.'' Among the optimists, there are many well-informed people here who still believe that what the North Koreans really seek is a nuclear ``bargaining chip'' to swap for diplomatic ties and economic aid. If this is their policy they are pursuing it in an exceedingly clumsy fashion. But the oldest and most basic lesson of strategic intelligence is that intentions (especially in the case of so secretive a state as North Korea) are ambiguous, difficult to divine and invariably lend themselves to radically different interpretations.

(more)

X What matters far more are the military capabilities of North Korea, a damaged and desperate country with a huge army and a proven record of bloody-mindedness. President Clinton has said that if North Korea attacks, it will ``cease to exist as an organized society''--a formulation which he should mean and be sure that Kim understands that he means.

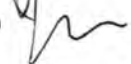
Preparing, openly and ostentatiously, to make good on that promise of retaliation is probably the best way to make Kim see reason, if he is capable of it. This is not saber-rattling. It is making sure that our saber is properly sharpened for any eventuality.

(c) 1994, Washington Post Writers Group

THE WHITE HOUSE
WASHINGTON

94 JUN 20 P2:43

June 20, 1994

MEMORANDUM FOR DEE DEE MYERS
THRU: JOHN PODESTA 
FROM: JIM DORSKIND 
SUBJECT: INDEPENDENCE DAY, 1994

Attached are copies of the President's message for INDEPENDENCE DAY, 1994, which you may want to release to the media.

Thank you.

THE WHITE HOUSE

WASHINGTON

INDEPENDENCE DAY, 1994

As we celebrate July 4, a momentous and magnificent day in our nation's history, we give thanks for the liberties that our courageous Founders struggled to secure. Declaring the American colonies independent and free, these brave patriots risked everything they held dear to ensure a better future for their children and grandchildren. Today, we fiercely defend the once radical notion that each individual possesses rights that our government is obliged to respect and to guarantee. The powerful ideals for which the Founders fought have become standards of citizenship around the world.

Our country's Founders gave of themselves to create a better future. As heirs to their legacy, we can do no less. If we are truly to pay tribute to them, we must rededicate ourselves to using our precious freedoms with renewed responsibility. We must work together to rebuild our neighborhoods and bring healing to our torn families and communities. We must strive to end the violence that plagues our society and to give our children the chance to grow up in safe and supportive environments. On our nation's birthday, let us rededicate ourselves to making those choices in the same way Thomas Jefferson and his compatriots did so many years ago -- with a hopeful eye toward the future.

Best wishes to all for a wonderful holiday.

Bill Clinton

THE WHITE HOUSE

WASHINGTON

INDEPENDENCE DAY, 1994

As we celebrate July 4, a momentous and magnificent day in our nation's history, we give thanks for the liberties that our courageous Founders struggled to secure. Declaring the American colonies independent and free, these brave patriots risked everything they held dear to ensure a better future for their children and grandchildren. Today, we fiercely defend the once radical notion that each individual possesses rights that our government is obliged to respect and to guarantee. The powerful ideals for which the Founders fought have become standards of citizenship around the world.

Our country's Founders gave of themselves to create a better future. As heirs to their legacy, we can do no less. If we are truly to pay tribute to them, we must rededicate ourselves to using our precious freedoms with renewed responsibility. We must work together to rebuild our neighborhoods and bring healing to our torn families and communities. We must strive to end the violence that plagues our society and to give our children the chance to grow up in safe and supportive environments. On our nation's birthday, let us rededicate ourselves to making those choices in the same way Thomas Jefferson and his compatriots did so many years ago -- with a hopeful eye toward the future.

Best wishes to all for a wonderful holiday.

Bill Clinton

6/20/94

THE WHITE HOUSE

WASHINGTON

June 15, 1994

94 JUN 15 P12 : 09

MEMORANDUM FOR PRESIDENT BILL CLINTON
HILLARY RODHAM CLINTON
MACK McLARTY
HAROLD ICKES

FROM: IRA C. MAGAZINER *icm*
SUBJ: THE WOODWARD BOOK

*Of course
this is true*

For too long, this Administration has been plagued by damaging leaks which have involved attacks by one Administration official on another or on the President's policies and decision-making processes. The leakers have generally not been punished while those who do not leak nor attack back have had their reputations tarnished.

The Woodward book threatens to open the floodgates to this type of dysfunctional behavior. The message which many are reading is that if you feed the press and present events in your most favorable light, you will be portrayed well. Be discreet, don't talk and you may well see yourself and your actions portrayed inaccurately and unfavorably.

The book is also having a chilling effect on discourse within the Administration. People are holding back at meetings. Though we all tend to be long-winded, I find the meetings we have had here generally productive. People express ideas freely, persuade each other, and at the very least clarify points of view. Our policies are better thought through as a result. If people feel they can't express their true views in meetings for fear of being taken out of context or having partially formed thoughts made public, our decision-making will suffer.

The health care reform process will be the subject of scores of in-depth articles and books over the coming months. If steps are not taken to emphasize loyalty to the President and First Lady over promoting one's own reputation and turf, I fear that we could wind up with an avalanche of misleading and inappropriate publicity which could damage the presidency.

WASHINGTON

94 JUN 19 A10:57

ANTHONY LAKE

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

Thank you for your kind letter of May 12 and invitation to visit Romania. I would certainly welcome the opportunity to travel to your country at an appropriate time.

The recent broadening of the U.S.-Romanian dialogue is a significant achievement which reflects Romania's democratic and free market reforms at home and its responsible foreign policy. Given the serious tensions in the region, Romania's foreign policy is an important element in regional security. I appreciate Romania's continued understanding of the need to enforce U.N. sanctions against Serbia. We all hope for a speedy negotiated settlement to the conflict in the former Yugoslavia but see no alternative to increasing the international pressure on Belgrade to permit a viable solution to be found. We also welcome Romanian cooperation with its neighbors in the former Soviet Union.

I appreciate as well Romania's positive and energetic approach to the Partnership for Peace and am pleased that Defense Minister Tinca will be coming to Washington to discuss this and other aspects of military cooperation.

Again, please accept my thanks and best wishes. I hope that the U.S. and Romanian World Cup teams will meet again in the final round.

Sincerely,

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

His Excellency
Ion Iliescu
President of Romania
Bucharest

ROMANIA



Bucharest, 12 May 1994

THE PRESIDENT

Dear Mr. President,

I take the opportunity of the visit to Washington D.C. of Mr. Ioan Talpeș, Director of the Romanian Service of Foreign Intelligence, to express my satisfaction for the positive evolution of cooperation between Romania and the United States and my appreciation for your personal interest and contribution to the important steps that made possible the strengthening of our bilateral relations.

I welcome in particular the fact that intelligence community and institutions in Romania and the United States have succeeded to work out a special relationship, making thus a real contribution to an increased confidence between our states. I regard that accomplishment as an important component of our national security and of the security in our region.

I firmly believe that all the reasons are there for developing strong relations in other areas as well.

Open military conflicts and volatile political situations in the surrounding areas have created for Romania special risks and concerns of security. A special relation with the United States is therefore not only vital for our security but also a specially important element for the security and stability of the region as a whole. It is for us a necessary complement to our efforts to give momentum and substance to our participation in Euro-atlantic structures of security, in particular the NATO Partnership for Peace.

/...

His Excellency William J. Clinton
President of the United States of America
Washington D.C.

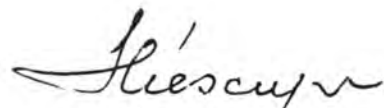
I particularly appreciate your vision and balanced approach to the special and sensitive problems of security in this part of Europe, long under the domination of the Soviet power.

In Romania, we highly value your commitment to peace efforts in areas near to us, in particular in the former Yugoslavia and the Middle East. If in your judgement, due to her long and special relations with countries in these regions, Romania could help in any way your efforts towards the peace and stability, you can always count on our strong support in promoting any initiative bringing closer the day of peace.

Our commitment to the values of Democracy, to the observance of human rights and to promoting free enterprise in our economy have started to bear fruits. With the help of international financial institutions, Romania's economy shows signs of recovery and therefore, now more than ever, your continued support, both bilaterally and with these institutions, is essential.

The fact that our bilateral relations have seen lately important improvement is mainly due to a steady widening of our dialogue, covering in fact every aspect of mutual interest, from political life, economy, strengthening of democratic institutions, to security and military field. I am convinced that rising the dialogue at higher levels could play a decisive role for the future relationship between the United States and Romania. In this respect, I take this opportunity to renew my invitation to you to visit Romania as soon as possible. This would be not only a memorably event in our bilateral relations but also a great encouragement for us and for our people, who regard America as a symbol of Democracy and Hope.

Please accept, dear Mr President, the assurances of my highest consideration.



Ion Iliescu



THE PRESIDENT HAS SEEN

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

94 JUN 16 P2:41

June 15 1994

To Christine Varney

The President told me
he wants to read this
over the weekend.

[Signature]

*Read of
Galt
Donor letter
of 6/15/94
to work
to reduce
the program*

AMERICA'S TEENAGERS

THE WHITE HOUSE
WASHINGTON

94 JUN 20 10:08

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Eli Segal

Fax Number: 606-4928

Phone Number:

FROM: John Podesta

SUBJECT: attached memo

DATE: 6/20/94

NUMBER OF PAGES (including cover sheet):

MESSAGE:

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

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

THE PRESIDENT HAS SEEN
6/20/94

94 JUN 16 P 1:02

June 16, 1994

CORPORATION
FOR NATIONAL
★ SERVICE

MEMORANDUM FOR THE PRESIDENT

FROM: Eli J. Segal *EW*

SUBJECT: First AmeriCorps About to be Chosen

On Monday, June 20, we take one more step in transforming your vision of national service into reality with the announcement of the winners of the competition to choose the first 7,000 AmeriCorps.

The winners of the competition to choose the other 13,000 will be announced at the end of July. Most of the 20,000 will begin serving in early September simultaneously at hundreds of sites around the country; the balance will begin by the end of the year.

A few highlights of the first competition:

1. Demand has been extraordinary; we received 246 applications from national nonprofits and federal agencies, frequently involving partnerships of many well-established groups, requesting grants totalling more than five times our overall budget authority;
2. Out of the 246, we have funded 58, 10 with planning grants. Out of the other 48, 15 went to federal agencies (primarily the Cabinet, but including National Endowment for the Arts, National Institute for Literacy and Legal Services Corp.), and 33 went to national nonprofits.
3. Your Cabinet has been superb; all departments except Commerce, Treasury and State will have some AmeriCorps; 5 secretaries (Shalala, Babbitt, Cisneros, Reich and Browner) will join me at a press briefing in the White House on Monday at 1:30 to announce their awards;

1100 Vermont Avenue, NW
Washington, DC 20525
Telephone 202-606-5000
Fax 202-606-4928

Getting Things Done.
AmeriCorps, National Service
Learn and Serve America
National Senior Service Corps

MEMORANDUM FOR THE PRESIDENT

June 16, 1994

Page two

4. Winners of the national nonprofit competition are very diverse; among others, awards will be made to the National Council of Churches; YMCA; City Year; Espira; Habitat for Humanity; Navajo Nation; Teach for America, a partnership between NYU and three HBCU's; and the I Have a Dream Foundation.
5. Just to give you a sense of the quality of the applications, here are just a few of "the losers:" American Red Cross; TVA; Boys and Girls Club of America; Enterprise Foundation (Jim Rouse); 4-H Council; United Cerebral Palsy; Big Brothers/Big Sisters.

While the competition augurs well for the future of national service, I am concerned about the consequences for 1995 and beyond if we are not funded at the level called for in the legislation passed in 1993. Apart from the political consequences of falling short of our call for 100,000 AmeriCorps over 3 years, there is extraordinary demand for our product which we cannot meet without adequate resources. Existing winners will want to expand next year; those with planning grants will expect operating grants; losers will turn in higher quality proposals next time around; and with increasing visibility, we will find thousands of other deserving groups who didn't even compete this year.

We are working with OMB to have the House fund us at \$610 million. As we get closer to mark-up on the Senate side, your active engagement may be needed to keep us on track.

THE PRESIDENT HAS SEEN
6/20/94

94 JUN 16 P1:02

June 16, 1994

CORPORATION
FOR NATIONAL
SERVICE

MEMORANDUM FOR THE PRESIDENT

FROM: Eli J. Segal *EW*
SUBJECT: First AmeriCorps About to be Chosen

On Monday, June 20, we take one more step in transforming your vision of national service into reality with the announcement of the winners of the competition to choose the first 7,000 AmeriCorps.

The winners of the competition to choose the other 13,000 will be announced at the end of July. Most of the 20,000 will begin serving in early September simultaneously at hundreds of sites around the country; the balance will begin by the end of the year.

A few highlights of the first competition:

1. Demand has been extraordinary; we received 246 applications from national nonprofits and federal agencies, frequently involving partnerships of many well-established groups, requesting grants totalling more than five times our overall budget authority;
2. Out of the 246, we have funded 58, 10 with planning grants. Out of the other 48, 15 went to federal agencies (primarily the Cabinet, but including National Endowment for the Arts, National Institute for Literacy and Legal Services Corp.), and 33 went to national nonprofits.
3. Your Cabinet has been superb; all departments except Commerce, Treasury and State will have some AmeriCorps; 5 secretaries (Shalala, Babbitt, Cisneros, Reich and Browner) will join me at a press briefing in the White House on Monday at 1:30 to announce their awards;

1100 Vermont Avenue, NW
Washington, DC 20525
Telephone 202-606-5000
Fax 202-606-4928

Getting Things Done.
AmeriCorps, National Service
Learn and Serve America
National Senior Service Corps

MEMORANDUM FOR THE PRESIDENT

June 16, 1994

Page two

4. Winners of the national nonprofit competition are very diverse; among others, awards will be made to the National Council of Churches; YMCA; City Year; Espira; Habitat for Humanity; Navajo Nation; Teach for America, a partnership between NYU and three HBCU's; and the I Have a Dream Foundation.
5. Just to give you a sense of the quality of the applications, here are just a few of "the losers:" American Red Cross; TVA; Boys and Girls Club of America; Enterprise Foundation (Jim Rouse); 4-H Council; United Cerebral Palsy; Big Brothers/Big Sisters.

While the competition augurs well for the future of national service, I am concerned about the consequences for 1995 and beyond if we are not funded at the level called for in the legislation passed in 1993. Apart from the political consequences of falling short of our call for 100,000 AmeriCorps over 3 years, there is extraordinary demand for our product which we cannot meet without adequate resources. Existing winners will want to expand next year; those with planning grants will expect operating grants; losers will turn in higher quality proposals next time around; and with increasing visibility, we will find thousands of other deserving groups who didn't even compete this year.

We are working with OMB to have the House fund us at \$610 million. As we get closer to mark-up on the Senate side, your active engagement may be needed to keep us on track.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
6/20/94

June 17, 1994

94 JUN 17 P4:42

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT AND MRS. CLINTON

FROM: LLOYD N. CUTLER
SPECIAL COUNSEL TO THE PRESIDENT

SUBJECT: LEGAL EXPENSE FUND

*leg book
for Jay
PNC*

This is a progress report on the status of the legal expense fund:

1. Trustees - The following people have agreed to serve as Trustees:

John Brademas - former President of N.Y.U.
Theodore Hesburgh - former President of Notre Dame
Barbara Jordan - former member of Congress
Nicholas Katzenbach - former Attorney General
Ronald Olson - Los Angeles lawyer - counsel for Warren Buffett
Elliot Richardson - former Attorney General, Secretary of Defense
Michael Sovern - former President of Columbia
John Whitehead - former Deputy Secretary of State

We are still waiting to hear from Cyrus Vance, Hanna Gray and Ed Muskie. While it would be helpful to have another prominent woman, we already have enough excellent trustees to proceed.

2. Staff - We are in the process of sounding out Michael Cardozo to see if he would be willing to be the Staff Director of the Trust, with primary responsibility for the fundraising effort. As you know, he was Deputy White House Counsel in the Carter administration and worked for three months with Webb Hubbell in the Justice Department at the beginning of the Clinton administration. He is now an investment banking partner of G. William Miller, a former Secretary of the Treasury.

Mike Berman is also sounding out Susan O'Neill, the daughter of Tip O'Neill, who is an expert in political fundraising. Mike Berman will give policy advice as a consultant but will not be part of the staff.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: Ob DATE: 5/15/98

3. Counsel - Bernie Aidinoff, a senior partner at Sullivan & Cromwell and a tax expert, has agreed to serve as Counsel to the Trust. I am meeting with him today to arrange for the drafting of the Trust papers.

4. Announcement - Everyone here agrees that the formation of the Trust should be announced by the trustees themselves, rather than by anyone in the White House. After Mike Cardozo or someone else has agreed to become Staff Director, we will convene a telephone conference among the trustees to consider an appropriate announcement.

5. Direct Mail Campaign - Mike Berman is working with Jon Rubin on the timing, scope and other details of a direct mail campaign. A final decision on when and whether to conduct such a campaign, and on the text of the solicitation letter, will be made by the Staff Director and the trustees. We will have appropriate input on this and other questions as we go along.

cc: Mr. McLarty
Harold Ickes

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

6/20/94

June 17, 1994

MR. PRESIDENT:

Attached are 2 memos from Secretary Bentsen relating to the G7 Summit in Naples. I have circulated both to The Vice President, Mack McLarty, George Stephanopoulos, and David Gergen, in addition to the NSC and the NEC.

I am working with NSC/NEC to try to get as much briefing material to you to review before the trip, so that the tripbook can concentrate on the events and the speeches.

John Podesta

*Have Rubin / Gergen
seen? Made copies of
7/18 memo - my
persuasion case for
our records*

THE WHITE HOUSE
WASHINGTON

June 16, 1994

94 JUN 17 P6:36

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *Tha*
ROBERT E. RUBIN *RM*

SUBJECT: G7 Naples Summit

Secretary Bentsen has sent you his views on the economic issues at the upcoming G7 summit. We agree with his basic point that our success from last year in restarting global growth, concluding the Uruguay Round and assembling a major assistance package to support Russian reform leaves us in a solid position going into the Naples summit.

We see this year's summit as an opportunity to focus attention on these achievements and then move to define the new G-7 agenda. This will include follow-up from the Detroit jobs conference, trade and macroeconomic issues, help for Russia and Ukraine, action to improve nuclear safety at Chernobyl, and other agreements.

Preparations for the summit are moving along. Shortly, we will have a memo for you on the main summit themes, which will ask your guidance on a number of initiatives and will include a letter from you to the other G7 leaders advancing those proposals. The possible initiatives mentioned in Lloyd's memo (most of which we support, and others about which we have questions) will be integrated in this broader effort.

Briefings are being set up for you on the Naples summit, your bilateral meetings with other leaders and other stops on the trip, as well as speech preparation. These will provide you additional opportunities to absorb the G7 agenda, give further direction on what you would like accomplished and map out what will happen.

In addition, Mark Gearan is coordinating a communications strategy for the summit.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

June 15, 1994

94 JUN 15 P6:00

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen 
SUBJECT: The Naples Economic Summit

As you begin to prepare for the Naples Economic Summit, I thought I would outline the economic issues at stake and propose some additional initiatives for you to consider. Your advisers are in the process of beginning to brief you on the entire Summit agenda. In this memorandum, and in the separate one I recently sent you on Russia, I have focussed on the issues that have been the responsibility of the G-7 Finance Ministers and a proposal for advancing your trade agenda.

From Tokyo to Naples

We are in better shape than we were last year.

At this point in 1993, Europe and Japan were still going deeper into recession. The U.S. recovery was uncharacteristically weak. The Uruguay Round was in jeopardy. And Russia's political and economic prospects were tenuous. We used the Summit process, including the G-7, the Sherpa meetings, and the Quadrilateral Trade Ministers process, to put together a reasonably credible response.

- o We produced a growth strategy with clear policy commitments and secured agreement on a G-7 Jobs Conference to focus on the structural dimensions of unemployment.
- o We designed a comprehensive assistance package for Russia to reinforce stabilization and reform, and secured support for the \$3 billion Special Privatization and Restructuring Program.
- o And we negotiated a market access package that provided critical momentum for the Uruguay Round.

Also important for the general sense of accomplishment in Tokyo were two things not directly part of the Summit agenda -- the Framework Agreement with Japan and the opportunity to outline a new commitment to APEC and the Asia Pacific region in your speeches surrounding the event.

This year, we have made considerable progress on each of the defining problems of last year.

- o The industrial countries are recovering, led by a U.S. economy experiencing its first investment-driven, low inflation expansion in three decades.
- o We have tangible signs of progress in Russia, where inflation is in single digits and roughly half of industry has been privatized, in part due to our assistance strategy.
- o Ratification is the final challenge left for the Uruguay Round.

This will be the first Summit in several years with a reasonable expectation of improving economic prospects across the industrial countries. We have a chance to present a more confident and optimistic picture of our collective economic prospects than we have been able to do to date. The Summit can provide a backdrop to highlight how far the U.S. economy has come during your Administration. Over the past 18 months, we have seen rapid improvements in productivity, impressive growth in employment, and the consolidation of a strong investment-led recovery with low inflation. This is probably the best record of performance in the G-7 over this period of time.

The Naples Package

The following is a list of the specific initiatives for Naples now in the pipeline and our objectives for the general statements of shared goals and commitments that will make up the rest of the communique. These items fall into three areas. They fit comfortably under the general theme of "Building Shared Prosperity."

o The Industrial Countries

Our objective is a statement that acknowledges signs of recovery, but includes commitments to take additional macroeconomic policy actions where necessary to ensure a strong recovery. This will help anchor our macroeconomic agenda with Japan in a multilateral context.

As a follow-up to Detroit, we expect to get agreement on a set of "employment principles" to guide national efforts to raise employment growth.

o The Transition Economies

Naples provides an opportunity to highlight the tangible progress made on the economic front in Russia. Monthly inflation is now down to single digits and privatization continues at a fast clip, allowing much of the support we pledged in Tokyo to flow.

We need a strong statement at the Summit urging Russia to intensify its stabilization effort and overhaul its social protection systems.

We also expect to have agreement on several initiatives for Russia and the other ex-Soviet states which will provide a powerful inducement to stabilization and reform, consistent with the initiatives you proposed to President Yeltsin in January.

- The G-7 has agreed to reschedule Russia's 1994 debt obligations. We want agreement at the Summit to provide a deep multi-year debt rescheduling agreement when Russia secures an IMF standby loan.
- We expect to get agreement to urge the IMF to expand by up to \$10 billion the amount of resources it can make available to Russia and the other transition economies under its traditional lending facilities and the special facility for transforming economies.
- We expect to get agreement to urge the IMF to provide new members, the bulk of whom are transition economies, an allocation of some \$3.5 billion of special drawing rights (SDRs) -- which they can exchange for dollars or other hard currencies at relatively favorable interest rates.

o The Emerging Markets/Developing Economies

At this point, we do not have any agreement among the G-7 on specific new initiatives for the developing world.

At a minimum, the communique will include general commitments to support the goals of the Cairo Conference on Population and Development, to support the transition in South Africa and the Middle East Peace Process, and highlight the role the IMF and the World Bank can play in responding to new development priorities.

At issue is whether we reach agreement on more generous debt reduction for the poorest, mostly Sub-saharan Africa and on a modest general SDR allocation that would benefit many developing countries.

These commitments, combined with other parts of the communique, add up to a package that is a bit better than the average Summit, but not particularly impressive by the standard of last year's.

Constraints on Flexibility

There are limits on our ability to generate more dramatic Summit initiatives, for both political and economic reasons.

The nascent global recovery reduced both the need and the opportunity for new cooperative policy actions. We are near the limits of the possible on the macroeconomic policy coordination front, without resorting to institutional gimmicks. At this point, there is no consensus behind new multilateral initiatives on the trade front, apart from the agreement to explore new issues. And we cannot use the Summit to highlight whatever regional trade initiatives we are prepared to consider. The structural reforms that are essential to reducing long term unemployment and raising our productive potential are largely outside of the reach of multilateral cooperative efforts. Budget constraints prevent most of the G-7 from committing significant resources to solving problems that require money.

I am very skeptical about resorting to broad commitments on which we cannot deliver or open-ended academic studies of the future of institutions. A review of the future of the Bretton Woods institutions, for example, would be particularly damaging, for it would distract attention from the substantial reforms we have already undertaken and undermine our efforts to secure adequate funding of our commitments on the Hill.

Possible Presidential Initiatives

In the context of these constraints, we have looked at a variety of proposals for Naples. We occasionally have the opportunity at this late date for Presidential initiatives. Here are several possibilities.

1. Movement Toward a Clinton Trade Round

The successful completion of the Uruguay Round has not been accompanied by any new consensus on future multilateral trade initiatives. This risks a loss of momentum on economic integration, a repetition of the slide into protectionism that has occurred during previous gaps between major trade rounds, and a further proliferation of regional trade arrangements.

The Heads of State could endorse a new multilateral trade initiative. An ambitious approach would be to instruct the trade ministers to begin preparations for a new round of multilateral trade negotiations by the year 2001, covering for example the new issues of labor and environment, services, investment, and further tariff reduction on manufactured goods. Short of this, we could propose negotiations among OECD members to develop rules that go beyond the Uruguay Round agreement in the areas of investment, standards, subsidies, intellectual property, or some subset of these.

I am not sure where Mickey is on these particular proposals, but I strongly support putting our weight behind a new initiative to expand trade.

2. Ukraine

The Naples communique will emphasize the special importance of the Ukraine and underscore the need for reform. We could consider taking this a step further by putting a specific number (perhaps \$5-6 billion over two years) behind a large support package that would be available as they delivered real reform. The downside is that Ukraine's expectations would be raised, and that they will be disappointed if they fail to meet the necessary conditions. Getting agreement on a specific number will require a fair amount of work with the G-7. On balance, I think it is a good idea.

3. Enhanced Cooperation on Macroeconomic Policy and Financial Market Regulation

With the improvement in economic prospects, the G-7 finance ministers have an opportunity to shift their attention to anticipating and preventing new problems. There are two issues worth pursuing here.

The Heads of State could instruct their Finance Ministers, in cooperation with their central bank authorities, to strengthen their cooperation in order to forestall problems that could threaten recovery.

The Heads of State could direct their Finance Ministers, in cooperation with their central bank authorities, to explore ways of enhancing international cooperation in financial market regulation. This mandate could encourage us to work more closely to identify potential risks to the system and to explore ways to maintain greater stability in financial markets. It would provide a useful impetus to better cooperation among securities regulators and between banking and securities regulators, to complement the extensive and effective effort already underway among bank regulators.

4. Debt

Shurup
Co
11

The United States now stands in the way of agreement among the G-7 to provide deeper debt reduction for the poorest developing countries, predominantly those in Sub-saharan Africa. With very modest budgetary allocations or a quite justifiable change in scoring methods, we could provide a significant boost to development in this part of the world. (The total cost involved is in the range of \$50 million, spread over several years.)

5. A Possible Global Peace Fund.

The ad hoc process we now use to respond to major crises is cumbersome and constrained by the limited budgetary resources of the major donors. The existing lending facilities of the IMF and the World Bank are not well suited to this purpose.

We could propose the establishment of a contingency fund, using the existing resources of the international financial institutions, to finance new economic challenges involved in countries emerging from political transition or conflict, such as the Balkans, the Middle East, or South Africa.

Agreement on such a fund would require some heavy lifting with the G-7.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
6/20/94

June 17, 1994

94 JUN 17 P7:43

MEMORANDUM FOR THE PRESIDENT
FROM: KATIE MCGINTY
CC: THOMAS MCLARTY
SUBJECT: OEP WEEKLY REPORT

Funding for DOE Plutonium Programs

Earlier this year the Administration proposed terminating the IRF, a DOE nuclear power program at Argonne that consists of two parts: a fast-neutron reactor (The ALMR) and a plutonium fuel technology called "pyroprocessing." Now, as part of a promise to mitigate job losses from project termination, DOE is sending a budget amendment to the Senate that adds money to several Argonne projects including researching pyroprocessing as a spent fuel/waste management technology. Continuing work on pyroprocessing is supported by the Senators from Illinois, where some of the restored money is spent., although they have not committed to the termination of the rest of the project. However, the House has voted repeatedly to kill both parts of this project (pyroprocessing included); environmentalists and arms control groups strongly object to it; the Post and the Times have editorialized against it because of proliferation concerns; and John Kerry and Dale Bumpers oppose it in the Senate.

Clean Air Act Final Rule on Ethanol

EPA is finalizing a proposed rule which mandates that 30% of the oxygen in reformulated gasoline be from renewable sources (i.e. ethanol or its derivatives). The ethanol mandate, which has been controversial since it was proposed in December of 1993, is strongly supported by the corn region (IN, IL, IA, MO, KS, NE, etc.) and ethanol producers. However, the environmentalists are largely neutral, while the oil producers are poised to fight it in court and Senator Bradley is prepared to fight it in the Senate. In addition, Congressman Dingell has initiated an investigation criticizing the decision-making process and has called for a hearing next Wednesday.

Dispute with Canada over Pacific Salmon

This week, to signal Canadian unhappiness with the failure of U.S. and Canadian negotiators to reach agreement on renewing provisions of the U.S.-Canada Pacific Salmon Treaty, Canada began imposing a fee of 1,500 Canadian dollars (roughly 1,100 U.S. dollars) per trip for U.S. commercial fishing vessels to pass through the Inside Passage along the Canadian coast. This route is customarily used by U.S. salmon fishermen, to avoid the risk of the more dangerous open

waters in transiting between Southeast Alaska and Washington state. State Department and USTR lawyers believe the fee is inconsistent with the 1982 Law of the Sea Convention and the GATT.

We share Canada's frustration at the stalemate in the treaty negotiations, but we do not accept that the fault for the lack of progress rests entirely with the United States. Canada is using these measures to increase its negotiating leverage, which only makes it more difficult for us to move forward in the talks.

As a result of the Canadian action, Ambassador Blanchard delivered a diplomatic note objecting to the fee requirement, requesting that it be rescinded, and offering to return to the negotiating table on the treaty talks. We have also consulted closely with members of the Congressional delegations of Alaska, Washington and Oregon, which are directly affected by the Canadian action. Congresswoman Unsoeld has already offered an amendment to the Fishermen's Protective Act to enable U.S. vessel owners to be reimbursed by the State Department for fees paid to Canada under protest. The U.S. Coast Guard has been provided with guidance in responding to any requests from U.S. vessels for Coast Guard assistance, and has been instructed to make a record of all such incidents.

The NSC has begun an interagency review of the full range of options for responding further to Canada's action, including options for breaking the stalemate in the treaty negotiations, and will be developing recommendations over the weekend for next steps.

National Religious Partnership for the Environment

Last Thursday, I hosted a meeting with the National Religious Partnership for the Environment, a broad-based coalition of religious groups including the U.S. Catholic Conference, National Council of Churches of Christ, Coalition on the Environment and Jewish Life, and the Evangelical Environmental Network. The purpose of the meeting was to engage in a dialogue on environmental issues and to discuss and develop ways that the Administration can work with the religious community to achieve a safe and clean environment. The Vice President, Secretary Babbitt, Administrator Browner, Undersecretary Wirth, Administrator Atwood, and other Administration officials participated in the all day meeting. The response from the participants has been extremely favorable and encouraging with respect to future cooperative efforts.

Superfund

The Administration's Superfund bill was voted out of a Senate Environment and Public Works Subcommittee last Tuesday on a partisan vote of 6 to 4. The full Senate Environment and Public Works Committee has not determined its schedule for Superfund reauthorization. If the Committee waits until it has completed Clean Water Act reauthorization, it may be difficult to finish Superfund reauthorization this Congress. A similar problem exists with the House Public Works Committee, despite the fact that the House Energy and Commerce Committee voted the Superfund bill out of its Committee unanimously.

CEQ nomination of chair

Last week you approved the nomination of Joan Bondareff as chair of the Council on Environmental Quality. Senators Baucus and Chafee have raised some concerns regarding her

nomination. They are suggesting that she is not of appropriate stature and that they perceive this to be evidence of an insufficient commitment to environmental policy by the Administration. We are working with Senate staff in order to address their uneasiness. An option that is on the table is an Executive Order, formally establishing the Office on Environmental Policy. We hope to resolve this by the end of next week so we can move forward with Joan's nomination.