

THE WHITE HOUSE
WASHINGTON

DATE: 8/9/94



TO: *Lloyd Cutler*

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

*Let me know if
you have an interest
or concerns*

John



SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS

Committee on the Judiciary

U.S. House of Representatives 84 AUG 8 P4:45

(202) 226-7680 voice

(202) 225-3746 FAX

FAX COVER SHEET

TO: Name: John Podesta

Fax Phone: 456-2215
Voice Phone: _____

FROM: _____ Melody Barnes _____ Jan Peques
_____ Ivy Davis-Fox _____ Ginny Sloan
X _____ Jim Dempsey _____ Deborah Ward
_____ Catherine LeRoy _____

Number of pages, including this cover

30

We are transmitting to your office on a Xerox 7020

PROBLEMS? Please call (202) 226-7680

SPECIAL INSTRUCTIONS:

103D CONGRESS
2D SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. LEAHY introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To amend title 18, United States Code, to make clear a telecommunications carrier's duty to cooperate in the interception of communications for law enforcement purposes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INTERCEPTION OF DIGITAL AND OTHER COM-**
4 **MUNICATIONS.**

5 (a) IN GENERAL.—Part I of title 18, United States
6 Code, is amended by inserting after chapter 119 the fol-
7 lowing new chapter:

1 **"CHAPTER 120—TELECOMMUNICATIONS**
2 **CARRIER ASSISTANCE TO THE GOV-**
3 **ERNMENT**

"Sec.

"2601. Definitions.

"2602. Assistance capability requirements.

"2603. Notices of capacity requirements.

"2604. Systems security and integrity.

"2605. Cooperation of equipment manufacturers and providers of telecommuni-
cations support services.

"2606. Technical requirements and standards; extension of compliance date.

"2607. Enforcement orders.

"2608. Reimbursement of telecommunications carriers.

4 **"§ 2601. Definitions**

5 **"(a) DEFINITIONS.—In this chapter—**

6 **"the terms defined in section 2510 have, re-**
7 **spectively, the meanings stated in that section.**

8 **"‘call-identifying information’—**

9 **"(A) means all dialing or signalling infor-**
10 **mation associated with the origin, direction,**
11 **destination, or termination of each communica-**
12 **tion generated or received by the subscriber**
13 **equipment, facility, or service of a telecommuni-**
14 **cations carrier that is the subject of a court**
15 **order or lawful authorization; but**

16 **"(B) does not include any information that**
17 **may disclose the physical location of the sub-**
18 **scriber (except to the extent that the location**
19 **may be determined from the telephone number).**

1 “‘Commission’ means the Federal Communica-
2 tions Commission.

3 “‘government’ means the government of the
4 United States and any agency or instrumentality
5 thereof, the District of Columbia, any common-
6 wealth, territory, or possession of the United States,
7 and any State or political subdivision thereof author-
8 ized by law to conduct electronic surveillance.

9 “‘information services’—

10 “(A) means the offering of a capability for
11 generating, acquiring, storing, transforming,
12 processing, retrieving, utilizing, or making
13 available information via telecommunications;
14 and

15 “(B) includes electronic publishing and
16 messaging services; but

17 “(C) does not include any use of any such
18 capability for the management, control, or oper-
19 ation of a telecommunications system or the
20 management of a telecommunications service.

21 “‘provider of telecommunications support serv-
22 ices’ means a person or entity that provides a prod-
23 uct, software, or service to a telecommunications
24 carrier that is integral to such carrier’s switching or
25 transmission of wire or electronic communications.

1 "telecommunications carrier"—

2 "(A) means a person or entity engaged in
3 the transmission or switching of wire or elec-
4 tronic communications as a common carrier for
5 hire (within the meaning of section 3(h) of the
6 Communications Act of 1934 (47 U.S.C.
7 153(h))); and

8 "(B) includes—

9 "(i) a person or entity engaged in pro-
10 viding commercial mobile service (as de-
11 fined in section 332(d) of the Communica-
12 tions Act of 1934 (47 U.S.C. 332(d))); and

13 "(ii) a person or entity engaged in
14 providing wire or electronic communication
15 switching or transmission service to the ex-
16 tent that the Commission finds that such
17 service is a replacement for a substantial
18 portion of the local telephone exchange
19 service and that it is in the public interest
20 to deem such a person or entity to be a
21 telecommunications carrier for purposes of
22 this chapter; but

23 "(C) does not include persons or entities
24 insofar as they are engaged in providing infor-
25 mation services.

1 **"§ 2602. Assistance capability requirements**

2 “(a) CAPABILITY REQUIREMENTS.—Except as pro-
3 vided in subsections (b), (c), and (d) of this section, and
4 subject to section 2607(c), a telecommunications carrier
5 shall ensure that its services or facilities that provide a
6 customer or subscriber with the ability to originate, termi-
7 nate, or direct communications are capable of—

8 “(1) expeditiously isolating and enabling the
9 government to intercept, to the exclusion of any
10 other communications, all wire and electronic com-
11 munications carried by the carrier within a service
12 area to or from equipment, facilities, or services of
13 a subscriber of such carrier concurrently with their
14 transmission to or from the subscriber's service, fa-
15 cility, or equipment or at such later time as may be
16 acceptable to the government;

17 “(2) expeditiously isolating and enabling the
18 government to access call-identifying information
19 that is reasonably available to the carrier—

20 “(A) before, during, or immediately after
21 the transmission of a wire or electronic commu-
22 nication (or at such later time as may be ac-
23 ceptable to the government); and

24 “(B) in a manner that allows it to be asso-
25 ciated with the communication to which it per-
26 tains,

1 except that, with regard to information acquired
2 solely pursuant to the authority for pen registers
3 and trap and trace devices (as defined in section
4 3127), such call-identifying information shall not in-
5 clude any information that may disclose the physical
6 location of the subscriber (except to the extent that
7 the location may be determined from the telephone
8 number);

9 “(3) delivering intercepted communications and
10 call-identifying information to the government in a
11 format such that they may be transmitted by means
12 of facilities or services procured by the government
13 to a location other than the premises of the carrier;
14 and

15 “(4) facilitating authorized communications
16 interceptions and access to call-identifying informa-
17 tion unobtrusively and with a minimum of inter-
18 ference with any subscriber’s telecommunications
19 service and in a manner that protects—

20 “(A) the privacy and security of commu-
21 nications and call-identifying information not
22 authorized to be intercepted; and

23 “(B) information regarding the govern-
24 ment’s interception of communications and ac-
25 cess to call-identifying information.

1 “(b) LIMITATIONS.—

2 “(1) DESIGN OF FEATURES AND SYSTEMS CON-
3 FIGURATIONS.—This chapter does not authorize any
4 law enforcement agency or officer—

5 “(A) to require any specific design of fea-
6 tures or system configurations to be adopted by
7 providers of wire or electronic communication
8 service, manufacturers of telecommunications
9 equipment, or providers of telecommunications
10 support services; or

11 “(B) to prohibit the adoption of any fea-
12 ture or service by providers of wire or electronic
13 communication service, manufacturers of tele-
14 communications equipment, or providers of tele-
15 communications support services.

16 “(2) INFORMATION SERVICES AND INTER-
17 CONNECTION SERVICES AND FACILITIES.—The re-
18 quirements of subsection (a) do not apply to—

19 “(A) information services; or

20 “(B) services or facilities that support the
21 transport or switching of communications for
22 the sole purpose of interconnecting tele-
23 communications carriers or private networks.

24 “(3) ENCRYPTION.—A telecommunications car-
25 rier shall not be responsible for decrypting, or ensur-

1 ing the government's ability to decrypt, any commu-
2 nication encrypted by a subscriber or customer, un-
3 less the encryption was provided by the carrier and
4 the carrier possesses the information necessary to
5 decrypt the communication.

6 “(c) EMERGENCY OR EXIGENT CIRCUMSTANCES.—In
7 emergency or exigent circumstances (including those de-
8 scribed in sections 2518 (7) or (11)(b) and 3125 of this
9 title and section 1805(e) of title 50), a carrier may fulfill
10 its responsibilities under subsection (a)(3) by allowing
11 monitoring at its premises if that is the only means of
12 accomplishing the interception or access.

13 “(d) MOBILE SERVICE ASSISTANCE REQUIRE-
14 MENTS.—A telecommunications carrier offering a feature
15 or service that allows subscribers to redirect, hand off, or
16 assign their wire or electronic communications to another
17 service area or another service provider or to utilize facili-
18 ties in another service area or of another service provider
19 shall ensure that, when the carrier that had been providing
20 assistance for the interception of wire or electronic com-
21 munications or access to call-identifying information pur-
22 suant to a court order or lawful authorization no longer
23 has access to the content of such communications or call-
24 identifying information within the service area in which
25 interception has been occurring as a result of the subscrib-

1 er's use of such a feature or service, information is avail-
2 able to the government (before, during, or immediately
3 after the transfer of such communications) identifying the
4 provider of wire or electronic communication service that
5 has acquired access to the communications.

6 **"§ 2603. Notices of capacity requirements**

7 **"(a) NOTICES OF MAXIMUM AND INITIAL CAPACITY**
8 **REQUIREMENTS.—**

9 **"(1) IN GENERAL.—**Not later than 1 year after
10 the date of enactment of this chapter, and after con-
11 sulting with State and local law enforcement agen-
12 cies, telecommunications carriers, providers of tele-
13 communications support services, and manufacturers
14 of telecommunications equipment, the Attorney Gen-
15 eral shall publish in the Federal Register and pro-
16 vide to appropriate telecommunications carrier asso-
17 ciations, standard-setting organizations, and fora—

18 **"(A)** notice of the maximum capacity re-
19 quired to accommodate all of the communica-
20 tion interceptions, pen registers, and trap and
21 trace devices that the Attorney General esti-
22 mates that government agencies authorized to
23 conduct electronic surveillance may conduct and
24 use simultaneously; and

1 “(B) notice of the number of communica-
2 tion interceptions, pen registers, and trap and
3 trace devices, representing a portion of the
4 maximum capacity set forth under subpara-
5 graph (A), that the Attorney General estimates
6 that government agencies authorized to conduct
7 electronic surveillance may conduct and use si-
8 multaneously after the date that is 4 years
9 after the date of enactment of this chapter.

10 “(2) BASIS OF NOTICES.—The notices issued
11 under paragraph (1) may be based upon the type of
12 equipment, type of service, number of subscribers,
13 geographic location, or other measure.

14 “(b) COMPLIANCE WITH CAPACITY NOTICES.—

15 “(1) INITIAL CAPACITY.—Within 3 years after
16 the publication by the Attorney General of a notice
17 of capacity requirements or within 4 years after the
18 date of enactment of this chapter, whichever is
19 longer, a telecommunications carrier shall ensure
20 that its systems are capable of—

21 “(A) expanding to the maximum capacity
22 set forth in the notice under paragraph (1)(A);
23 and

24 “(B) accommodating simultaneously the
25 number of interceptions, pen registers, and trap

1 and trace devices set forth in the notice under
2 paragraph (1)(B).

3 "(2) PERMANENT CAPACITY.—After the date
4 described in paragraph (1), a telecommunications
5 carrier shall ensure that it can accommodate expedi-
6 tiously any increase in the number of communication
7 interceptions, pen registers, and trap and trace de-
8 vices that authorized agencies may seek to conduct
9 and use, up to the maximum capacity requirement
10 set forth in the notice under paragraph (1)(A).

11 "(c) NOTICES OF INCREASED MAXIMUM CAPACITY
12 REQUIREMENTS.—

13 "(1) The Attorney General shall periodically
14 provide to telecommunications carriers written notice
15 of any necessary increases in the maximum capacity
16 requirement set forth in the notice under subsection
17 (b)(1).

18 "(2) Within 3 years after receiving written no-
19 tice of increased capacity requirements under para-
20 graph (1), or within such longer time period as the
21 Attorney General may specify, a telecommunications
22 carrier shall ensure that its systems are capable of
23 expanding to the increased maximum capacity set
24 forth in the notice.

1 **"§ 2604. Systems security and integrity**

2 "A telecommunications carrier shall ensure that any
3 court ordered or lawfully authorized interception of com-
4 munications or access to call-identifying information ef-
5 fected within its switching premises can be activated only
6 with the affirmative intervention of an individual officer
7 or employee of the carrier.

8 **"§ 2605. Cooperation of equipment manufacturers**
9 **and providers of telecommunications**
10 **support services**

11 "(a) CONSULTATION.—A telecommunications carrier
12 shall consult, as necessary, in a timely fashion with manu-
13 facturers of its telecommunications transmission and
14 switching equipment and its providers of telecommuni-
15 cations support services for the purpose of identifying any
16 service or equipment, including hardware and software,
17 that may require modification so as to permit compliance
18 with this chapter.

19 "(b) MODIFICATION OF EQUIPMENT AND SERV-
20 ICES.—Subject to section 2607(c), a manufacturer of tele-
21 communications transmission or switching equipment and
22 a provider of telecommunications support services shall,
23 on a reasonably timely basis and at a reasonable charge,
24 make available to the telecommunications carriers using
25 its equipment or services such modifications as are nec-
26 essary to permit such carriers to comply with this chapter.

1 "§ 2606. Technical requirements and standards; ex-
2 tension of compliance date

3 "(a) SAFE HARBOR.—

4 "(1) CONSULTATION.—To ensure the efficient
5 and industry-wide implementation of the assistance
6 capability requirements under section 2602, the At-
7 torney General, in coordination with other Federal,
8 State, and local law enforcement agencies, shall con-
9 sult with appropriate associations and standard-set-
10 ting organizations of the telecommunications indus-
11 try.

12 "(2) COMPLIANCE UNDER ACCEPTED STAND-
13 ARDS.—A telecommunications carrier shall be found
14 to be in compliance with the assistance capability re-
15 quirements under section 2602, and a manufacturer
16 of telecommunications transmission or switching
17 equipment or a provider of telecommunications sup-
18 port services shall be found to be in compliance with
19 section 2605, if the carrier, manufacturer, or sup-
20 port service provider is in compliance with publicly
21 available technical requirements or standards are
22 adopted by an industry association or standard-set-
23 ting organization or by the Commission under sub-
24 section (b) to meet the requirements of section 2602.

25 "(3) ABSENCE OF STANDARDS.—The absence
26 of technical requirements or standards for imple-

1 menting the assistance capability requirements of
2 section 2602 shall not—

3 “(A) preclude a carrier, manufacturer, or
4 services provider from deploying a technology or
5 service; or

6 “(B) relieve a carrier, manufacturer, or
7 service provider of the obligations imposed by
8 section 2602 or 2605, as applicable.

9 “(b) FCC AUTHORITY.—

10 “(1) IN GENERAL.—If industry associations or
11 standard-setting organizations fail to issue technical
12 requirements or standards or if a government agen-
13 cy or any other person believes that such require-
14 ments or standards are deficient, the agency or per-
15 son may petition the Commission to establish, by no-
16 tice and comment rulemaking or such other proceed-
17 ings as the Commission may be authorized to con-
18 duct, technical requirements or standards that—

19 “(A) meet the assistance capability re-
20 quirements of section 2602;

21 “(B) protect the privacy and security of
22 communications not authorized to be inter-
23 cepted; and

1 “(C) serve the policy of the United States
2 to encourage the provision of new technologies
3 and services to the public.

4 “(2) TRANSITION PERIOD.—If an industry tech-
5 nical requirement or standard is set aside or sup-
6 planted as a result of Commission action under this
7 section, the Commission, after consultation with the
8 Attorney General, shall establish a reasonable time
9 and conditions for compliance with and the transi-
10 tion to any new standard, including defining the ob-
11 ligations of telecommunications carriers under sec-
12 tion 2602 during any transition period.

13 “(c) EXTENSION OF COMPLIANCE DATE FOR FEA-
14 TURES AND SERVICES.—

15 “(1) PETITION.—A telecommunications carrier
16 proposing to deploy, or having deployed, a feature or
17 service within 4 years after the date of enactment of
18 this chapter may petition the Commission for 1 or
19 more extensions of the deadline for complying with
20 the assistance capability requirements under section
21 2602.

22 “(2) GROUND FOR EXTENSION.—The Commis-
23 sion may, after affording a full opportunity for hear-
24 ing and after consultation with the Attorney Gen-
25 eral, grant an extension under this paragraph, if the

1 Commission determines that compliance with the as-
2 sistence capability requirements under section 2602
3 is not reasonably achievable through application of
4 technology available within the compliance period.

5 "(3) LENGTH OF EXTENSION.—An extension
6 under this paragraph shall extend for no longer than
7 the earlier of—

8 "(A) the date determined by the Commis-
9 sion as necessary for the carrier to comply with
10 the assistance capability requirements under
11 section 2602; or

12 "(B) the date that is 2 years after the date
13 on which the extension is granted.

14 "(4) APPLICABILITY OF EXTENSION.—An ex-
15 tension under this subsection shall apply to only that
16 part of the carrier's business on which the new fea-
17 ture or service is used.

18 **"§ 2607. Enforcement orders**

19 "(a) ENFORCEMENT BY COURT ISSUING SURVEIL-
20 LANCE ORDER.—If a court authorizing an interception
21 under chapter 119, a State statute, or the Foreign Intel-
22 ligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.)
23 or authorizing use of a pen register or a trap and trace
24 device under chapter 206 or a State statute finds that a
25 telecommunications carrier has failed to comply with the

1 requirements in this chapter, the court may direct that
2 the carrier comply forthwith and may direct that a pro-
3 vider of support services to the carrier or the manufac-
4 turer of the carrier's transmission or switching equipment
5 furnish forthwith modifications necessary for the carrier
6 to comply.

7 “(b) ENFORCEMENT UPON APPLICATION BY ATTOR-
8 NEY GENERAL.—The Attorney General may apply to the
9 appropriate United States district court for, and the Unit-
10 ed States district courts shall have jurisdiction to issue,
11 an order directing that a telecommunications carrier, a
12 manufacturer of telecommunications transmission or
13 switching equipment, or a provider of telecommunications
14 support services comply with this chapter.

15 “(c) GROUNDS FOR ISSUANCE.—A court shall issue
16 an order under subsections (a) or (b) only if the court
17 finds that—

18 “(1) alternative technologies or capabilities or
19 the facilities of another carrier are not reasonably
20 available to law enforcement for implementing the
21 interception of communications or access to call-
22 identifying information; and

23 “(2) compliance with the requirements of this
24 chapter is reasonably achievable through the applica-
25 tion of available technology to the feature or service

1 at issue or would have been reasonably achievable if
2 timely action had been taken.

3 "(d) TIME FOR COMPLIANCE.—Upon issuance of an
4 enforcement order under this section, the court shall speci-
5 fy a reasonable time and conditions for complying with
6 its order, considering the good faith efforts to comply in
7 a timely manner, any effect on the carrier's, manufactur-
8 er's, or service provider's ability to continue to do busi-
9 ness, the degree of culpability or delay in undertaking ef-
10 forts to comply, and such other matters as justice may
11 require.

12 "(e) LIMITATION.—An order under this section may
13 not require a telecommunications carrier to meet the gov-
14 ernment's demand for interception of communications and
15 acquisition of call-identifying information to any extent in
16 excess of the capacity for which notice has been provided
17 under section 2603.

18 "(f) CIVIL PENALTY.—

19 "(1) IN GENERAL.—A court issuing an order
20 under this section against a telecommunications car-
21 rier, a manufacturer of telecommunications trans-
22 mission or switching equipment, or a provider of
23 telecommunications support services may impose a
24 civil penalty of up to \$10,000 per day for each day

1 in violation after the issuance of the order or after
2 such future date as the court may specify.

3 "(2) CONSIDERATIONS.—In determining wheth-
4 er to impose a fine and in determining its amount,
5 the court shall take into account—

6 "(A) the nature, circumstances, and extent
7 of the violation;

8 "(B) the violator's ability to pay, the viola-
9 tor's good faith efforts to comply in a timely
10 manner, any effect on the violator's ability to
11 continue to do business, the degree of culpabil-
12 ity, and the length of any delay in undertaking
13 efforts to comply; and

14 "(C) such other matters as justice may re-
15 quire.

16 "(3) CIVIL ACTION.—The Attorney General
17 may file a civil action in the appropriate United
18 States district court to collect, and the United
19 States district courts shall have jurisdiction to im-
20 pose, such fines.

21 **"§ 2608. Reimbursement of telecommunications car-**
22 **riers**

23 "(a) IN GENERAL.—The Attorney General shall, sub-
24 ject to the availability of appropriations, reimburse tele-

1 communications carriers for all reasonable costs directly
2 associated with—

3 “(1) the modifications performed by carriers
4 prior to the effective date of section 2602 or prior
5 to the expiration of any extension granted under sec-
6 tion 2606(c) to establish the capabilities necessary
7 to comply with section 2602;

8 “(2) meeting the maximum capacity require-
9 ments set forth in the notice under section
10 2603(a)(1)(A); and

11 “(3) expanding existing facilities to accommo-
12 date simultaneously the number of interceptions, pen
13 registers and trap and trace devices for which notice
14 has been provided under section 2603(a)(1)(B).

15 “(b) PROCEDURES AND REGULATIONS.—Notwith-
16 standing any other law, the Attorney General may estab-
17 lish any procedures and regulations deemed necessary to
18 effectuate timely and cost-efficient reimbursement to tele-
19 communications carriers for reimbursable costs incurred
20 under this chapter, under chapters 119 and 121, and
21 under the Foreign Intelligence Surveillance Act of 1978
22 (50 U.S.C. 1801 et seq.).

23 “(c) DISPUTE RESOLUTION.—If there is a dispute
24 between the Attorney General and a telecommunications
25 carrier regarding the amount of reasonable costs to be re-

1 imbursed under subsection (b), the dispute shall be re-
2 solved and the amount determined in a proceeding initi-
3 ated at the Commission under section 2606(b) or by the
4 court from which an enforcement order is sought under
5 section 2607.

6 “(d) LACK OF APPROPRIATED FUNDS.—The lack of
7 appropriated funds sufficient to reimburse telecommuni-
8 cations carriers for modifications under subsection (a)
9 shall be considered by the Commission or a court in deter-
10 mining whether compliance is reasonable under section
11 2607(a).”.

12 (b) TECHNICAL AMENDMENT.—The part analysis for
13 part I of title 18, United States Code, is amended by in-
14 serting after the item relating to chapter 119 the following
15 new item:

 “120. Telecommunications carrier assistance to the Gov-
 ernment 2601”.

16 **SEC. 2. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated to carry out
18 section 2608 of title 18, United States Code, as added by
19 section 1—

20 (1) a total of \$500,000,000 for fiscal years
21 1995, 1996, 1997, and 1998; and

22 (2) such sums as are necessary for each fiscal
23 year thereafter.

1 **SEC. 3. EFFECTIVE DATE.**

2 (a) **IN GENERAL.**—Except as provided in paragraph
3 (2), chapter 120 of title 18, United States Code, as added
4 by section 1, shall take effect on the date of enactment
5 of this Act.

6 (b) **ASSISTANCE CAPABILITY AND SYSTEMS SECURITY**
7 **AND INTEGRITY REQUIREMENTS.**—Sections 2602
8 and 2604 of title 18, United States Code, as added by
9 section 1, shall take effect on the date that is 4 years after
10 the date of enactment of this Act.

11 **SEC. 4. REPORTS.**

12 (a) **REPORTS BY THE ATTORNEY GENERAL.**—

13 (1) **IN GENERAL.**—On or before November 30,
14 1995, and on or before November 30 of each year
15 for 5 years thereafter, the Attorney General shall
16 submit to the Congress a report on the amounts
17 paid during the preceding fiscal year in reimburse-
18 ment to telecommunications carriers under section
19 2608 of title 18, United States Code, as added by
20 section 1.

21 (2) **CONTENTS.**—A report under paragraph (1)
22 shall include—

23 (A) a detailed accounting of the amounts
24 paid to each carrier and the technology, feature
25 or service for which the amounts were paid; and

1 (B) projections of the amounts expected to
2 be paid in the current fiscal year, the carriers
3 to which reimbursement is expected to be paid,
4 and the technologies, services, or features for
5 which reimbursement is expected to be paid.

6 (b) REPORTS BY THE COMPTROLLER GENERAL.—

7 (1) IN GENERAL.—On or before April 1, 1996,
8 and April 1, 1998, the Comptroller General of the
9 United States, after consultation with the Attorney
10 General and the telecommunications industry, shall
11 submit to the Congress a report reflecting its audit
12 of the sums paid by the Attorney General to carriers
13 in reimbursement.

14 (2) CONTENTS.—A report under paragraph (1)
15 shall include the findings and conclusions of the
16 Comptroller General on the costs to be incurred
17 after the compliance date, including projections of
18 the amounts expected to be incurred and the tech-
19 nologies, services, or features for which expenses are
20 expected to be incurred.

21 SEC. 5. CORDLESS TELEPHONES.

22 (a) DEFINITIONS.—Section 2510 of title 18, United
23 States Code, is amended—

1 (1) in paragraph (1) by striking "but such term
2 does not include" and all that follows through "base
3 unit"; and

4 (2) in paragraph (12) by striking subparagraph
5 (A) and redesignating subparagraphs (B), (C), and
6 (D) as subparagraphs (A), (B), and (C), respec-
7 tively.

8 (b) PENALTY.—Section 2511 of title 18, United
9 States Code, is amended—

10 (1) in subsection (4)(b)(i) by inserting "a
11 cordless telephone communication that is transmit-
12 ted between the cordless telephone handset and the
13 base unit," after "cellular telephone communica-
14 tion,"; and

15 (2) in subsection (4)(b)(ii) by inserting "a
16 cordless telephone communication that is transmit-
17 ted between the cordless telephone handset and the
18 base unit," after "cellular telephone communica-
19 tion,".

20 **SEC. 6. RADIO-BASED DATA COMMUNICATIONS.**

21 Section 2510(16) of title 18, United States Code, is
22 amended—

23 (1) by striking "or" at the end of subparagraph
24 (D);

1 (2) by inserting "or" at the end of subpara-
2 graph (E); and

3 (3) by inserting after subparagraph (E) the fol-
4 lowing new subparagraph:

5 "(F) an electronic communication;"

6 **SEC. 7. PENALTIES FOR MONITORING RADIO COMMUNICA-**
7 **TIONS THAT ARE TRANSMITTED USING MOD-**
8 **ULATION TECHNIQUES WITH NONPUBLIC PA-**
9 **RAMETERS.**

10 Section 2511(4)(b) of title 18, United States Code,
11 is amended by striking "or encrypted, then" and inserting
12 ", encrypted, or transmitted using modulation techniques
13 the essential parameters of which have been withheld from
14 the public with the intention of preserving the privacy of
15 such communication".

16 **SEC. 8. TECHNICAL CORRECTION.**

17 Section 2511(2)(a)(i) of title 18, United States Code,
18 is amended by striking "used in the transmission of a wire
19 communication" and inserting "used in the transmission
20 of a wire or electronic communication".

21 **SEC. 9. FRAUDULENT ALTERATION OF COMMERCIAL MO-**
22 **BILE RADIO INSTRUMENTS.**

23 (a) **OFFENSE.**—Section 1029(a) of title 18, United
24 States Code, is amended—

1 (1) by striking "or" at the end of paragraph
2 (3); and

3 (2) by inserting after paragraph (4) the follow-
4 ing new paragraphs:

5 "(5) knowingly and with intent to defraud uses,
6 produces, traffics in, has control or custody of, or
7 possesses a telecommunications instrument that has
8 been modified or altered to obtain unauthorized use
9 of telecommunications services; or

10 "(6) knowingly and with intent to defraud uses,
11 produces, traffics in, has control or custody of, or
12 possesses—

13 "(A) a scanning receiver; or

14 "(B) hardware or software used for alter-
15 ing or modifying telecommunications instru-
16 ments to obtain unauthorized access to tele-
17 communications services,".

18 (b) PENALTY.—Section 1029(c)(2) of title 18, United
19 States Code, is amended by striking "(a)(1) or (a)(4)" and
20 inserting "(a) (1), (4), (5), or (6)".

21 (c) DEFINITIONS.—Section 1029(e) of title 18, Unit-
22 ed States Code, is amended—

23 (1) in paragraph (1) by inserting "electronic se-
24 rial number, mobile identification number, personal
25 identification number, or other telecommunications

1 service, equipment, or instrument identifier," after
2 "account number,";

3 (2) by striking "and" at the end of paragraph
4 (5);

5 (3) by striking the period at the end of para-
6 graph (6) and inserting "; and"; and

7 (4) by adding at the end the following new
8 paragraph:

9 "(7) the term 'scanning receiver' means a de-
10 vice or apparatus that can be used to intercept a
11 wire or electronic communication in violation of
12 chapter 119."

13 **SEC. 10. TRANSACTIONAL DATA.**

14 (a) **DISCLOSURE OF RECORDS.**—Section 2703 of title
15 18, United States Code, is amended—

16 (1) in subsection (c)—

17 (A) in subparagraph (B)—

18 (i) by striking clause (i); and

19 (ii) by redesignating clauses (ii), (iii),

20 (iv) as clauses (i), (ii), and (iii), respec-
21 tively; and

22 (B) by adding at the end the following new
23 subparagraph:

24 "(C) A provider of electronic communica-
25 tion service or remote computing service shall

1 disclose to a governmental entity the name, bill-
2 ing address, and length of service of a sub-
3 scriber to or customer of such service and the
4 types of services the subscriber or customer uti-
5 lized, when the governmental entity uses an ad-
6 ministrative subpoena authorized by a Federal
7 or State statute or a Federal or State grand
8 jury or trial subpoena or any means available
9 under subparagraph (B)."; and

10 (2) by amending the first sentence of subsection
11 (d) to read as follows: "A court order for disclosure
12 under subsection (b) or (c) may be issued by any
13 court that is a court of competent jurisdiction de-
14 scribed in section 3126(2)(A) and shall issue only if
15 the governmental entity offers specific and
16 articulable facts showing that there are reasonable
17 grounds to believe that the contents of a wire or
18 electronic communication, or the records or other in-
19 formation sought, are relevant and material to an
20 ongoing criminal investigation."

21 (b) PEN REGISTERS AND TRAP AND TRACE DE-
22 VICES.—Section 3121 of title 18, United States Code, is
23 amended—

24 (1) by redesignating subsection (c) as sub-
25 section (d); and

1 (2) by inserting after subsection (b) the follow-
2 ing new subsection:

3 “(c) LIMITATION.—A government agency authorized
4 to install and use a pen register under this chapter or
5 under State law, shall use technology reasonably available
6 to it that restricts the recording or decoding of electronic
7 or other impulses to the dialing and signalling information
8 utilized in call processing.”.

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: August 1, 1994

FROM THE OFFICE OF

Date of Request: 7/23/1994

Request for: POTUS

DAN BURKHARDT

Type of Request: Honorary National Co-Chair

IN THE

Requestor Name: Ms. Margaret Truman Daniel

GIFT UNIT (RM457)

Title: Honorary Chairwoman

Organization: Harry S. Truman Library Ir
U.S. Highway 24 and Delawa
Independence, Missouri 64

Contact Tel. #: 816/833-4368

Event Date: 4/12/1995

Event Description: The event will commemorate the 50th anniversary of the Truman Presidency. Three major dinners will take place simultaneously in Los Angeles, Chicago and Washington, D.C. Speakers will include the Prime Minister of Israel and Winston Churchill III. Benefits will go to the Harry S. Truman Library Institute.

Notes: The requestor has also invited Presidents Ford, Carter, Reagan and Bush to serve as Honorary Co-Chairs of the event.

Recommendations:

PL _____

JP 

cc
Leop
Mach
my Ash. man
Self. now at energy

WHITE HOUSE
WASHINGTON

August 5, 1994

Michael G. Gauldin
Director of Public
and Consumer Affairs
Department of Energy
Washington, D.C. 20585

Dear Mike:

Thanks so much for your letter of August 3 and for following up on our recent conversation, which I really enjoyed. Thanks, too, for what you said about last night's news conference.

I've thought about what you suggested on the way home and also in your letter, and I think your insight, as usual, is keen.

I wish you'd let me hear from you more often. Your letter really meant a lot to me, and it's always good to have your perspective.

Sincerely,

BM

Aug. 3, 1994

Mr. President:

The news conference last night was good. Your message was all over TV, all over radio, all over the newspapers. You looked like a human.

I'm glad you're planning to do more. Hold to that, please. No spokesman, no third party can communicate your message with the impact you can have.

Remember one of the lessons of the Campaign: we determined that people needed your to know you and your life story to make you more to them than an amiable policy wonk. They still need to see you as the person they voted for.

I was also pleased by your statement, "I'm not a legislator." You need to keep that separation intact. Remember Joe Glick and his study that showed you were so heavily involved with the Legislature that people perceived you as part of the problem instead of part of the solution. Same goes for Congress, I believe.

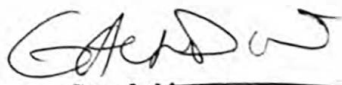
On your accomplishments, I've been concerned that we don't really have a cohesive message and talking points that would resonate with people. I've obtained your staff's compilation of accomplishments and asked Jana to turn it into something useful we can then dare to feed back to the White House. Nobody is more effective in talking about your accomplishments than you, true, but the whole network needs to be able to reel off what we've done and how things have changed. To the ordinary person, we haven't shown the change we promised. And they need it in plain English.

I read The Agenda. My recurring thought was that your hired guns need to spend less time fighting for your soul and more time HELPING you.

I think you think the hotshots got you elected. YOU got you elected, goddamit. Nobody buys a car just because it's got a nice paint job. They need to give you their best opinion, but when you make a decision, they need to just shut the fuck up and DO it.

See if you can't get out of that tomb, out of the bullet-proof car and out from behind the podium and get back in shirtsleeves eating cornbread with some real people. They need to see you're still the same guy they sent here to change things.

Do right.


Gauldin

Scan
Rec'd to
Bill Perry

ITE HOUSE
INGTON

August 4, 1994

Patrick David Allen
905 North Emerson Street
Arlington, Virginia 22205

Dear Patrick:

Thanks for your letter and for asking me not to give your grandad so much work to do. I rely on him a lot, but I promise you that I'll try to give him a day off now and then. You should be very proud of him.

I'm especially glad to know that your grandad is so efficient on "Monkey Island." I didn't know that!

Sincerely,

Bill Clinton



*To Patrick Allen
With best wishes,*

Ben Clinton

July 28, 1994

Dear President Clinton,

My Grandad is the Secretary of Defense. Please don't give him so much work to do because I like it when he spends more time with me.

He's nice, and he's the only one who knows how to start "Monkey Island" on Grandma's computer. He also sings songs to me.

I miss him, but I'm proud that he's the boss of all the Armies.

Sincerely,

Patrick Allen

Patrick David Allen
Grandson of the Secretary of Defense
905 N. Emerson Street
Arlington, Virginia 22205
(703) 524-7524

P.S. I am 8.

D Ball

President will
R.

THE PRESIDENT HAS SEEN

8/5/91

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 3, 1994

REMARKS BY THE PRESIDENT
IN DROP BY AT HEALTH SECURITY EXPRESS EVENT

The South Lawn

11:10 A.M. EDT

THE PRESIDENT: My fellow Americans, Congress has to decide whether it's going to listen to the insurance companies, or to Jan Cox's last wish. (Applause.)

We all know what the problem is here. You've just ridden a bus across the country, seeing real people who are just working hard, making the best they can of their lives, wanting a decent break. Those of you who have had these kinds of personal experiences that Daniel and Carolyn and John talked about, can't figure out why we spend more than anybody else on health care, cover fewer people than any other country, and get poorer health results.

It is because organized, intense, discreet minority interests are doing very well on a system that costs more than any other country's and covers fewer people. And every time you try to change it, they say, well, the world will come to an end. (Laughter.)

Well, like Hillary said, we ran for this job -- along with Vice President and Mrs. Gore -- because maybe we could be the home office of the "American Association of Ordinary Citizens." (Applause.) That's what we wanted to do. And every time we try to make a change, that's what they said.

We showed up here -- the deficit was going up and the economy was going down. And I put together a plan, and I urged the people on the other side to work with me; and they said, no, if we vote for this, the sky will fall, the economy will collapse, and so we'll all vote against it and call it a big tax increase.

But the truth is, the plan cut spending, raised taxes on the richest 1.5 percent of Americans, gave 15 million working people a tax cut. Thanks to the Secretary of Education, gave 20 million Americans an opportunity to refinance their college loans at a lower interest rate and, low and behold, it produced a drop in unemployment -- 3.8 million new jobs and the sky didn't fall. Now, the deficit's going down and the economy's coming up. But it's hard to overcome these organized, intense interests.

We had a different sort of fight over the big trade battle last year over at NAFTA. They said, if you do this, the economy will collapse. But low and behold, the Congress, this time with a bipartisan effort, passed NAFTA and we're exporting five times as many cars to Mexico as we were last year. They're our biggest, most growing market.

Change is hard up here because, even though most members of Congress were once just like you, when they get up here, they're a long way from home and they know that you and the President are presented to the folks back home partly through the rhetoric and the money spent by organized, intense minority interest.

MORE

And somehow, some way, this fight has got to be about Daniel Lumley and Carolyn Mosely and John and Jan Cox. That's what it's got to be about. (Applause.) It's got to be about my friend, Justin Dart, sitting back there and all the Americans with disabilities who could be in the work force, making money, paying taxes, contributing to our future if they could just get health insurance while they're in the work force. (Applause.)

All the nurses who hired on to help people get well, and instead spend all their time calling insurance companies to try to figure out if this or that procedure can be done by the doctor in the first place. Goodness only knows how many people we employ in this country that would be working more productively in any other country. We have to put hundreds of thousands of people to work every day to figure out who's not covered, or what's not covered in an insurance policy. There's not anybody else in the world spending their time and spinning their wheels, putting people to work, asking them to spend their entire working life reading the fine print of insurance policies to see what is not covered. Can you imagine a more unsatisfying thing to do with your life? (Applause.)

Lee Brown, our drug policy leader -- do you know why he's here today? Because if we could pass health insurance for all Americans, it would include drug treatment for all Americans. (Applause.) Now, he's a policeman; he spent all of his life trying to lower crime and fight criminals, be tough on law and order. But he learned as a police officer that there are a lot of people in trouble with drug and alcohol abuse and they need treatment. And we'd save billions and billions of dollars.

And it's not like we don't know what to do. Twenty years ago, Hawaii said, everybody here is going to get insurance; we're going to have employers and employees cover their health insurance. And if you've never been to Hawaii -- I hope you get to go someday; it's a wonderful place -- but everything there is more expensive than any place else, because it's way out on an island somewhere -- everything except health care, where the premiums for small business are 30 percent below the national average because everybody pays and no one runs away, and everybody is covered. (Applause.)

And you ought to be taken care of, whether you're a young man riding a motorcycle in the prime of your life, or a young woman giving yourself to nursing, or a man following a religious mission to work at a Christian radio station, or any other thing. It just ought to be that way.

We have a consensus in this country on universal health care. What we do not have is a consensus among people elected to represent the American people on making the tough decisions necessary to get universal health care. (Applause.)

There are lots of things like that in life. A bunch of us, including me, would like to be thinner, but we don't diet. (Laughter.) A lot of people would like to be stronger, but they don't lift weights.

In the end, it comes down when you've got something everybody wants to do but is not easy to do, the people that hired on have to make the decisions. And the members of the United States Congress hired on, just like I did. We didn't say, vote for me, in a representative form of government, and I will make all the necessary decisions to solve the problems of the country except those that are difficult, controversial, and make people mad. (Applause.)

That was not the deal. And you need to hang around this town, and you need to tell your stories. Because the questions that I get asked are, well, what about this detail or that bill, or who is

up or who is down. I say I have answered my question. My question is, am I for you or not? Answer? Yes. (Applause.)

And secondly, second question, did I offer a plan to solve your problem. The answer, yes. (Applause.) Third question, was I willing to meet people who had different ideas or better ideas more than halfway? The answer is yes. (Applause.)

These bills provide for longer phase-in, they give less orders, fewer orders and they give more options to smaller business. They give a better financial break to small business. They are less bureaucratic. We have listened to the American people and Congress has presented bills to do that.

They've bent over backwards to recognize that the American people want options, and they don't like to be told to do anything. I don't blame them. Nobody likes that. But the conservative thing to do is to ask everybody to carry as much of their own load as they can and then for the rest of us to help.

Those who are opposed to universal coverage say, we've got a whole class of people we're not going to ask to carry any load at all, and we'll ask everybody who's already doing their part to do even more. I think we have the conservative position, my fellow Americans, the responsible position. Everybody should do what they can, and then we'll help those who need more. (Applause.)

I just want to ask you to remember this: Make this debate about John and Jan Cox, about the story Carolyn Mosely told, about the dreams of the future -- teaching our children -- that Daniel Lumley has, and about the personal stories that are here in this audience and all across America. Don't let it become part of some rhetoric, hot air, process, conflict, interest group deal, and say a simple word. We have moved, we have reached out to people of different views and different parties. This is not a partisan issue. I don't have any earthly idea what political party these three people are in, or who they voted for President, and I do not care; I want them to have health care. (Applause.)

You make the debate about them, and remind the Congress that, just like the President, they signed on to represent ordinary Americans, to make the tough decisions and not to walk away. And this is a decision America has walked away from for 60 years. President Truman, three times asked the American people to get the Congress to solve this problem and the Congress said no. President Nixon, 23 years ago, asked the Congress to require employers and employees to split the difference and cover, with private health insurance, all Americans.

Now, it's been long enough. I know we're supposed to deliberate up here -- (laughter) -- but we have now deliberated through three generations. (laughter and applause.)

AUDIENCE: Pass it now! Pass it now!

THE PRESIDENT: Pass it now for them and for you. God bless you all. (Applause.)

END

11:20 A.M. EDT

THE WHITE HOUSE

To: President Clinton

Fr: George S.

THE PRESIDENT HAS SEEN 8/5/94 GS

Mont Kondracke sent you his article
on Thomas Patterson.

Also, I recently did a Sperly lunch
centered on the Patterson epilogue.

Let me know if you want any
follow up.

(GS)

8/5/94

July 27, 1994

President Bill Clinton
The White House
Washington, DC

Dear Mr. President:

As promised last night in the State Dept. receiving line, I'm sending my column on the Patterson book. George has faxed me Patterson's epilogue.

* [The question obviously arises, what can be done about this problem? My advice would be that you and others at the White House publicly spread the word about Patterson's findings and try to engender some soul-searching among journalists.

(X) Second, I've always thought that, in spite of all the tendencies Patterson identifies, you could help overcome them significantly through small-group seminars with various journalists, maybe off-the-record, on serious subjects. Henry Kissinger used this technique to great advantage.

So, that's what maybe you can do. What can we do? Darned if I know.

① Good luck, *Henry* *etc*
Legu

Sincerely,

Mort

Morton M. Kondracke

② This is just dinner
R. Kaplan is not
beginning of book and
epilogue
B.

New Book Bolsters Clinton Complaints On 'Cynical' Media

President Clinton charges that journalists don't so much report the news anymore as editorialize about it, and that they are making Americans cynical about politics. An important new book suggests he's absolutely right.

The book is *Out of Order* (Knopf) by Syracuse University professor Thomas E. Patterson. It shows that during the 1992 race, 80 percent of presidential campaign stories on the front page of the New York Times were interpretive accounts stressing the reporter's opinions, while in 1960, almost all stories were descriptive accounts largely based on

the words of candidates and other politicians.

What's more, analyzing more than 4,200 campaign stories in *Time* and *Newsweek* from 1960 to 1992, Patterson finds that until 1976, "good news" about candidates and their campaigns dominated, whereas from 1980 on, articles have been mainly negative, sometimes savagely so.

Television coverage is much the same, Patterson shows, with correspondents regularly opining that candidates purposely mislead voters, don't stand for anything, lack a clear agenda, or have character flaws making them unfit to govern.

Patterson's book documents increasing negative "advocacy coverage" in campaigns, but other data indicate that the tendency carries over into coverage of government—pos-

sibly because the same reporters cover campaigns, the White House, and Congress.

According to the Center for Media and Public Affairs, 62 percent of 1993 network news stories on the Clinton presidency were negative. Coverage of Democrats in Congress was 60 percent negative and 75 percent negative for Republicans.

During a radio interview with St. Louis station KMOX on June 24, Clinton blasted radio talk-show host Rush Limbaugh, right-wing preacher Jerry Falwell, and the mainstream media. What he said about the media was all but ignored.

Explaining citizen cynicism, Clinton said, "If you look at the information they get, at how much more negative the news reports are, how much more editorial they are, and

how much less time they are given, you can't blame them for responding that way."

Curiously, the Center for Media and Public Affairs finds that the overall content of TV coverage of the Whitewater and Troopergate scandals from last November through this May has been equally balanced for and against Clinton — although obviously the subject matter of the stories works against Clinton.

But during the two months prior to Clinton's complaint in St. Louis, TV scandal reporting had turned decidedly negative for Clinton, by a margin of 61 percent to 39 percent. By far, ABC News has been toughest on Clinton and CBS the most favorable.

Patterson's book, while coming from the vantage point of campaigns, is a 300-page vindication of Clinton's basic point of view.

"There is a danger to democracy in both the unrelenting negativism of the press and the increased inability of candidates to avoid the press's scrutiny," he writes. "Candidates have to communicate with an electorate that is continuously warned by the press to mistrust them. A wall of suspicion is thus created, and disbelief sets in."

Possibly Patterson's most damning findings are that the media nowadays won't even let a politician be heard.

In 1968, the average TV soundbite featuring a presidential candidate's own words was

Pennsylvania Avenue

By Morton M. Kondracke

Skilled Trades People Preserve America's Security



'There is a danger to democracy in both the



war security. President Clinton has included Defense budget. Congress has consistently necessary to build them.

men and women, like those of United g, and others at thousands of companies in

are the muscle behind our foreign policy. s, we must keep skilled steel workers, and thorize and fund CVN76 in Fiscal Year 1995.

George Becker

George Becker
International President
United Steelworkers of America



'There is a danger to democracy in both the unrelenting negativism of the press and the increased inability of candidates to avoid the press's scrutiny,' writes Syracuse professor Thomas Patterson.

42 seconds long. In 1988 and 1992, the average was less than ten seconds.

For every minute that the candidates spoke on the evening news in 1988 and 1992, Patterson reports, journalists who were covering the campaign talked for six minutes.

Newspapers are little better. In 1960, the average continuous quote or paraphrase of a candidate's words in a front-page New York Times story was 14 lines long. By 1992, the average had fallen to six lines.

"The candidate's words are now usually buried in a narrative devoted primarily to expounding the journalist's view," says Patterson. And usually the journalist's view, he says, is that politicians are trying to put something over on the public.

Patterson writes that the fundamental problem with presidential politics today is that the media have taken over the candidate-judging role formerly occupied by party leaders — largely as a consequence of the 1968 McGovern-Fraser reforms in the Democratic party.

The media, naturally inclined toward "news" rather than underlying issues and toward "horse race" coverage rather than substance — and increasingly driven toward scandal and personality — simply is not cut out for the role of chief arbiter of politics, Patterson writes. The remedy he recommends: shortening campaigns.

That's a distant cure, though. What America needs most is for TV and print editors to order their reporters to quit being de facto columnists and to go back to telling people what happened yesterday, rather than what to think about tomorrow.



Mach

THE PRESIDENT HAS SEEN
88.94

we need to discuss
this —

RC.





7/27/94

Dear Mr. President,

Thank you for calling me.
It is thrilling to have the
most powerful person in the
world to ring you up.

You are doing a wonderful
job. I am so proud of you.



My mother got one of the New Hampshire calls + told the man he had called the right person. She listed your accomplishments for him + she still does it about your presidency.

I'm going to run a great campaign + beat that sucker. I'm using lots of your old organization. I need money. I don't have to have the most, but I've got to have enough. Many of your old fundraisers have said, "I'll vote for you + do what I can, but I'm helping Jim Guy raise money." A call from you to the likes of Billy Simpson, Herby Branson, etc. might turn the tide on money.



Truman Moore said he'd help.

Every day we think of you.
Every day we are really proud
of you.

Your friend,
Charlie Chaff





THE WHITE HOUSE
WASHINGTON

DATE: 08/08/94

TO: KATIE MCGINTY

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



For your information.



THE WHITE HOUSE
WASHINGTON

ACTION

August 8, 1994

94 AUG 8 AM : 06

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: ANTHONY LAKE 

SUBJECT: Transmittal of the Convention on the Conservation and Management of
Pollock Resources in the Central Bering Sea

Purpose

To transmit the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea to the Senate for its advice and consent to ratification.

Background

Secretary of State Warren Christopher has forwarded this Agreement (Tab C) for your transmission to the Senate requesting its advice and consent to ratification.

Attached for your signature is your transmittal message to the Senate (Tab A), which also forwards the State Department's report on the Agreement (Tab B).

The Convention establishes an international regime for the conservation and management of pollock resources in the central region of the Bering Sea in the North Pacific Ocean, commonly known as the "Donut Hole." Pollock in this region represent one of the most commercially important fishery resources in the world. However, due to extensive over-fishing by vessels from Japan, Korea, China, and Poland in the late 1980's, we experienced severe conservation problems for pollock stocks in U.S. and Russian waters adjacent to the Donut Hole. As a result, in 1991 we began a three-year plurilateral negotiation that led to this Convention, which includes strong measures to conserve and manage the pollock resources, and effective enforcement provisions. The regime created under the Convention will help ensure the continued viability of the U.S. pollock industry and will also serve as an effective forum for closer international coordination of fishery enforcement activities on the high seas, which is a major policy goal of the United States.

The Agreement was signed on June 16, 1994, by the United States, the People's Republic of China, the Republic of Korea, and the Russian Federation. We expect Japan and Poland to sign in the near future.

cc: Vice President
Chief of Staff

RECOMMENDATION

That you sign the Transmittal Message to the Senate at Tab A.

Attachments

Tab A	Transmittal Message to the Senate
Tab B	Report from the Secretary of State
Tab C	Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea

TO THE SENATE OF THE UNITED STATES:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea, with Annex, done at Washington on June 16, 1994. The Convention was signed on that date by the People's Republic of China, the Republic of Korea, the Russian Federation, and the United States. Japan and the Republic of Poland, the other participating countries in the negotiation of the Convention, are expected to sign the Convention in the near future. I transmit also, for the information of the Senate, a report of the Secretary of State concerning the Convention.

This Convention is a state-of-the-art fishing agreement that will aid in ensuring the long-term health of pollock stocks in the central Bering Sea on which the U.S. pollock industry in the Pacific Northwest in part depends. Its strong conservation and management measures will be backed up with effective enforcement provisions. The agreement will require that each vessel fishing for pollock in the central Bering Sea carry scientific observers and use real-time satellite position-fixing transmitters. All vessels of the Parties fishing in the central Bering Sea must consent to boarding and inspection by authorized officials of other States Parties for compliance with the provisions of the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and provide its advice and consent to ratification.

THE WHITE HOUSE,

DEPARTMENT OF STATE
WASHINGTON

The President:

July 9, 1994

I have the honor to submit to you, with the view to its transmission to the Senate for its advice and consent to ratification, the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea, with Annex, done at Washington on June 16, 1994. The Convention was signed on that date by representatives of the People's Republic of China, the Republic of Korea, the Russian Federation, and the United States. Japan and the Republic of Poland, the other participating countries in the preparation of the agreement, are expected to sign the Convention in the near future.

The Convention establishes an international regime for the conservation and management of pollock resources in the central region of the Bering Sea in the North Pacific Ocean. It is a state-of-the-art fishing agreement that includes strong measures to conserve and manage the pollock resources enforced by effective compliance provisions. Among other things, the Convention requires that vessels fishing for pollock in the Convention Area carry scientific observers and use real-time satellite position-fixing transmitters while in the Bering Sea. Furthermore, all fishing vessels of any Party to the Convention may be boarded and inspected by authorized officials of any other Party for compliance with the Convention.

The President,

The White House.

Pollock in the North Pacific Ocean and Bering Sea represent one of the most commercially important fishery resources in the world. The economic value of the U.S. pollock industry in Alaska, Washington, and Oregon is approximately \$2 billion annually.

In the late 1980s, vessels of Japan, Korea, China, and Poland fished extensively and without restraint in the area of the central Bering Sea beyond the waters over which the United States and Russia exercise exclusive fishery management jurisdiction. This situation created severe conservation problems for pollock stocks in the adjacent U.S. and Russian waters. Catches of Aleutian Basin pollock in the central Bering Sea declined from a peak of nearly 1.5 million metric tons in 1989 to less than 11,000 tons in 1992. Anxiety also arose regarding possible adverse impacts on other ecologically related marine species.

In early 1991, a negotiating process on a multilateral agreement on fishing for pollock in the central Bering Sea began which ultimately required ten sessions over a three-year period to come to fruition. During the negotiations, all participating States voluntarily suspended fishing for Aleutian Basin pollock in the central Bering Sea and in the adjacent U.S. and Russian areas. Officials of the Department of Commerce, the U.S. Coast Guard, representatives of the U.S. fishing industry, state government officials of Alaska and Washington, and Congressional representatives strongly supported the U.S. negotiating effort. On February 11, 1994, representatives of the involved countries concluded their discussions and reached ad referendum agreement on a Convention on the

Conservation and Management of Pollock Resources in the Central Bering Sea, with Annex. The Convention was opened for signature at Washington on June 16, 1994.

Article I describes the geographic area of the Convention, which incorporates the central area of the Bering Sea beyond the 200 nautical mile zones over which the United States and Russia exercise exclusive fishery management jurisdiction. Scientific activities conducted under the Convention may extend beyond the Convention Area within the Bering Sea.

Article II articulates the objectives of the Convention, which include (1) the establishment of an international regime for conservation, management, and optimum utilization of pollock resources in the Convention Area; (2) the restoration and maintenance of the pollock resources in the Bering Sea at levels which will permit their maximum sustainable yield; (3) the cooperation of the Parties in the gathering and examination of factual information concerning pollock and other living marine resources in the Bering Sea; and, (4) the provision of a forum in which to consider the establishment of necessary conservation and management measures for other living marine resources in the Convention Area as may be required in the future.

Article III commits the Parties to convene an Annual Conference and to establish a Scientific and Technical Committee to achieve the objectives of the Convention.

The functions of the Annual Conference, outlined in Article IV, include establishing the allowable harvest level (AHL) and individual national quotas (INQs), as well as other conservation and management measures for pollock

define the plan of work for the Scientific and Technical Committee.

Under Article V, each Party shall have one vote in making decisions, which shall be taken by consensus for matters of substance and by simple majority for other matters. Article VI provides for the election of a Chairperson and a Vice-Chairperson.

Article VII requires the Annual Conference to establish by consensus the allowable harvest level of pollock for the succeeding year. If the Annual Conference cannot reach consensus on establishing the AHL, Part 1 of the Annex provides an alternate mechanism for determining the AHL. Similarly, Article VIII requires the Annual Conference to establish by consensus INQs for each Party for the succeeding year. INQs may not be transferred to any other Party or non-Party. If the Annual Conference cannot reach consensus on establishing INQs, Part 2 of the Annex provides guidelines on establishing an effective management system for the pollock fishery in the Convention Area.

Articles IX and X provide for cooperation on scientific and technical issues related to the Convention, both through the activities of the Scientific and Technical Committee and otherwise. This includes cooperating on activities to improve management of and research on the pollock resources in the Convention Area, as well as exchanging scientific and catch data between the Parties and the Committee.

Article XI describes the duties of each Party to ensure compliance with the Convention. Among other things, each Party must specifically authorize its vessels to fish for pollock in the Convention Area, and vessels fishing for pollock in the Convention Area must carry scientific observers and use real-time satellite position-fixing transmitters while in the Bering Sea. Additionally, fishing vessels must provide advance notification to the other Parties of their intention to enter the Convention Area as well as the location of any transshipments of fish to transport vessels. Furthermore, all fishing vessels of the Parties in the Convention Area must consent to boarding and inspection by authorized officials of any other Party for compliance with the Convention.

Under Article XII, Parties will encourage non-Parties to respect the provisions of the Convention. Should fishing operations by non-Parties adversely affect the attainment of the objectives of the Convention, the Parties shall take measures consistent with international law to deter such operations. Additionally, each Party agrees to take appropriate measures to prevent its fishing vessels from transferring their registration for the purpose of avoiding compliance with provisions of the Convention.

Article XIII calls for disputes between Parties over the interpretation or application of the Convention to be settled by peaceful means. Article XIV describes a simplified procedure by which amendments may be made to the Annex to the Convention, and Article XV establishes English as the official language of the Annual Conference and the Scientific and Technical Committee.

Article XVI provides that the Convention shall be open for signature at Washington by the People's Republic of China, Japan, the Republic of Korea, the Republic of Poland, the Russian Federation, and the United States of America. The Convention will enter into force thirty days following the date on which four signatory States, including Russia and the United States, have deposited their instrument of ratification, acceptance, or approval with the Depositary. Additionally, the article provides that non-signatory States which wish to fish for pollock in the Convention Area may accede to the Convention after it enters into force upon the unanimous agreement and invitation of the original Parties.

Article XVII establishes the procedure for amending the Convention. Article XVIII specifies the process by which a Party may withdraw from the Convention. Article XIX provides that the Convention shall not be deemed to prejudice the positions or views of any Party concerning its rights and obligations under other treaties or international agreements to which it is a Party or its positions or views with respect to law of the sea matters. Article XX designates the United States as the Depositary of the Convention.

As the Convention seeks to improve the conservation and management of pollock stocks in the central Bering Sea, the regime it creates will aid in ensuring the continued viability of the U.S. pollock industry. It will also serve as an effective forum for closer and improved international coordination of North Pacific fishery enforcement activities on the high seas, which is a major

policy goal of the United States. The benefits to be derived from the Convention will make its establishment extraordinarily worthwhile.

Accordingly, I recommend that the Convention be transmitted to the Senate for its early and favorable consideration and advice and consent to ratification. Along with other concerned agencies, the Department of State stands ready to work with the Congress toward the enactment of any necessary implementing legislation.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be "S. R.", enclosed within a large, loopy oval flourish.

CONVENTION
ON THE CONSERVATION AND MANAGEMENT OF
POLLOCK RESOURCES IN THE CENTRAL
BERING SEA

The Parties to this Convention,

Recognizing the urgent necessity to cooperate in taking
measures for the conservation and management of pollock
resources in the central Bering Sea consistent with
international law, and

Noting the adoption of the United Nations Convention on the
Law of the Sea in 1982,

Have agreed as follows:

ARTICLE I

This Convention applies to the high seas area of the Bering Sea beyond 200 nautical miles from the baselines from which the breadth of the territorial sea of the coastal States of the Bering Sea is measured (hereinafter referred to as "the Convention Area"), except as otherwise provided in this Convention. Activities under this Convention, for scientific purposes, may extend beyond the Convention Area within the Bering Sea.

ARTICLE II

The objectives of this Convention shall be:

1. to establish an international regime for conservation, management, and optimum utilization of pollock resources in the Convention Area;
2. to restore and maintain the pollock resources in the Bering Sea at levels which will permit their maximum sustainable yield;
3. to cooperate in the gathering and examining of factual information concerning pollock and other living marine resources in the Bering Sea; and
4. to provide, if the Parties agree, a forum in which to consider the establishment of necessary conservation and management measures for living marine resources other than pollock in the Convention Area as may be required in the future.

ARTICLE III

1. To achieve the objectives of this Convention, the Parties agree to:

- (a) convene an Annual Conference of the Parties; and
- (b) establish a Scientific and Technical Committee.

2. The Parties shall adopt and amend as necessary rules of procedure both for the Annual Conferences and the Scientific and Technical Committee.

ARTICLE IV

1. The functions of the Annual Conference shall be:

- (a) to establish the allowable harvest level for pollock in the Convention Area (hereinafter referred to as "the AHL") for the succeeding year;
- (b) to establish an individual national quota of pollock in the Convention Area (hereinafter referred to as "the INQ") for the succeeding year for each Party;
- (c) to adopt other appropriate conservation and management measures for the pollock resources in the Convention Area;
- (d) to establish a plan of work for the Scientific and Technical Committee (hereinafter referred to as "the Plan of Work");
- (e) to receive reports from each Party relating to measures taken to investigate and penalize violations of provisions of this Convention and measures adopted pursuant thereto;

- (f) to establish the terms and conditions for any trial fishing operations for pollock in the Convention Area and to determine the scope of any cooperative scientific research on living marine resources other than pollock covered by this Convention;
- (g) to discuss cooperative enforcement measures;
- (h) to consider the effectiveness of the Central Bering Sea Observer Program established pursuant to Article XI and to adopt a manual of the procedures for boarding and inspection referred to in Article XI;
- (i) to consider matters related to the conservation and management of living marine resources other than pollock in the Convention Area;
- (j) to discuss scientific data and conservation measures of the coastal States of the Bering Sea related to pollock fishing in the Bering Sea;
- (k) to discuss fishery support operations in the Convention Area, including the environmental impact of such operations;
- (l) to adopt amendments to the Annex to this Convention; and
- (m) to perform other functions as follow from provisions of this Convention or as are necessary to attain the objectives of this Convention.

2. The Party that hosts the Annual Conference shall publish and maintain a record of all conservation and management measures in force in the Convention Area.

3. In exercising its functions under paragraph 1 above, the Annual Conference shall take full account of the reports and recommendations of the Scientific and Technical Committee.

ARTICLE V

1. Each Party has one vote in making decisions at the Annual Conference.

2. Except as provided elsewhere in this Convention, decisions of the Annual Conference on matters of substance shall be taken by consensus. A matter shall be deemed to be of substance if any Party considers it to be of substance.

3. Decisions on matters other than those referred to in paragraph 2 above shall be taken by a simple majority of the votes of all Parties casting affirmative or negative votes.

ARTICLE VI

1. The Annual Conferences shall be held in rotation among the Parties.

2. The site of the next Annual Conference shall be decided by the previous Annual Conference.

3. The Parties shall at the end of each Annual Conference elect a Chairperson and a Vice-Chairperson who shall serve until the end of the next Annual Conference.

ARTICLE VII

1. The Annual Conference shall establish by consensus the AHL for the succeeding year, based upon an assessment of the

Aleutian Basin pollock biomass by the Scientific and Technical Committee.

2. If every effort to achieve consensus has failed, the AHL shall be determined in accordance with the provisions of Part 1 of the Annex.

ARTICLE VIII

1. The Annual Conference shall establish by consensus the INQ for the succeeding year for each Party, the total of which shall not exceed the AHL, with the understanding that an INQ shall not be transferred to any other Party or non-Party to this Convention.

2. If every effort to achieve consensus has failed, the Parties agree that fishing for pollock in the Convention Area shall take place pursuant to the provisions of Part 2 of the Annex.

ARTICLE IX

1. The Scientific and Technical Committee, which shall be comprised of at least one representative from each Party, shall compile, exchange, and analyze information on fisheries harvests, and pollock and other living marine resources covered by this Convention in accordance with the Plan of Work established by the Annual Conference, and shall investigate other scientific matters as may be referred to it by the Annual Conference. It shall also establish forms and procedures for the Parties to submit fisheries data as required by Article X.

2. The Scientific and Technical Committee shall hold a meeting prior to the Annual Conference and shall report to the Annual Conference the results of its meeting.

3. The Scientific and Technical Committee shall strive to adopt its reports by consensus. If every effort to achieve consensus has failed, the report shall include the differing views of the representatives of the Parties to the Scientific and Technical Committee.

4. The Scientific and Technical Committee shall make recommendations to the Annual Conference with respect to the conservation and management of pollock, including the AHL for the succeeding year.

5. The Scientific and Technical Committee may perform such functions as follow from other provisions of this Convention or as the Annual Conference may determine.

ARTICLE X

1. The Parties shall cooperate in the conduct of scientific research on the pollock resources and, as may be determined by the Annual Conference, on other living marine resources covered by this Convention, including research on the determination of migratory patterns of pollock within and beyond the Convention Area. The Parties shall also cooperate in exchanging scientific data on these resources and in adopting standardized methodologies for such scientific research.

2. The Parties shall annually submit fisheries data to the Scientific and Technical Committee including catch and effort statistics, time and area of fishing operations, incidental taking of anadromous species or other living marine resources, or other biological and technical data as may be required to meet the objectives of this Convention.

3. Each Party shall, at the request of any other Party, consult bilaterally for the purpose of accommodating scientific observers from the requesting Party on board any fishing vessel of the requested Party in the Convention Area.

4. For any year in which the AHL is zero, the Annual Conference may authorize trial fishing operations for pollock in the Convention Area to be conducted by the fishing vessels of the Parties in accordance with a research plan that is submitted by any Party concerned and is approved by the Annual Conference, based upon the recommendations of the Scientific and Technical Committee. The terms and conditions for such operations shall be established by the Annual Conference.

ARTICLE XI

1. Each Party shall take all necessary measures to ensure that its nationals and fishing vessels flying its flag comply with the provisions of this Convention and measures adopted pursuant thereto. For purposes of this Convention, "fishing vessel" means any vessel used or intended for use for the purposes of the commercial exploitation of living marine

resources, including mother ships and any other vessels directly engaged in such fishing operations.

2. Each Party shall:

- (a) ensure that its fishing vessels fish for pollock in the Convention Area only pursuant to specific authorization issued by that Party; and
- (b) ensure that fishing operations for pollock by its fishing vessels undertaken in violation of the provisions of this Convention or of such authorization constitute an offense under its national legislation.

3. Each Party shall require its fishing vessels that fish for pollock in the Convention Area:

- (a) to use real-time satellite position-fixing transmitters while in the Bering Sea;
- (b) to notify the other Parties of their intention to enter the Convention Area 48 hours prior to such entry, the procedures for which shall be established by the Annual Conference; and
- (c) to notify the other Parties of the location of any transshipments of fish and fish products to transport vessels 24 hours prior to such transshipment.

4. The Parties shall exchange:

- (a) information collected by real-time satellite position-fixing transmitters on a real-time basis through bilateral channels; and
- (b) catch data on a sufficiently regular basis, established by the Annual Conference, to ensure

effective implementation of the relevant conservation and management measures.

5. The Parties shall establish a Central Bering Sea Observer Program in accordance with the following principles:

(a) Each fishing vessel of the Parties that fishes for pollock in the Convention Area shall accept one observer of a Party other than its flag-State Party, upon request of such Party, under conditions established bilaterally sufficiently in advance by the Parties concerned. If such an observer is not available, the fishing vessel shall have on board one observer from its flag-State Party.

(b) The observers shall be trained and certified in accordance with the procedures to be included in the Program.

(c) The Program shall have as its objective a significant level of coverage by observers sent by non-flag-State Parties.

(d) With respect to observers sent by non-flag-State Parties, each Party shall require its fishing vessels to bear the costs of meals and accommodation of such observers. Other matters relating to costs shall be arranged between the Parties concerned.

(e) The activities of observers shall include monitoring the implementation of conservation and management measures adopted pursuant to this Convention (e.g., measures relating to fishing

activities, location thereof, incidental catch, and fishing gear) and reporting of their findings to the flag-State Party and observer's Party.

6. Each Party may enforce the provisions of this Convention within the Convention Area in accordance with the following:

- (a) Each Party consents to the boarding and inspection of fishing vessels flying its flag and located in the Convention Area by duly authorized officials of any other Party for compliance with this Convention or measures adopted pursuant thereto.
- (b) Such officials may inspect the vessel (other than crew quarters and engineering spaces), catch, fishing gear, and relevant documents and logbooks, and question the master, the fishing master, and other officers on board.
- (c) When conducting inspections, such officials shall present credentials issued by their Governments, minimize interference with and inconvenience to the operations of the fishing vessel undertaken pursuant to this Convention, and follow procedures set forth in a manual adopted by the Annual Conference.

7. Where an inspection of a fishing vessel undertaken under paragraph 6 above reveals evidence of a violation of the provisions of this Convention or of measures adopted pursuant thereto:

- (a) The flag-State Party shall be notified promptly of alleged violations. The flag-State Party shall

take appropriate measures in accordance with its national laws and regulations, including prompt investigation. The flag-State Party shall order the fishing vessel to cease operations in violation of the provisions of this Convention or of measures adopted pursuant thereto and, in appropriate cases, shall order the fishing vessel to leave the Convention Area immediately.

- (b) In any case in which the fishing vessel has:
- i. engaged in fishing for pollock, other than authorized trial fishing, in the Convention Area in any year:
 - (1) in which the AHL is zero;
 - (2) while fishing for pollock is not allowed in accordance with the provisions of this Convention;
 - (3) after the total catch of pollock of the fishing vessel's Party has reached the INQ of that Party;
 - ii. operated in the Convention Area without specific authorization from the flag-State Party;
or
 - iii. operated in the Convention Area without an observer or without an operable real-time satellite position-fixing transmitter, in circumstances set forth in a manual adopted by the Annual Conference;

and the flag-State Party is not in a position to take immediate control of or otherwise carry out its responsibility for the operation of the fishing vessel, the officials of the boarding Party may continue the boarding initiated under paragraph 6 above until officials of the flag-State Party board the fishing vessel or the flag-State Party otherwise carries out its responsibility for the operation of the fishing vessel. In such circumstances, the Parties concerned shall cooperate to ensure full compliance with this Convention and with conservation and management measures adopted pursuant thereto. In particular, the Parties concerned shall consult and take such practical steps as may be necessary to ensure such compliance.

(c) Only the authorities of the flag-State Party may try the offense and impose penalties therefor. The evidence necessary for establishing the offense, insofar as it is under the control of any of the Parties, shall be furnished, in accordance with the respective laws and regulations of the Parties, as promptly as possible to the Party having jurisdiction to try the offense and shall be taken into account, and utilized as appropriate, by the relevant authorities of that Party.

(d) Penalties provided for in the relevant laws and regulations of the Parties shall reflect the seriousness of the infractions.

ARTICLE XII

1. The Parties agree to invite the attention of any non-Party to this Convention to any matter relating to the fishing operations of its nationals, residents, or vessels flying its flag that could affect adversely the attainment of the objectives of this Convention.

2. The Parties shall, consistent with international law, encourage any non-Party to respect the provisions of this Convention and any conservation and management measures adopted pursuant thereto.

3. If fishing operations by nationals, residents, or vessels of any non-Party could affect adversely the attainment of the objectives of this Convention, the Parties shall take measures, individually or collectively, which are consistent with international law, and which they deem necessary and appropriate, to deter such operations.

4. Each Party shall take appropriate measures aimed at preventing fishing vessels registered under its laws and regulations from transferring their registration for the purpose of avoiding compliance with the provisions of this Convention or conservation and management measures adopted pursuant thereto.

5. The Parties may, by unanimous agreement, invite the representative of any non-Party to participate as an observer at the Annual Conferences.

ARTICLE XIII

If any dispute arises between two or more of the Parties concerning the interpretation or application of this Convention, those Parties shall consult among themselves with a view to having the dispute resolved by available peaceful means of their own choice.

ARTICLE XIV

1. The Annex to this Convention shall form an integral part of this Convention. All references to this Convention shall be understood as including the Annex.

2. The Annex to this Convention shall be considered amended upon the acceptance by the Governments of all Parties of a proposed amendment to the Annex adopted by the Annual Conference in accordance with the provisions of subparagraph 1(1) of Article IV. An amendment to the Annex shall enter into force on the date upon which the Depositary receives notification in writing from all Parties of their acceptance of the amendment.

3. The Depositary shall notify all Parties of the date of receipt of each notification of acceptance of an amendment to the Annex.

ARTICLE XV

The official language of the Annual Conference and the Scientific and Technical Committee shall be English.

ARTICLE XVI

1. This Convention shall be open for signature at Washington by the People's Republic of China, Japan, the Republic of Korea, the Republic of Poland, the Russian Federation, and the United States of America.

2. This Convention shall enter into force on the thirtieth day following the date on which at least four signatory States, including the Russian Federation and the United States of America, which are the coastal States of the Bering Sea, have deposited their instrument of ratification, acceptance, or approval with the Depositary.

3. This Convention shall enter into force for each of the other signatory States on the thirtieth day following the date of deposit of that State's instrument of ratification, acceptance, or approval.

4. After the entry into force of this Convention, the Parties may, by unanimous agreement, invite other States whose nationals and fishing vessels wish to conduct fishing for pollock in the Convention Area to become Parties to this Convention. This Convention shall enter into force for any such other State on the thirtieth day following the date of deposit of the State's instrument of accession.

ARTICLE XVII

1. Any Party may at any time propose an amendment to this Convention other than the Annex by providing the text of such a proposal to the Depositary. The Depositary shall promptly circulate any such proposals to all Parties.

2. If one-half of the Parties request a meeting to discuss a proposed amendment, the Depositary shall call such a meeting, which shall take place no sooner than sixty days following the date of circulation of the proposal pursuant to paragraph 1 above.

3. An amendment shall enter into force when the Depositary has received instruments of ratification, acceptance, or approval thereof from all Parties.

ARTICLE XVIII

After three years from entry into force of this Convention, any Party may withdraw from this Convention twelve months after the date on which it notifies the Depositary in writing of its intention to withdraw.

ARTICLE XIX

Nothing in this Convention nor any measures adopted pursuant thereto shall be deemed to prejudice the positions or views of any Party with respect to its rights and obligations under treaties and other international agreements to which it is Party or its positions or views with respect to the law of the sea.

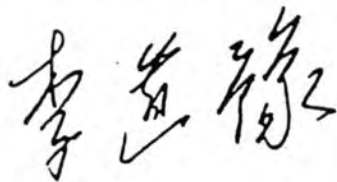
ARTICLE XX

The original of this Convention shall be deposited with the Government of the United States of America, which shall be Depositary. The Depositary shall transmit certified copies thereof to all other signatory States and acceding States.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

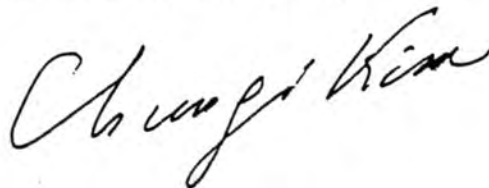
DONE AT Washington this sixteenth day of June, 1994, in a single original, in the English language.

FOR THE PEOPLE'S REPUBLIC OF CHINA:

A handwritten signature in Chinese characters, likely representing a Chinese official.

FOR JAPAN:

FOR THE REPUBLIC OF KOREA:

A handwritten signature in cursive script, reading "Chung Hwa", likely representing a Korean official.

FOR THE REPUBLIC OF POLAND:

FOR THE RUSSIAN FEDERATION:

A handwritten signature in black ink, appearing to be a stylized name, possibly "Boris".

FOR THE UNITED STATES OF AMERICA:

A handwritten signature in black ink, appearing to be "David A. Olson".

ANNEX

PART 1

Pursuant to paragraph 2 of Article VII, the AHL shall be determined as follows:

(a) Based on scientific and technical information reviewed by the Scientific and Technical Committee, one institution each designated by the Russian Federation and the United States of America, as the coastal States of the Bering Sea, shall jointly establish the Aleutian Basin pollock biomass.

(b) If there is insufficient scientific and technical information available to allow the two institutions designated pursuant to paragraph (a) above to establish the Aleutian Basin pollock biomass, the Parties agree that, for the purpose of this Convention, the pollock biomass for the Specific Area (note) as determined by the United States institution designated pursuant to paragraph (a) above shall be deemed to represent 60 percent of the Aleutian Basin pollock biomass.

Note: The Specific Area is the area south of a straight line between a point at 55°46'N. and 170°00'W. and a point at 54°30'N. and 167°00'W., and between the meridian 167°00'W. and the meridian 170°00'W., and north of the Aleutian Islands and straight lines between the islands connecting the following coordinates in the order listed:

52°49.2'N. 169°40.4'W.,
52°49.8'N. 169°06.3'W.,
53°23.8'N. 167°50.1'W.,
53°18.7'N. 167°51.4'W.

(c) If the Aleutian Basin pollock biomass is less than 1.67 million metric tons, the AHL shall be zero and, therefore, there shall be no directed fishing on the Aleutian Basin pollock stock.

(d) If the Aleutian Basin pollock biomass is equal to or above 1.67 million metric tons, the AHL shall be determined in accordance with the following table:

<u>Aleutian Basin pollock biomass</u>	<u>AHL</u>
<u>1.67 million metric tons or more but less than 2.0 million metric tons</u>	<u>130,000 metric tons</u>
<u>2.0 million metric tons or more but less than 2.5 million metric tons</u>	<u>190,000 metric tons</u>
<u>2.5 million metric tons or more</u>	<u>Determined by consensus at the Annual Conference</u>

Pursuant to paragraph 2 of Article VIII, the Annual Conference shall, by consensus, establish an effective management system for the pollock fishery in the Convention Area. The management system:

- (a) shall be based upon the recommendations of the Scientific and Technical Committee;
- (b) shall take full account of the applicable fishing effort of each Party, the harvesting and processing capacity of the fishing vessels that may be involved, and their relative efficiency;
- (c) shall not prejudice the opportunity for the fishing vessels of all Parties to participate in the fishery; and
- (d) shall include a starting date for the fishery, a program for effectively monitoring catch, procedures for closing the fishery, and, where appropriate, other specific conservation and management measures.

I CERTIFY THAT the foregoing is a true copy of the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea, done at Washington on June 16, 1994, in a single original, in the English language, the original of which is deposited in the archives of the Government of the United States of America.

IN TESTIMONY WHEREOF, I, Warren M. Christopher, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this sixteenth day of June, 1994.



Warren M. Christopher

Secretary of State

Annie R. Maddux

Authentication Officer

Department of State

MEMORANDUM

THE PRESIDENT HAS SEEN

8.8.94

To: The President
From: Nancy ~~Hernreich~~
Date: August 8, 1994
Re: Miscellaneous Items

- (1) **For comment.** You indicated on your briefing notes following the Earthquake Recovery announcement call that you wanted to write a personal check to support Shan-gri-la restoration. John Emerson thought you were just kidding, and I want to be sure of that before I file this.

 Yes No

*Kidding
what is the
status?*





THE WHITE HOUSE
WASHINGTON

August 1, 1994

EARTHQUAKE RECOVERY ANNOUNCEMENT PHONE CALL

Date: August 2, 1994
Location: Oval Office
Time: 4:20-4:35 p.m.
From: John Emerson

*14 with a
Personal Check to
Support Guangxi
Restoration*

I. Purpose

To announce \$225 million in HUD funds to rebuild "ghost town" blocks created by the earthquake, and the release of OMB's six month Earthquake Recovery Report.

II. Background

Thousands of units of low and moderate income housing were destroyed, especially in the areas of Northridge and Santa Monica. Due in large part to the recession, many owners of the two and three story multi-family apartment buildings which proliferate near the quake's epicenter cannot demonstrate sufficient cash flow or property value to qualify for an SBA or commercial loan needed to rebuild. The result is neighborhoods with dozens of condemned, unoccupied buildings and no prospect for rebuilding. This has recently received attention in the LA press.

OMB, HUD, and the Cities of LA and Santa Monica have devised a program whereby HUD CDBG monies would be used to fund loans for rebuilding in targeted areas. Approx. \$450-500 million is needed. In response to a formal request by the Mayors, Los Angeles will receive \$200 million and Santa Monica will receive \$25 million; the Cities will pick up the rest of the tab. The federal funds will be re-allocated from excess transportation and education monies allocated in the original quake relief budget package.

III. Participants

POTUS and Secretary Cisneros in DC; LA Mayor Riordan, Santa Monica Mayor Judy Abdo in Los Angeles, along with LA County Supervisor Yvonne Burke and other representatives of LA City government and federal agencies involved in the earthquake recovery.

IV. Press Plan

White House photo, with audio to Press Room in DC; full press attendance in Los Angeles.

V. Sequence of Events

POTUS:	Opening remarks
Mayor Riordan:	Brief remarks.
Mayor Abdo:	Brief remarks.
Sec'y. Cisneros:	Description of proposed solution.
POTUS:	Announcements; close call.

VI. Remarks

David Tornquist; Barry Toiv

On My Mind

A. M. ROSENTHAL

Who Pays
China's
Army?

Two months ago, President Clinton wiped out Asian human rights as a political, economic or diplomatic concern of his Administration's foreign policy.

He did this with the help and guidance of the American China lobby, which pays for its business profits in China by supporting the interests of the Government in Beijing.

But only the President himself could actually do the deed and only in one way — by tearing up the promises he had made before and after the Presidential campaign, including his own executive order. That was the one all about how the minimum trade tariffs China enjoys would be raised unless Beijing allowed Chinese and Tibetan citizens some relief from forced labor, political arrest, prison torture and religious persecution.

China, sensing the sponginess of the President's commitment to human rights before many of us who voted for him, did not give him an inch. So he caved.

Why he did I do not know or perhaps am not ready to believe. Mr. Clinton learned long ago how important the money and other support of major corporations are at election time. All American politicians learn this. But not all go along, not on such an issue of honor and heart.

At least 100 members of the House of Representatives have stated their readiness to resist the pressure of the China lobby, the President and Beijing. Next week they will vote for legislation to raise the low tariffs subsidizing the massive exports of the Chinese Army to the U.S. — yes, the Chinese Army.

How many more will join them depends in good part on how many Americans really care, enough to show it.

Once the tariff pressure was off, the Chinese repaid Mr. Clinton exactly as he and the lobby could have foretold — if they had cared.

Human Rights Watch/Asia reports that the noose has tightened on all

American
consumers,
that's who.

dissident activity. And the political branch of the conference of American Catholic bishops says that religious persecution is increasing and so is forced abortion.

Economically China is cashing in big. This year it will sell Americans \$30 billion more than it buys from them. Meanwhile Beijing, according to the C.I.A., is the chief nuclear supplier to Iran and the major missile salesman to Syria and Iran, still tests nuclear weapons and is the only major nuclear power to increase its military budget.

Here is the evil comedy: The U.S. consumer is supporting the growth of the Chinese "People's Army," which is both the major instrument of Chinese power abroad and the major weapon of repression at home.

Are we all total fools with no commitment to human rights or even our own interests? No, not all of us — not the bishops, not the A.F.L.-C.I.O., not the human rights groups, and not those members of Congress getting ready for next week's fight.

One of them, Gerald Solomon, Republican of New York, has introduced one-paragraph legislation: Reject the President's decision, raise the tariffs. It won't win but, oh, what a pleasure it would be to vote for him in November.

The other representatives have put together compromise legislation that targets principally those products manufactured by the network of thousands of plants owned by the Chinese Army.

The Administration is now so trapped by China that along with the China lobby it is actually fighting any human rights move against the forced-labor economic power of the Chinese military or its subsidization by U.S. low tariffs.

The Chinese Army's products range from guns exported by the thousands to America to machinery, furniture and clothing — often produced by workers paid in prison gruel.

That wipes out American competition and makes for huge profits that go to the leading Communist Party families, the party itself and the Chinese Army.

All around Asia other countries with a taste for repression are delighted with the signal from Washington — forget that human rights stuff because when it comes to trade America does not care.

American voters have a choice. They can phone or fax their minds to their representatives about subsidizing the Chinese Army. Or they can go on making Chinese generals even merrier, more stuffed with American billions and more powerful militarily.

Either way, one day the news of the American choice will get to the Chinese and Tibetans in their subsidized torture cells and labor camps. □

Abroad at Home

ANTHONY LEWIS

The
Grassy
Knoll

BOSTON

The desperate nature of the Republican effort to make something of Whitewater was on naked display in the Senate hearing on the death of Vincent Foster. Partisan zeal would not yield to elemental human decency.

Ever since the assistant White House counsel committed suicide in July 1993, the political right has tried to use the death to attack President and Mrs. Clinton. Conservative commentators claim that Mr. Foster killed himself over the Whitewater affair, or was murdered.

As crackpots from Mark Lane to Oliver Stone had a theory about President Kennedy's assassination, so with Mr. Foster they have come up with conspiracy fantasies. A newsletter suggested that he had died in a Virginia apartment, and the body was moved to the park where it was found. Rush Limbaugh reported that charge to his large audience, embellishing it to say the newsletter "claims that Vince Foster was murdered in an apartment owned by Hillary Clinton."

All those claims were exhaustively investigated by the independent counsel on Whitewater, Robert B. Fiske Jr. His massive report concluded that Mr. Foster committed suicide because he was depressed, as he had been earlier in his life. The many colleagues, family and friends questioned by the counsel's staff said Mr. Foster had never mentioned Whitewater as a cause for concern.

Of course that did not stop the partisan conspiracists. They turned on Mr. Fiske, a highly respected former Federal prosecutor, and charged that he had sold out.

Last month Mr. Foster's family pleaded for an end to the use of "outrageous innuendo and speculation for political ends." It was "so unfair," the statement added, "for the family's privacy and emotions to be pawns in a political struggle."

None of that gave Senator Alfonse D'Amato or his colleagues on the Senate Banking Committee pause. They had their day's hearing on Mr.

Foster's death, but they got no support for conspiracy theories. Special Agent Larry Monroe of the F.B.I. said there was "nothing sinister whatever" about Mr. Foster's death.

The hearing on Vincent Foster was the low point. But the whole first week of House and Senate hearings was sound and fury signifying nothing.

The focus of attention was Roger Altman, Deputy Secretary of the Treasury. In Congressional testimony last February he said he had had "one substantive contact with White House staff" on Whitewater matters. To put it politely, that was a slippery statement.

Mr. Altman and others at Treasury had many White House contacts, though not on "substance" in the sense of inside information on facts found in inquiries touching Whitewater. White House staff were advised that a case might be referred to the Justice Department for prosecution in which President and Mrs. Clinton could be called as witnesses.

Senators of both parties criticized Mr. Altman for shading his earlier testimony, and rightly so. But in fact there was nothing wrong with alerting the White House, Republican protestations notwithstanding.

Past Presidents have been alerted by legal officials again and again about possible involvement of themselves or their staff in pending matters. President Reagan was; President Bush was, and I dare say President Jefferson was told that he might be drawn into the prosecution of Aaron Burr.

The nonpartisan Office of Government Ethics found no violation of law or ethical standards in the informing of the White House. That office is headed by a Bush appointee, Stephen D. Potts.

One thing is indisputable about Whitewater. Despite some fumbling and evasion, the Clinton Administration has been forthcoming compared to the Bush and Reagan Administrations. It called for an independent counsel, and every official asked to testify has done so.

Compare Iran-contra: Five Reagan White House staff members refused to testify before the Congressional inquiries until they were given immunity from prosecution, and the Justice Department sabotaged the special prosecutor by withholding evidence on "national security" grounds. Or Iraqgate: The Bush Administration covered up the record of its arms sales to Iraq before the Persian Gulf war.

Republicans may yet find some political gold in the murk of Whitewater. But so far their efforts look like partisan overkill. □

Sound and fury
in the Whitewater
hearings.

Day

8.8.94

Islamic Hard-Liners Said to Gain Ground in Iran

By CHRIS HEDGES
Special to The New York Times

TEHERAN, Iran, July 29 — After years of internal political struggle for control of Iran's Islamic revolution, the pragmatic faction led by President Hashemi Rafsanjani has been backed into a corner by resurgent hard-liners.

The advance of the Islamic radicals in the last few months appears to put an end, at least for now, to foreign diplomats' perennial expressions of hope that Iran would mend its relations with the United States and other Western countries, and end its support of Islamic revolutionary movements abroad.

Ominously, the rapid ascendancy of radical clerics and the waning power of President Rafsanjani coincides with the bombings of Jewish targets in Buenos Aires and London, which many diplomats here and abroad have linked to the Iranian Government. And three Iranians are awaiting trial in Bangkok on charges of trying to plant a ton of explosives in March outside the Israeli Embassy.

A Crackdown on Dissent

The Buenos Aires and London blasts, which left nearly 100 dead and scores wounded, follow by days the assassination of two Christian leaders in Iran and a new crackdown on internal political dissent. Parliament, now firmly in the radicals' hands, has stymied the Government's economic reform program, even as rising unemployment, hyperinflation, low oil revenues and a shortage of housing are plunging Iran into crisis.

Mr. Rafsanjani and his Western-trained technocrats have always had to share power with the clerics who formed the hard core of the country's 1979 revolution. But despite widespread discontent with the more repressive aspects of Islamic rule, the clerics have made a persuasive argument that Mr. Rafsanjani's economic reforms serve only the rich and that politically he is tepid and gutless.

"President Rafsanjani has lost all credibility and with him the policies he advocates," said one senior Western diplomat. "He is openly attacked in the Parliament and even his old supporters are deserting him. These bombings are probably our notice that the radical clerics, who call for blood and holy war, are again on the loose."

Iranian officials deny any involvement in the terrorist attacks or the killing or persecution of dissidents, saying many of the killings are the work of enemies who are trying to discredit them.

"The Westerners are admitting that Iran's Islamic slogans and ideas have transformed Egypt, Algeria and some other places in the world," Iran's supreme religious leader, Ayatollah Ali Khamenei, said recently. "This is considered a great threat to Western capitalism. Therefore, Islamic Iran, which possesses a powerful weapon like the dynamism of its

Bomb Suspect Dies in Iran

NICOSIA, Cyprus, Aug. 2 (Reuters) — The main suspect in a bomb attack that killed 26 people at Iran's holiest shrine died today from bullet wounds he received during his arrest, the official Iranian news agency said.

The news agency said the suspect, Mahdi Nahvi, was wounded on Monday when security agents found him in Teheran and captured him in a shootout.

Iran's Intelligence Minister, Ali Fallahiyan, said Mr. Nahvi confessed that he had planted the bomb at the shrine in the northeastern city of Meshed and said he belonged to an Iranian opposition group known as the People's Mujahedeen. The group denies it had any link with him.

ideas, logic and words of justice, does not need to resort to terrorism."

A sense of listlessness has descended over the country. In the dimly lit Government-run hotels in Teheran, waiters sit smoking at tables as a few diners pick at a desultory selection of stale bread and wilted greens set out haphazardly on dirty table cloths. Because of a shortage of raw materials and spare parts, factories are shut down or on reduced shifts. The few foreign companies here have reduced their investments, or are pulling out, because of a refusal by Iranian banks to honor their own loan commitments or to pay for goods and services.

The economic misery has been matched by a new political clampdown. Radical groups, such as the Islamic Revolutionary Councils, which are supposed to oversee the religious zeal of government workers, are muscling their way back into power after a period of dormancy.

Writer Is Arrested

Dissidents, including the well-known writer Ali Akbar Saidi-Sirjani, have been arrested in recent weeks and forced to make public confessions. Mr. Sirjani told Iranian viewers he was involved in "homosexuality, gambling, drinking, smoking opium and having connections with the C.I.A." He remains in prison.

A blast that killed 24 Muslim worshippers in a Meshed mosque in June is now widely believed by Western diplomats here to have been the work of militants from the minority Sunni Muslim community, which was outraged by the destruction of a Sunni mosque earlier this year. A conflict between the 3.5 million Sunni Persians and the Shiite leadership could tarnish Iran's patronage of Islamic

fundamentalist groups abroad, most of which are Sunni.

All this should come as good news to policy planners in Washington. The Clinton Administration, pursuing what it calls a policy of containment, has sought to keep Iran economically crippled and diplomatically isolated. But European diplomats, and many Iranians, say that the isolation and misery is ushering in a government with a much more violent and narrow agenda.

State of Ties to West

Said Rajai Khorassani, a member of Parliament and of President Rafsanjani's inner circle, is one who believes Iran should build bridges with the United States and Europe. He backed Iran's efforts three years ago to help free Western hostages in Lebanon and remain neutral in the effort to expel Iraqi forces from Kuwait. But the cooperation, he says, never paid off. Mr. Khorassani says the Clinton Administration failed to seize

Hopes for better ties with the West are again dashed.

the olive branch he, and others, offered. Now, he warns, it is probably too late.

"We don't have any counterparts in the Clinton Administration," he said, "and this has made it hard to promote a more lenient Iranian policy. There are not many people left who support my line of thought."

Mr. Khorassani, like many in the Rafsanjani camp, has seen his political fortunes plummet. He wrote a letter last year to the Ayatollah Khamenei, the supreme religious leader, calling for talks with the United States. The message was leaked to the press, and his enemies mounted a campaign against him. Ayatollah Khamenei referred to those who advocated such a reconciliation as "naïve" and "ignorant."

Mr. Khorassani has lost his position as the head of the Parliament's foreign relations committee and deputies are refusing to back an official human rights group he wants to set up.

President Losing Ground

The decline in the fortunes of President Rafsanjani, who was re-elected to a second five-year term last year, has been matched by the remarkable ascent of Ayatollah Khamenei.

Ayatollah Khamenei became the country's supreme religious leader in 1989, and has the authority to overrule any action of the Government. But for years, he was beholden to Mr. Rafsanjani, because it was the President who had lobbied Ayatollah Ruhollah Khomeini, the Islamic repub-

lic's first supreme religious leader, to select Ayatollah Khamenei, a relatively junior cleric, as his successor.

But now, Ayatollah Khamenei has gathered behind him the dogmatic clerics and hard-liners who increasingly dominate the Government. Emboldened by his new influence, the Ayatollah has begun to reverse, or criticize, the President's decisions.

Dispute on Rushdie

He recently denied Mr. Rafsanjani's assertion that Ayatollah Khomeini's call for the killing of Salman Rushdie for blasphemy could be reversed. He dismissed Mr. Rafsanjani's brother, Mohammed Hashemi, from his post earlier this year as the head of Iranian radio and television after a decade in the job. And the President's second five-year economic plan, which calls for the cutting of many subsidies, the end of currency controls and the privatization of state-owned industries, is daily being undercut by backers of the Ayatollah in the Parliament.

In late July, a parliamentary committee doubled the plan's proposal for subsidies for wheat, rice, sugar, cooking oil and cheese, despite the President's call for a gradual ending of such subsidies. The chamber also ordered a halt to the sale of some state industries and voted down a bill to reduce the heavy subsidy for gasoline, which sells for about 8 cents a gallon at Iranian pumps.

Iran's Pasha, the president of the Dynaway company, once imported secondhand Mack trucks and spare parts into Iran. But foreign distributors no longer ship to him because for the last year the Iranian banks that handle Mr. Pasha's accounts have refused to pay foreign exporters. It has been 12 months since Mr. Pasha imported a truck. And now a new batch of customs rules demand that he import only as much as he exports.

"I discover now I have to become an exporter," he said, "so I am looking into the trade in pistachios and carpets, both of which I know nothing about. An increasing number of businesses here are going bankrupt."

Role of Foundations

There is not such trouble for the powerful Government-run companies and bonyods, huge foundations that have billions in assets and control industries confiscated after the 1979 revolution. The bonyods are only accountable to Ayatollah Khamenei and are run by a coterie of powerful, and often radical, clerics. With access to dollars obtained at discount from the Central Bank, these organizations have gone on huge buying sprees abroad. Business executives here say the bonyods often over-report their spending and pocket the difference.

"There are millions in profits for these people," said an Iranian economist, "and since they form Ayatollah Khamenei's power base they expect to be left alone. The reforms, and all the prosperity and freedom that were to have come with them, are dead."

THE PRESIDENT HAS SEEN

8. 8. 94

won

Meg Greenfield

The Washington Wrecking Crew

People go into government whole and come out broken.

In movie cartoons someone is always being chased into a place from which he emerges, after a suitable amount of bashing noises, looking completely different: eyes, nose and ears askew, and squashed to about a tenth of his previous size. It makes me think of government service.

"I may be mistaken in believing that people used to be able to go into national government obscure and come out with reputations burnished, rather than going in with big reputations and coming out all bandaged up and shrunk. But whether or not the situation was ever perfect, it has gotten much worse in recent administrations. And it has reached a particularly woeful point in the Clinton years. For Bill Clinton, who will probably be wanting to bring in some new people for the second half of the term, it is urgent to turn this around. Respected people will be ever less likely to sign up for a Washington tour of duty if the odds are that they will come out of it diminished.

It is true that we of the press have much to do with the phenomenon, bringing ever more scrutiny, not all of it warranted and not all of it distinguishable from hounding, to the public and private lives of government officials. So, increasingly, do shameless party politics have something to do with it, as each side, in what seems to be a match of endless retaliation, sets out to discredit and destroy selected nominees and top appointees of the other. Finally, there is what seems to be the total, obdurate ineducability of many of those who fall victim to the process. I look at the Roger Altman hearings, concerning who said what to whom about the RTC investigation involving the Clintons and which of them told the truth about it later to Congress, and I ask myself: Do these people who come to Washington ever learn from

their predecessors' mistakes? To which the answer is: apparently not; they do the same things over and over.

So the progressive ruination, or at least musing up, of so many once-promising appointees to government is not exclusively the fault of anyone. And one important distinction needs to be made. It is between those who are worse off when they leave government because they have courted trouble and done something stupid or wrong or both, and those who are worse off when they leave because they have been unfairly hacked up and rendered at least partially ineffective in their jobs by marauding colleagues (often helped along by compliant members of the press and main chancers on the Hill). The distinction boils down to one between those who did themselves in and those who were done in by others. But even so there is something that joins them: Almost without exception, the problem could have been avoided in the first place by a greater respect for structure and authority within the administration and the imposition of a tighter discipline. That is where the Clinton governing style does come in—big time.

There is a sense in which this is an administration of dodgem-car drivers, merrily bumping into each other as they swirl around the ring on what look to be their own individually plotted courses—until someone gets hurt. Altman got hurt, and so did some of those Clinton aides who had been freelancing, just as he apparently had been, in trying to "help" the boss avoid embarrassment and then to help themselves out of trouble once the questions began being asked. Some help.

What if Altman, upon learning that the RTC (of which he was acting head) was contemplating the action involving the Clintons, had just set about to make one calculation: "Here is this awkward, potentially damaging situation. I need to decide, without mucking around in the White House politics of the thing, if I should recuse myself and what communications, if any, with the White House are in order and, if they are, with whom." And suppose the proper actions had then just been taken, aboveboard and with no fooling around or fuss. We would have had a much duller week in Washington than the one that just rocketed by.

It needs to be said that not everyone in the administration is a dodgem-car driver. On the contrary, there are plenty of strong, smart people in high places who are trying to do their jobs in an orderly, productive way. That is what makes the scene so exasperating, or so exciting, depending on how you look at it, since these are the people constantly being hit by dodgem cars. Sometimes the collision is inadvertent, sometimes planned. We are talking about the second kind of roughed-up people here who come into the government at the top of their form and leave limping slightly. They have just been run over by too many toy cars.

What tends to happen to them is, first, that they have trouble actually doing their jobs because decisions they thought had been made and approved keep getting mysteriously unmade and unapproved, and they never quite know by whom or for what reason. Lines of authority are blurred. Everyone seems to be getting into their act, and whatever assurances they had when they took the job, concerning their jurisdiction and whom they report to and so forth, turn out to be worthless. You hear this over and over—and from estimable people who want to and could do first-class work for the administration.

The other form of assault is by rumor and leak from within: This one is pronounced wanting in loyalty, that one in presidential confidence, the other is said simply to be a failure or on the way out or a great disappointment or something of that kind. None of the well-placed but anonymity-seeking purveyors of this kind of destructive chitchat seems to be in the slightest inhibited by the possibility that the boss won't like it as their condemnation is spread across the papers and TV screens and becomes a fixed part of public opinion about whomever they are reducing to size that day. The reduced one, of course, finds his or her job made harder to do by all this, with both access and authority diminishing, because so many people in Washington rush to distance themselves from the politically wounded.

I think much of this could be cured without the president's doing anything that would attract the attention of the American Civil Liberties Union. These are not free-speech and free-agent issues, after all, but issues of law and order (and fairness and decency) within an administration. Government service should not leave once proud and respected people moping around their former communities wearing a large scarlet "G." That's not exactly an incentive to anyone else to join up.

© 1994, Newsweek Inc.

Reprinted by permission; all rights reserved

Leon

This is what you

THE WASHINGTON POST MONDAY, AUGUST 8, 1994

can respond to to
with great credit

8/8
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

August 3, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: JOAN N. BAGGETT

SUBJECT: PRIMARY RESULTS

We have received the following results thus far from yesterday's primary elections in Kansas, Michigan and Missouri. We will provide you with call sheets and additional information later this morning.

KANSAS:

Gubernatorial: Slattery won.

MICHIGAN:

Gubernatorial:

(Democrats)

✓ Wolpe 35% - Winner
✓ Stabenow 30%
✓ Owen 26%
Johndahl 9%

(Republicans)

✓ Conyers 50% - Winner
Opponent 28%

Senate:

With 99% reporting, it appears at this time that Carr will be declared the winner and that there will not be a recount. However, Pollack has not yet conceded.

(Democrats)

Unofficial

(Republicans)

✓ Carr 24% - Winner
✓ Pollack 23%
✓ Ferguson 20%
✓ Prodhead 14%
✓ Kelly 11%
✓ Marlinga 8%

✓ Abraham 52% - Winner
Romney 48%

MISSOURI:

Senate:

With 96% reporting at 1:00 am, the race was called.

Wheat 41% - Winner
Murphy 38%

■ SCANDALS

Playing Bo

Officials of the N.A.A.
harassment settleme

By HOWARD G. CHUA-EOAN

MARY STANSEL WORKED F month as assistant to the director of the Nations tion for the Advanceme ored People. But her severance : last November was generous: sums totaling \$50,000, six mo ments averaging about \$5,400 e N.A.A.C.P. executive director



NEW CONTROVERSY: N.A.A.C.P. executive director Benjamin Chavis has denied Mary Stansel's charges

Chavis did not find her a job paying at least \$80,000 a year, an additional \$250,000. The out-of-court settlement between Chavis and Stansel had remained private and indeed virtually secret until Stansel decided to introduce it into court. Chavis, she said, had not found her the job, and so she was suing him for the \$250,000 and publicly charging him with employer discrimination and sexual harassment.

For some members of the N.A.A.C.P. board, however, the truly shocking revelation was that Chavis had agreed to pay Stansel not out of his own money but from

nations have dwindled owing to the executive director's controversial positions, including voicing support for Louis Farrakhan.

Chavis' lawyer denied Stansel's charges. Furthermore, he said, Chavis had simply been exercising his executive authority in a personnel matter, and "the board is not involved in individual personnel matters." But that did not stop several members of the 64-person board from calling for Chavis to step down. Said Leroy Warren Jr., "The thing for Chavis to do that would be truly dignified would be to give his resignation."

That is unlikely to happen without a terrible fight. The chief reason: N.A.A.C.P. chairman of the board William Gibson, a South Carolina dentist who handpicked Chavis for the job. Gibson, according to an N.A.A.C.P. insider, "has stacked every important committee with his own supporters." In the past, his tightly controlled faction has fended off requests from other board members about the organization's finances, programs and directors. Critics have been branded as "traitors and Uncle Toms" by Gibson and Chavis. "I'd be very surprised if there were an emergency board meeting called over this issue," says an N.A.A.C.P. source who wants Chavis removed. "There should be one, but only Gibson can call it and he won't. The rank-and-file members don't know enough about what's going on to demand a change."

—Reported by Janet Tu/Washington and Jack E. White/Atlanta

*Chavis
anything
we can do
about —>
This —
BC*



JUDGED UNFIT: Ireland with Maranda

■ LAW

Day Careless?

A woman goes to school and loses custody of her child

WHAT IS A SINGLE MOTHER TO DO? Jennifer Ireland, 19, wanted to get on with her life. In high school in 1990 she became pregnant by her boyfriend, Steven Smith. She had a baby girl, Maranda. Unmarried but with help from her mother, she raised the child for three years, with little involvement by Steven, who last year began paying \$12 a week in child support. Last year Ireland enrolled at the University of Michigan at Ann Arbor on a scholarship. While in school, she put Maranda in day care. Wrong move.

Last week Judge Raymond Cashen of the Macomb County Circuit Court finalized his ruling, declaring that Maranda would be better off living with her 20-year-old father. Cashen indicated that day care was the deciding factor against the mother. "A child gains the feeling of security, a safe place by virtue of permanence," said Cashen, who expressed skepticism about the long-term impact of "strangers" on a child's emotional well-being. Smith, a part-time maintenance worker at a local park, lives with his parents and intends to have his mother, a full-time homemaker, look after the girl while he is at work. Judge Cashen is known for an unswerving devotion to "family values." In the late 1970s Cashen took away custody rights from a father who had placed his daughter in day care for several hours a day.

Working mothers took the ruling as a personal affront and besieged women's organizations with angry calls. But Ireland still has some legal maneuvers to pursue. Two days after winning custody of Maranda, Smith was arraigned on an assault charge against Ireland dating back to Christmas Eve 1992. Ireland claimed that Smith grabbed her shoulders, shook her and shoved her into a wall during an argument about visitation. Did Cashen take Smith's alleged domestic violence into his calculation of "family values"? When the issue came up in his court, Cashen said the charge was "not pertinent."

SS
Zeller

THE PRESIDENT HAS SEEN 8/8

David S. Broder

Our Forgetful Electorate

If one of the defects in the workings of our democracy is the lack of accountability for members of Congress, the voters are much more to blame than the politicians. Memories are just too short.

In the 1992 election, for example, far more members of Congress were punished for their overdrafts in the House bank than for their votes on the resolution authorizing the use of force in the 1991 Persian Gulf showdown with Saddam Hussein. I thought—and wrote—back then that the Democratic Party would and should be held accountable for the fact that large majorities of its members in both the House and Senate opposed authorizing offensive action against Iraq when President Bush sought Congress's approval.

Democratic leaders predicted then that not one of their incumbents would be defeated for opposing the war, and they were right. But the voters were wrong to ignore the signal. The Democrats' institutional failure to recognize what was—even before the lightning military victory—a clear-cut case of justified use of force was significant. Even though Albert Gore Jr., as a senator, supported Bush's action and Bill Clinton, as a governor, implied that was also his view, the government they head—reflecting the waverings of their party—has failed to set forth any clear

criteria for the manner, time, place and conditions for U.S. military intervention. Thus, the confusion of U.S. policy in the past 18 months in Bosnia, Somalia, Korea, Haiti and other hot spots around the globe was foreshadowed by the Democrats' dithering on the gulf.

Whatever voters do, the press has a responsibility to keep score on which party was right and which was wrong on big policy questions. The biggest one since Clinton became president occurred a year ago this week, with the passage of his budget and economic plan. The party lines were drawn even more sharply than on the Persian Gulf War; every single Republican in the House and Senate opposed that budget. They not only opposed it, they denounced it.

Senate Minority Leader Bob Dole (R-Kan.) called it a "terrible bill. . . . It's not good for the economy, and it's going to be terrible for small business." "We have a sick economy," said Sen. Kay Bailey Hutchison (R-Texas), "and now we're bleeding it."

Sen. Alfonse M. D'Amato (R-N.Y.) was particularly scathing on the final day of Senate debate. He set up a blank chart, which he said listed all the real deficit reductions in the bill, and, imitating a carnival barker, bellowed, "Step right up, ladies and gentlemen, with Magical Bill and his band of liberal magicians. . . . Smoke and mirrors!"

Clinton's Wisdom on Japan

Clyde Prestowitz [Outlook, July 3] is disappointed that President Clinton did not push the matter of trade with Japan at the recent G-7 summit in Naples and that he rejected a Japan-bashing strategy. Maybe the president just has a better grasp of the facts than some of his critics.

For example, Mr. Prestowitz says the recent fall of the dollar "is far less a dollar problem than a yen problem." But from the exchange rates of the past six months, it is clear that not only was the yen rising but the dollar was dropping against all key currencies. The yen's rate against the German mark moved up only marginally (2 percent), while the dollar dropped by 11 percent against the yen, 9 percent against the German mark and 10 percent against the Swiss franc.

As for the high yen, it is biting into Japanese industries on both the export and import sides. Japanese imports increased by only 6 percent in the first quarter of 1994, the same rate as the growth in exports. But imports of manufactured goods rose 12 percent, including machinery, which was up 23 percent. Imports of automobiles into what Mr. Prestowitz calls the "highly impermeable Japanese market" increased by 50 percent and now account for 8.6 percent of the Japanese market. U.S. companies are faring particularly well, having doubled their sales in May.

Exports did not decrease in dollar terms, but only because Japanese companies raised their prices. In terms of volume, however, exports have decreased since the second quarter of 1993. In the first quarter of 1994, for example, exports were off 3 percent in volume compared with the same quarter of 1993 but were up 6 percent in U.S. dollars. The difference largely corresponds to the 11 percent rise of the yen against the dollar (directly contrary to Mr. Prestowitz's accusation that Japanese companies are refusing price increases

es to avoid losing export markets).

Mr. Prestowitz attempts to make the case that Japanese trade practices are uniquely protectionist—but the truth is that they are no longer much different from the rest of the world's. Although he says the level of import penetration in Japan is 6 percent, against 14 percent in other advanced economies, the more relevant numbers are imports as percentage of GDP. In 1991 this number for Japan was 7 percent, while for the United States it was 9 percent.

Mr. Prestowitz says that the United States should ask Japan and Germany to reduce interest rates. Lower interest rates in these two countries would lead to a lower yen and mark and conversely to a higher U.S. dollar. Then, he says that the United States "is not prepared to throw away money to prevent a rise in the yen."

Can anyone tell from these two statements whether Mr. Prestowitz favors a high yen or a cheap yen? His dilemma is that he wants to penalize Japan with a high yen, but at the same time he fears higher interest rates in the United States. These two things are inseparable, however, because if a high yen is anticipated, capital will snail from the United States to Japan, and higher interest rates will be the result in the United States.

Japan does not agree that it should manage trade with numerical indicators. More stimulus to the economy and bold deregulation, coupled with further opening of the market, are the right steps to take. But unless such an effort is matched by a U.S. effort to reduce its fiscal deficit, the chances of reducing the imbalance are much reduced.

RISABURO NEZU

Deputy Director-General for Trade Negotiations
Ministry of International Trade and Industry

Tokyo

It was much the same the day before, when the House voted. Rep. Bill Archer (R-Texas), who would be chairman of the Ways and Means Committee in a Republican Congress, said, "The president claims the vast majority of these taxes will hurt only the rich, and that is baloney. . . . Americans know these new tax increases are job-killing poison for the economy."

Rep. Richard Armey (R-Tex.), chairman of the House Republican Conference and the top Republican on the Joint Economic Committee, said, "Taxes will go up. The economy will sputter along . . . and the deficit will reach another record high. . . . It is a recipe for disaster."

And Rep. Newt Gingrich (R-Ga.), in line to be speaker if the House goes Republican, said, "If I were only a Republican partisan, I would hope that this tax increase bill would pass by one or two votes so that every Democrat who voted yes would bear the responsibility for a massive tax increase and the job-killing recession it will lead to."

The budget did pass the House by two votes, the Senate by one. And where are we now? A year later, unemployment is at 6 percent, a 3½-year low. Inflation in the last year has been averaging 2.5 percent, as low as it ever gets. After spurring in the last quarter of 1993, following passage of the budget, the economy has been growing at a steady pace, between 3 percent and 4 percent, for the past six months. It has been adding more than 200,000 net new jobs a month.

Business investment in new plants and equipment—a key to future productivity and wage increases—rose 13.4 percent over the past year. Last year saw the largest number of new business incorporations since World War II. According to the Congressional Budget Office, the federal deficit for the current fiscal year has been cut from \$291 billion (the estimate when Clinton came in) to \$223 billion; the deficit for next year, from \$284 billion to \$171 billion. The higher income taxes of which the Republicans warned were paid this year by 1.2 percent of those filing—the wealthiest 1.4 million—exactly as the administration had insisted. Millions more of the working poor had their taxes cut, raising them above the poverty line.

None of this proves that the Democrats will be right next time on the economy any more than the Persian Gulf vote proved they will always be wrong on national security matters. But it is foolish to ignore politicians' records. If we want accountability, we have to remember what they said and how they voted.

WEDNESDAY, AUGUST 3, 1994 THE WASHINGTON POST

Reno sees clear sailing for crime bill

By *Meddis*
USA TODAY

On the eve of a crucial House vote, Attorney General Janet Reno foresees passage of legislation she believes will cut crime and the growing fear of crime.

"If we all work together, we can fashion a crime bill that can have a real impact, and I'm very optimistic of that," Reno said Tuesday.

She also said there are no show-stopper provisions in the bill that might doom it — nothing comparable to President Clinton's insistence that health-care legislation contain universal coverage provisions.

"We haven't had to face that," she said. "I think we can work through all of these issues."

The bill's ban on assault-style firearms, a continuing source of controversy among federal lawmakers, remains a key element.

"That's going to be one of the critical issues that we face, and we're going to be willing to support it every step of the way."

On another controversial subject, Reno said the Justice Department will continue to focus on charges by some people of racial bias in capital punishment.

The administration agreed to exclude a provision in the bill allowing use of statistics in an attempt to show racial discrimination in death-penalty cases. But Reno pledged the department would take "whatever steps are possible and appropriate to address this issue" in federal cases.

Reno indicated the centerpiece of the crime bill continues to be money for community policing, including a provision to hire 100,000 law enforcement officers nationwide. "The bill really goes to the heart of policing," she said.

In community policing, officers generally are taken out of patrol cars and put on walking beats.

The theory is that the better police know neighborhoods, the better they can prevent crime rather than react to it.

Reno, prominent in administration efforts to publicize and pass the bill, said she was deeply involved in the bill's evolution.

"I wanted to make sure that when we promised something we had the dollars to deliver," she said.

"My role has been to try and make sure that it is a sound, substantive bill that's balanced and thoughtful."

Benefits of the crime bill

The crime bill awaiting final passage by Congress carries money for every state to hire police officers, build prisons, fight violence against women, provide drug treatment for prisoners and carry on crime-prevention programs. States also will be eligible to apply for money in the bill designated for drug courts, criminal records-keeping, youth training, anti-gang activities, sports leagues and youth organizations. Figures for the District of Columbia were not available. What the bill earmarks for each state: (Money figures are in millions of dollars.)

	Police officers	Prisons	Law grants	Violence on women	Drug care in prisons	Prevention	Total
Ala.	1,700	\$56	\$38.3	\$23.0	\$4.4	\$21.0	\$150
Alaska	600	\$12	\$14.8	\$8.0	\$2.3	\$1.2	\$54
Ariz.	1,600	\$44	\$39.9	\$18.0	\$4.2	\$16.0	\$144
Ark.	1,200	\$28	\$26.0	\$16.0	\$3.4	\$13.0	\$100
Calif.	10,200	\$475	\$292.7	\$139.0	\$20.0	\$105.0	\$900
Colo.	1,500	\$35	\$33.5	\$21.0	\$4.0	\$10.0	\$134
Conn.	1,500	\$32	\$30.0	\$21.0	\$4.0	\$6.0	\$130
Del.	650	\$14	\$7.9	\$8.9	\$2.4	\$1.5	\$60
Fla.	4,600	\$230	\$104.5	\$64.0	\$10.0	\$40.0	\$410
Ga.	2,500	\$77	\$52.9	\$35.0	\$6.0	\$27.0	\$225
Hawaii	800	\$12	\$12.6	\$11.4	\$2.7	\$2.3	\$70
Idaho	800	\$12	\$16.2	\$10.3	\$2.6	\$3.8	\$68
Ill.	4,100	\$175	\$94.1	\$58.0	\$9.0	\$39.0	\$360
Ind.	2,200	\$48	\$42.6	\$31.0	\$5.0	\$16.0	\$195
Iowa	1,300	\$20	\$26.5	\$18.6	\$3.6	\$7.5	\$115
Kan.	1,200	\$25	\$23.1	\$17.0	\$3.5	\$7.0	\$110
Ky.	1,600	\$30	\$35.2	\$23.0	\$4.2	\$19.0	\$140
La.	1,800	\$64	\$49.3	\$24.0	\$4.5	\$31.0	\$155
Maine	800	\$10	\$20.5	\$11.6	\$2.7	\$3.0	\$72
Md.	2,000	\$73	\$42.5	\$27.0	\$4.8	\$10.0	\$175
Mass.	2,300	\$69	\$57.7	\$33.0	\$5.6	\$13.0	\$205
Mich.	3,400	\$110	\$80.6	\$48.0	\$7.6	\$35.0	\$300
Minn.	1,800	\$27	\$36.3	\$25.7	\$4.6	\$11.0	\$160
Mo.	2,100	\$63	\$39.6	\$28.0	\$5.0	\$18.0	\$180
Miss.	1,300	\$22	\$26.9	\$17.0	\$3.5	\$21.0	\$110
Mont.	700	\$9	\$13.5	\$9.0	\$2.5	\$3.0	\$60
Neb.	900	\$15	\$17.8	\$13.0	\$3.0	\$4.0	\$83
Nev.	850	\$20	\$17.5	\$11.5	\$2.7	\$2.7	\$75
N.H.	800	\$9	\$9.2	\$11.5	\$2.7	\$1.4	\$70
N.J.	2,800	\$77	\$70.2	\$41.0	\$6.6	\$16.0	\$250
N.M.	900	\$26	\$24.5	\$13.0	\$3.0	\$10.0	\$82
N.Y.	6,100	\$300	\$187.7	\$87.0	\$13.0	\$63.0	\$540
N.C.	2,600	\$70	\$51.9	\$36.0	\$6.0	\$21.0	\$230
N.D.	630	\$8	\$11.2	\$9.0	\$2.4	\$2.0	\$55
Ohio	3,900	\$94	\$86.0	\$55.0	\$8.5	\$37.0	\$345
Okla.	1,400	\$34	\$32.5	\$20.0	\$3.9	\$14.0	\$125
Ore.	1,400	\$29	\$33.5	\$19.0	\$3.7	\$8.0	\$120
Pa.	4,200	\$83	\$92.2	\$59.0	\$9.0	\$33.0	\$370
R.I.	750	\$14	\$11.0	\$10.0	\$2.6	\$2.0	\$66
S.C.	1,600	\$56	\$37.1	\$21.5	\$4.0	\$16.0	\$140
S.D.	650	\$9	\$15.2	\$9.0	\$2.4	\$3.0	\$58
Tenn.	2,000	\$58	\$36.5	\$27.0	\$5.0	\$20.0	\$180
Texas	6,000	\$215	\$151.5	\$82.0	\$12.0	\$90.0	\$525
Utah	1,000	\$15	\$21.0	\$13.0	\$3.0	\$6.0	\$88
Vt.	600	\$9	\$11.5	\$8.7	\$2.3	\$1.2	\$54
Va.	2,400	\$41	\$51.8	\$34.0	\$5.7	\$15.0	\$215
Wash.	2,000	\$45	\$46.5	\$28.0	\$5.7	\$13.0	\$180
W.Va.	1,000	\$12	\$31.3	\$14.0	\$3.0	\$9.0	\$88
Wis.	2,000	\$27	\$40.5	\$28.0	\$5.0	\$14.0	\$180
Wyo.	600	\$10	\$11.8	\$7.6	\$2.3	\$1.4	\$50

Source: The White House

Crime rate squeezes judges

The number of judges is increasing, but not at nearly the same rate as the dramatic increases in the crime rate, the number of law enforcement personnel and prison populations.

Number of judges up 9%

Judges who presided over felony cases:



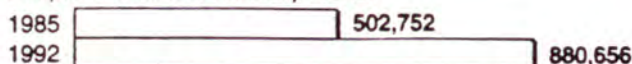
Law enforcement personnel up 17%

Number of law enforcement officers:



Prison population up 75%

People in state and federal prisons:



Crime rate up 36%

Crimes per 100,000 people:



Source: FBI's Uniform Crime Reports

USA TODAY

WEDNESDAY, AUGUST 3, 1994 • USA TODAY

8-

MEMORANDUM

THE PRESIDENT HAS SEEN

741

8/8

TO: Nancy Hernreich
FROM: Janice Enright
DATE: 1 August 1994
RE: Lucia Wyman

Mr. President

Last week, Lucia Wyman came in to meet with Harold and Pat Griffin. During that meeting, she discussed with them how she thought she could be better utilized by the Administration; her seeming disappointment at being placed in Interior; and, her hope that she could somehow be "reassigned" to the White House in the Congressional Affairs department. It is probably not likely that that can happen, but Pat was going to look into what could be done. There continues to be difficulties in this regard since we are under continued scrutiny from Congress on White House staff size, detailees, agency reps, etc.

Please let me know your reaction.

cc: Pat Griffin

cc *Bruce L.*

Leon
See memo: Han

Letter from
Arthur Schlesinger

an invading
Haiti & not getting
Congressional
approval. (He thinks
you should.)

THE PRESIDENT HAS SEEN

8/8

ARTHUR SCHLESINGER, JR.

cc: [unclear] F41
② Pres

orig to Staff Sec

Paul Rick
For rep
only

[Handwritten signature/initials]

of the United States

Washington, D.C. 20500

Dear Mr. President:

I read with some concern in Douglas Jehl's story in the 23 July New York Times that "White House officials said that despite their new willingness to turn to the United Nations, they still remained unwilling to subject an invasion [of Haiti] to congressional approval."

I very much hope that the second statement is incorrect, and I trust that your administration will not repeat President Truman's mistake when he went to war in Korea without congressional authorization.

The Constitution gives Congress the exclusive power to send the nation into war. This power is qualified only by invasion of the United States or by the need to protect the lives of American citizens abroad. Nor does the existence of a UN resolution suspend or replace Article I, Section 8 of the Constitution.

The constitutional case for seeking congressional authorization is reinforced by the political case. Going to war is a solemn decision that may well have unforeseen and tragic consequences; and it makes political sense that the responsibility be shared with the legislative branch. This will make it harder for legislators to complain if things go sour. When the Korean War turned unpopular, President Truman must often have wished he had accepted Senator Taft's proposal of a joint resolution authorizing the despatch of combat forces.

Moreover, ever since the Vietnam War the Democratic party has stoutly opposed the idea that the decision to go to war belongs to the President. For Democrats now to switch and adopt Richard Nixon's inflated view of presidential prerogative would only feed the widespread public cynicism that is already doing such damage to your Presidency.

continued/.....

ARTHUR SCHLESINGER, JR.

The President of the United States
25 July 1994
Page 2

If "White House officials" wish further enlightenment on these points, I would immodestly suggest that they read The Imperial Presidency, especially the 1989 edition with a new epilogue.

With warmest good wishes,



Rec'd Tray
8/1/94
~~Deb~~
To Agency ~~Paul~~
Through ~~Podest~~
for draft

POTUS

The Washington Post Writers Group

YODEO1

r k

•

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(FOR IMMEDIATE RELEASE, Normally Advance for Wednesday, August 3, 1994)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--It would be truly bizarre if the two banking committee investigations of Whitewater were seen as a set of baffling variations on two trivial questions: What did Roger Altman know and when did he know it? Or, what did Jean Hansen say when and to whom?

Altman and Hansen, the deputy secretary and general counsel of the Treasury Department, are under interrogation as the leakers of confidential information to White House staffers. This partisan exercise may satisfy the prevailing impulse to see Watergate-like behavior in every bureaucratic maneuver. But it trivializes the one truly serious question that is worth asking here.

That question is whether a president has the right to be told of what is pending behind the scenes in agencies and departments subject to his authority. The question usually answers itself. If a president's constitutional duty is to "take care that the laws be faithfully executed," it is surely his corresponding duty to be informed.

The current controversy involves a tougher variant of the same general question. What if the information relayed to the White House relates to a confidential "criminal referral" by a Treasury agency (the Resolution Trust Corporation, which is handling the settlement of S&L bankruptcies) to the Justice Department? And what if the president and his wife are named, for reasons incidental to the alleged lawbreaking? Should this be an exception? Purists and goo-goos all over daintily lift their skirts and pretend that a president's political appointees at the Treasury should not have alerted the White

(more)

1150 15TH STREET, N. W., WASHINGTON, D. C. 20071-9200
TEL: (202) 334-6375 (800) 879-9794

THE PRESIDENT HAS SEEN 8/8

On the Whitewater Hearings
cc Lloyd C
Jensen

House to what they viewed as a potential political danger. It is more of the misguided attempt to remove politics from government.

And it has a history. In October 1973, Richard Nixon abruptly fired Archibald Cox, special prosecutor in the Watergate scandal. Ever since, the American public has been sensitive to any sign that a president might be tampering with justice in his personal political interest. But even in 1973 the issues were more complex than they seemed. Cox was an executive official, hence Nixon's subordinate, and Nixon clearly had the right to fire him. Politically, of course, Nixon's indulgence of that right (which precipitated the resignation of his attorney general, Elliot Richardson) was a disaster--as well it should have been. It plunged him irrevocably toward impeachment and resignation. He had much to hide and was trying to hide it.

The Cox precedent and the web of "ethical" rules, regulations and fetishes stemming from the Watergate scandal form a template to which lazy minds can fit almost anything that looks vaguely similar. In the Treasury-White House exchanges about the RTC criminal referral, congressional interrogators have been strapped to identify any impropriety or illegality. There was none; indiscretion is not, so far, unethical or criminal. White House counsel Lloyd Cutler conceded in his testimony to the House committee that there were too many conversations. But that is a prudential observation. And Cutler's finding that nothing illegal or unethical happened has now been sustained by an inquiry by the Office of Government Ethics.

Have we become so confused as not to distinguish between exchanges of information and attempts to tamper with justice? There is no harm in telling a president what he needs to know. The case would be far graver if his quest for information was motivated or followed by an attempt to manipulate or obstruct. It wasn't.

Rep. Jim Leach's portrayal of the Treasury-White House contacts as a manifestation of "the arrogance of power" and his suggestion that presidents should be told no more than ordinary citizens are

(more)

far-fetched. Like it or not, the nation confides its well-being to a president; and what impairs his effectiveness may or may not be in the nation's best interest. Leach, a former Foreign Service officer, can surely imagine a situation in which the public interest would be needlessly put at risk because a president has been blindsided, and undermined, by a petty political scandal. That risk is larger these days, even when a president has done nothing wrong, because the presidency rises or falls by saturated media coverage.

Leach's view is purist to a fault. A president may need and deserve to know what it might be inappropriate to tell a private citizen about Treasury or Justice Department secrets. And in any case, there is a vast and fundamental difference between being informed about, and seeking to tamper with, the course of the law.

(c) 1994, Washington Post Writers Group

THE WHITE HOUSE
WASHINGTON

August 3, 1994

3
this included

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Linda Moore, Political Affairs

SUBJECT: Michigan Primary Elections

*Letter to
all Sen. Gov.
all other winners*

I. SUMMARY

Michigan held its primary elections yesterday.

II. DISCUSSION

U.S. Senate: Congressman Bob Carr won the Democratic Senate nomination yesterday. He won by an eyelash, placing first with 24% of the vote, followed by State Senator Lana Pollack with 23%. African American businessman Joel Ferguson, who ran Jesse Jackson's successful 1988 primary campaign in Michigan, placed third with 20%, followed by former Congressman Bill Brodhead with 14%, State Senator John Kelly with 11% and Macomb County Prosecutor Carl Marlinga with 7%.

Carr will face former Michigan GOP Chair Spencer Abraham, who prevailed over former talk show personality Ronna Romney in the Republican primary by a 52%-48% margin. Abraham's come-from-behind win was good news, as Romney would have made a much better general election candidate.

Gubernatorial: Governor John Engler (R) was unopposed in the Republican primary. Former Congressman Howard Wolpe won the Democratic nomination with 35% of the primary vote, followed by State Senator Debbie Stabenow with 30%, former East Lansing Mayor Larry Owen with 26% and State Representative Lynn Jondahl with 9%. There is serious concern about Wolpe's viability against Engler. Many consider him too liberal to win over moderate and conservative Democratic voters and Independents and feel that his tenure in Congress -- complete with bounced checks -- makes him the wrong kind of candidate given the current public mood. As a result, unless Wolpe performs much better than expected, most resources will be directed to the Carr campaign.

1st Congressional District: Congressman Bart Stupak (D) was unopposed for the Democratic nomination. Businessman Gil Ziegler (R) won the GOP nomination, besting former Engler aide David Svanda (R) and a host of other minor candidates. This will be a tough race.

7th Congressional District: Congressman Nick Smith (R) fended off a well-funded primary challenge from Mark Behnke (R), the district's GOP Chair. Smith won by a 67%-33% margin. Kim McCaughtrey was unopposed for the Democratic nomination but the district is so solidly Republican he has virtually no chance of winning in November.

8th Congressional District: The seat is open because Congressman Carr is running for the Senate. Bob Mitchell (D), a former member of Governor Jim Blanchard's (D) cabinet, and businessman and 1992 candidate Dick Chrysler (R) -- no relation to Chrysler Motors -- were both unopposed for their respective nominations. This will be a tough seat to hold. The district is increasingly conservative and Chrysler came within two percentage points of beating Carr last time.

9th Congressional District: Congressman Dale Kildee (D) was unopposed for the Democratic nomination. He will face a rematch this year from Megan O'Neill (R), who scored 45% against Kildee in 1992. O'Neill, a former Bush/Quayle advance staffer, defeated former Democratic State Senator Kerry Kammer (R) in the primary by a 52%-48% margin. This is good news for Kildee, since Kammer would likely have attracted significant crossover support in the general election. Nonetheless, Kildee remains one of the most vulnerable incumbents in the country.

12th Congressional District: Congressman Sander Levin (D) and John Pappageorge (R), who scored 46% against him in 1992, were both unopposed and will square off a second time in November. A close race is expected.

13th Congressional District: In the race to replace retiring Congressman William Ford (D), State Representative Lynn Rivers (D) trounced David Geiss (D), Ford's former Administrative Assistant by a 57%-34% margin. This boosts our prospects in the race. Geiss was badly wounded by negative stories questioning Geiss' ethics when he traveled to the district at government expense. More good news came from the Republican side, where John Schall (R), a former Chief of Staff at the U.S. Labor Department, defeated Cynthia Wilbanks (R), a former district representative for former Congressman Carl Pursell (R). Wilbanks, who could have attracted substantial crossover support, especially among women, would have made a much tougher opponent.

14th Congressional District: Congressman John Conyers (D) easily fended off primary challenges from attorney Butch Hollowell and Detroit Ombudsman Marie Farrell-Donaldson.

BILL CLINTON

If you'd prefer
to call, this
home number is:
(517) 332-8863.

August 3, 1994

Slide

The Honorable Larry Owen
1273 Cambria
East Lansing, Michigan 48823

Dear Larry:

*Clinton
and
say*
~~I want to congratulate you on your hard fought~~
I heard about your loss in the Michigan gubernatorial
primary last night and wanted you to know that I'm thinking
about you. I've been on the losing end too, so I know how
you feel. What's important is that you worked hard and did
your best. It takes courage to stand up and ask people for
their votes.

I appreciate all you did for me during my campaign, and I
applaud your commitment to public service. Michigan needs
folks like you, so I hope you'll stay involved in the process.

I hope you're getting some much deserved rest. Hillary and I
wish you and Faylene the best.

Sincerely,

430 S. Capitol St., S.E.
Washington, DC 20003

[Paid for by the Democratic National Committee]

BILL CLINTON

August 3, 1994

The Honorable Lynn Rivers
518 2nd Street
Ann Arbor, Michigan 48103

Dear Lynn:

Congratulations on your primary victory last night. You have earned the trust of Michigan Democrats, and you should be proud of that achievement.

Hillary and I will be watching your campaign closely, and we wish you the best. You can be sure my Administration will work hard for your success.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a stylized, cursive script.

430 S. Capitol St., S.E.
Washington, DC 20003

[Paid for by the Democratic National Committee]

BILL CLINTON

August 3, 1994

The Honorable Bob Mitchell
3401 East Saginaw, Suite 106
Lansing, Michigan 48912

Dear Bob:

Congratulations on your primary victory last night. You have earned the trust of Michigan Democrats, and you should be proud of that achievement.

Hillary and I will be watching your campaign closely, and we wish you the best. You can be sure my Administration will work hard for your success.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Clinton".

430 S. Capitol St., S.E.
Washington, DC 20003

[Paid for by the Democratic National Committee]

THE WHITE HOUSE
WASHINGTON

94 AUG 4 P 6:51

July 28, 1994

~~CONFIDENTIAL~~

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Alexis Herman
SUBJECT: African American Constituency Report

SUMMARY

Per your request, the following report outlines African American participation with OPL and the White House during the second quarter of 1994.

DISCUSSION

I. POTUS EVENTS

OPL organized four POTUS events this quarter, one in April, two in May and one in June. In April we organized the meeting between you and key members of the African American clergy on Health Care. In May, we organized the South Lawn event announcing the South African Delegation. In June, in conjunction with the NSC, we hosted the White House Conference on Africa and successfully coordinated events for Early Supporter African American Constituency Day.

II. LEGISLATIVE INITIATIVES

HEALTH CARE

We continue our health care outreach to the African American community. We organized briefings for cardiologists, businesses, national associations, civil rights organizations and key African American appointees in the Administration. OPL also provided outreach assistance in the targeted communities to the Health Care Express project and recruited African American Businesses for the Small Business Coalition.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526

Sec. 3.2(C) Initials: PH Date: 5/10/18

CRIME

OPL conducted seven State Opinion Leader- Crime Leadership briefings and continued to arrange for African American participation in those briefings. We maintained almost daily contact with numerous African American organizations seeking their support for our crime bill initiatives and answering questions related to the Racial Justice Act.

WELFARE REFORM

We met with twenty-eight African American National Associations on a regular basis including the National Associations of Black Churches, Association of Black Psychologists, and mainstream Civil Rights organizations.

III. OTHER

AFRICA/HAITI

We continue to target briefings on developments in South Africa and Haiti. Specific to South Africa, we assisted with the delegate selection and staffing for two U.S. delegations to that country. We continue to follow-up on the White House Conference on Africa including the formation of an Administration wide task force.

In late May, we began fielding calls and answering criticism related to the Nigerian situation and Jesse Jackson's visit to that country. Most recently, we coordinated a briefing with the NSC for Haitian Interest groups in an effort to diffuse criticism of our Haitian policy. We continue to field numerous calls from opponents and supporters alike asking for action on Haiti.

U.S. CIVIL RIGHTS COMMISSION/EEOC

We concentrated most of our efforts this period working with civil rights groups to come up with a replacement for Stuart Ishimaru at the Civil Rights Commission after a Judge ruled that he could not remain as Acting Staff Director. We finally succeeded in getting the Republican holdover members to vote for a replacement candidate of our choice.

We have had numerous meetings and conversations with civil rights organizations regarding the slow pace of naming a Chair for the EEOC. Shortly after your intention to nominate Gilbert Casellas was announced, we spent a considerable amount of time talking up his candidacy with civil rights groups. We also assisted in organizing a meet and greet receptions for Mr. Casellas.

SURROGATE SPEAKERS

We reached out to thirty-one important black organizations early in the convention season in a stepped up effort to line up surrogate speakers from the sub-cabinet for their annual meetings this summer. We also identified fifty additional key African American national associations for greetings from you to their membership.

PRESIDENTIAL MESSAGES

We arranged for Presidential messages to be sent to members of the African American community. These included anniversary greetings, birthday greetings, get well and special occasion greetings. We were also instrumental in getting proclamations for various groups celebrating family reunions etc.

SENSITIVE NOMINATIONS

We spent considerable time with civil rights groups diffusing criticism over our handling of Alex William's nomination to the Federal bench in Maryland. Most of the criticism was centered on our so-called silence as he was being attacked as unqualified by the American Bar Association. We also received a number of requests to stand firmly behind the African American U.S. Attorney in Florida's middle district to prevent his firing for allegedly getting into an altercation with a newsperson.

PROBLEM AREAS REQUIRING GREATER ATTENTION

HAITI: We are continuing to receive numerous calls regarding our Haitian policy. Callers are expressing sharp disagreement over whether the U.S. should invade or continue with the sanctions. Based on the calls and letters the African American community is split on this issue. However, many are voicing concern for the poor in Haiti and want this problem solved without more harm coming to them. Support for Bill Gray is strong.

RWANDA: Our office is being swamped with calls from the African American community over our handling of the crisis in Rwanda. We started receiving these calls in May when the first genocidal acts were reported. Since then, we are being repeatedly asked why we moved so slowly to aid the displaced members of that country. Some callers are our supporters and they are nervously saying we are failing on this issue.

FORMATION OF A MESSAGE TEAM: While we have stepped up efforts at the White House to target our message more effectively, Administration wide coordination is needed and greater DNC involvement. We have formed a message group that has taken a first cut on a message that can be used for a get out the vote in November.

VOTING RIGHTS/REDISTRICTING: The redistricting challenges continue to demand our attention. Since the appointment of Deval Patrick, the Justice Department has stepped up its involvement in all of these cases but there is growing unease in the African American community over the recent Louisiana Court's ruling against Cleo Field's newly-redrawn district.

RACIAL JUSTICE ACT: As you are aware, this is a very hot topic in the African American community. We are being inundated with calls criticizing us on this issue. Callers are saying we caved in without a fight.

MINORITY BUSINESS: We continue to receive criticism from key supporters for the perceived lack of support for Minority Businesses. The vacancy of the "Minority Ombudsman" in the Commerce Department contributes to the perception in much the same way the absence of the Assistant Attorney General for Civil Rights contributed to the issue. Commerce has now identified a candidate. I believe the African American slippage in Greenberg's poll data, primarily college age African Americans under the age of 45, is in part because of this concern. We have a strategy that will be detailed in a separate memo.

Austin

cc: Leon Panetta

I think this is the
only legitimate beef
we have not done
enough on this. Respond

THE WHITE HOUSE
WASHINGTON

August 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY 
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
August 5, 1994 through August 12, 1994

CABINET-WIDE ACTIVITYHEALTH CARE SUMMARY

The Cabinet has stepped up its level of public activities in anticipation of the Mitchell vote. Every Secretary is conducting media calls and interviews in key states and participating in events both here in Washington and out in the country. By early next week the Cabinet will have phoned every House Democrat to convey Administration support for the Gephardt bill.

FOREST FIRES

On Monday, August 1, Secretary Espy visited the Base Camp of the Wenatchee National Forest fire in Washington state, the largest fire burning. On Wednesday, August 3, Secretary Babbitt spent the night in a fire camp near Yakima, Washington, and spent Thursday on the line fighting the Klickitat fire. The Secretaries' visits have demonstrated the Administration's commitment and concern for the fire situation. The Interagency Fire Command Center in Boise is coordinating the Federal response. The two Marine battalions and two Army battalions that the Center requested have significantly relieved some of the pressure on more experienced firefighters enabling them to get much needed sleep. We are working on a possible conference call for you with Western Governors next week.

As of 11:00 a.m. today, approximately 19,700 firefighters are battling 26 major fires in seven Western states totalling 236,554 acres (38,184 acres have burned in the last 24 hours). For the year, 2,101,729 acres have burned including 1,323,450 acres of Federal land and 778,279 of state and private land. More acres have burned this year than in all of 1993.

The weather outlook for the weekend includes more of the same dry conditions, high temperatures and low humidity. This combination contributes to dry lightning which usually leads to more outbreaks of fire. The Fire Command Center is at Level V, its highest level of preparedness. The last time the Center reached this level was during the Yellowstone fires in 1988.

CRIME BILL

Cabinet Members, have spent a significant amount of time this week calling and visiting targeting Members of Congress to attempt to move them on the rule. The Cabinet has been flexible about last minute calls, and creative in trying to draw on personal relationships that might move votes. They are all engaged and invested in speedy passage of the conference report in the House.

PERSIAN GULF ILLNESS

Today, August 5, Senator Rockefeller's Veterans Affairs Committee will hold a hearing on the exposure of military personnel to reproductive hazards in the Persian Gulf. The Departments of Defense, Health and Human Services and Veterans Affairs are all expected to testify. The Departments expect some criticism during the hearing: they anticipate that the Senator will release a GAO study of reproductive hazards in the Gulf, and challenge the Departments for not doing more on this issue. The Departments have shared testimony and talking points and plan to tell the Committee that they agree that it is necessary to track and study the reproductive effects of hazards in the Gulf, and that plans are underway to do so, with results anticipated in three to six months. Several news outlets, including *USA Today* and NBC, have expressed interest in this story.

Separately, the Persian Gulf Veterans Compensation bill will come up on the House floor for a vote on Monday, August 8. The Departments expect it to pass without any controversy.

GRANTS

Secretaries continue to provide information regarding possible grant announcements. This week, White House staff worked closely with Secretary Riley to announce Goals 2000 grants for Maine, New York, and Kansas totalling 13.8 million dollars. Thursday, the Departments of Labor and Education will work with the White House to announce School-to-Work local partnership implementation grants.

*** **

DEPARTMENT SUMMARIES

Department of Transportation

- **Possible Transit Strike:** The contract between the Amalgamated Transit Union (ATU) and the Bay Area Rapid Transit (BART) expired in July. Governor Wilson imposed a 30 day cooling off period, but this is being challenged in court. A ruling is expected before the end of the week. If the court rules against the Governor, the union would be free to strike. Some 200,000 riders could be affected.

- **General Aviation Liability:** The General Aviation Revitalization Act of 1994 has passed both houses of Congress. The bill limits the liability of manufacturers of general aviation aircraft and could serve to bolster this industry.
- **Amtrack Accident:** The National Transportation Safety Board and Amtrack are investigating an August 3 accident near Batavia, New York which injured over 100 people.
- **Transit Strike in Los Angeles:** The strike by the Amalgamated Transit Union (ATU) against the Los Angeles Metropolitan Transportation Authority has been settled.
- **Haitian Interdiction Operations:** During the last week, six Haitian migrant interdictions took place with 175 people rescued. Coast Guard vessels continue to support Operation Able Manner and Operation Support Democracy, the interdiction operation and the economic embargo of Haiti.
- **Soo Line Strike:** The strike by the United Transportation Union against the Soo Line Railroad continues. The impact of the strike remains localized. Transportation continues to monitor the situation.

Department of Justice

- **Abortion Clinic Violence:** On August 11, the House Judiciary Subcommittee on Crime will conduct a hearing on violence against abortion clinics. Assistant Attorney General Deval Patrick will attend. Separately, the Marshals Service is continuing to maintain a presence at a number of abortion clinics. They are working with the FBI and the Bureau of Alcohol, Tobacco and Firearms to coordinate intelligence on threats to abortion clinics and personnel.
- **Intellectual Property Rule:** The Antitrust Division plans to release for public comment its new intellectual property guidelines. The new guidelines will be sent to the Federal Register on Monday, August 8 for publication.

The new guidelines share three principles with the 1988 International Guidelines:

1. Intellectual property is not inherently suspect under the antitrust laws; it is treated like other forms of property, with appropriate recognition of its distinguishing characteristics; 2. licensing of intellectual property benefits the public by bringing innovation to the market; and, 3. the existence of an intellectual property right is not presumed to create market power in the anti-trust context.

The new guidelines differ from the 1988 International Guidelines in several ways:

1. The new guidelines have a safety-zone in which the Department will not challenge licensing agreements that otherwise qualify for treatment if the licensor and licensee collectively account for no more than 20% of each market affected; 2. the new

guidelines say that mergers and other contractual arrangements have anti-competitive effects in an "innovation market" only if the ability to do research and development is closely linked to the possession of identifiable, specific and scarce assets; 3. the new guidelines conform the mode of analysis to the method used by courts; and, 4. the new guidelines provide other tests and examples to enhance efficiency analyses.

- **Update on Voting Rights Cases:**

Louisiana: Last week, the Department filed a notice of appeal in the U.S. Supreme Court from the decision which declared the Louisiana congressional redistricting plan unconstitutional. The Department also filed a motion to stay the judgement.

✓ North Carolina: On August 1, the court ruled the state congressional redistricting plan is constitutional and dismissed the action. The court held that the state has a compelling interest in creating two majority-minority districts to comply with the Voting Rights Act, and that the state's plan is narrowly tailored to further that purpose.

Georgia: The trial in this case ended July 28. Proposed findings of fact and conclusions of law are due to be filed Monday, August 8. This case, like the Louisiana and North Carolina cases, is from the line of Shaw v. Reno cases. Shaw v. Reno held that the congressional redistricting plan in North Carolina was an unconstitutional gerrymander because districts were drawn based primarily on race considerations.

✓ Florida: On August 1, Florida became the first state to receive preclearance for its plan to implement the National Voter Registration Act (Motor Voter). Florida is one of the states covered under the Voting Right Act, thus any changes to voting, registration or purge procedures has to be precleared by the Department. The Motor Voter legislation requires changes in both registration and purge procedures, thus, all of the Voting Rights states must receive Department preclearance.

Department of Health and Human Services

- **Surgeon General Calls for Increase in Breastfeeding:** On August 5, Surgeon General Joycelyn Elders will join UNICEF and Georgetown Medical Center officials in calling for an increase in the breastfeeding rate among mothers in the United States. The current U.S. rate is 56 percent and those gathered at the press conference will call for a 75 percent rate by the year 2000. According to Georgetown researchers, if all U.S. babies were breastfed in just the first 12 weeks of life, the resulting decrease in nonchronic diseases among infants would save the American health care system an estimated \$2-4 billion a year.

- **Social Security Administration Bill Conference Report:** House and Senate staff met on August 3 to complete work on the conference report for SSA Independent Agency legislation. It is expected that the conference report will be filed on August 4 and that a vote will be taken on Monday, August 8. Discussions are underway about an appropriate signing event for this legislation.
- **Tobacco Advertising:** On August 5, Congressman Henry Waxman's Subcommittee on Health and the Environment will hold a hearing on tobacco advertising targeted at adolescents, focusing especially on tobacco company sponsorship of sporting events.
- **Report on Perinatal Transmission of HIV:** On August 5, the CDC's Morbidity and Mortality Weekly Report will release a "Report and Recommendations" on the use of AZT to reduce the risk of perinatal transmission of the HIV virus. The recently reported results of a clinical trial demonstrated that AZT administered to a selected group of HIV-infected pregnant women reduced the risk of perinatal transmission by approximately two-thirds. The report states that recommendations must be tailored to each woman's clinical situation, and the potential benefits, unknown long-term effects, and gaps in knowledge about the treatment should all be discussed with the woman.
- **California Welfare Waiver Litigation: Beno v. Shalala:** On Friday, July 29, the Administration informed the Ninth Circuit Court of Appeals that it would not seek a rehearing of the Court's decision in Beno v. Shalala, the California waiver case. This case is a challenge to the Department's 1992 approval of the "work-incentive" section of California's Assistance Payments Demonstration Project. This waiver allowed California to submit a new Medicaid state plan even if its AFDC benefits were reduced below those in effect in 1988. Under the demonstration, California has reduced benefits below that level. Prior to the Department's decision not to seek a rehearing, the Court held that the Secretary had not considered relevant issues in approving a waiver of the "maintenance of effort" provision of the Medicaid Act, and thus the Court vacated the Department's approval of the waiver.

The Department decided not to seek a rehearing because the Departments of Health and Human Services and Justice concluded, among other things, that this ruling does not immediately jeopardize the status of California's AFDC reductions. The Department contacted Governor Wilson and other interested state officials in conjunction with Friday's announcement to inform them of the Administration's response to the Court and our position regarding the effects of the decision in the waivers previously granted to California.

Department of Housing and Urban Development

- **Pension Fund Investment Announcement:** On Tuesday, August 2, the Secretary announced \$100 million in awards for the Section 8 Community Investment Demonstration. This Demonstration is designed to encourage pension funds to invest in the production and rehabilitation of affordable multi-family housing.

Department of Education

- **Goals 2000 Grants:** Five new Goals 2000 first-year awards were announced this week -- Kansas, Maine, New York, Pennsylvania and Washington. Announcements for several other states should be made next week.

Department of Interior

- **Mining Reform:** Talks between the Senate Energy and Natural Resources staff and the staffs of Senate Western Democrats have produced a draft mining bill. The House has not circulated their effort due to jurisdictional complications. Secretary Babbitt remains optimistic that a satisfactory conference report will pass, but reports that the "situation is best described as fluid at this point."
- **Colombian Inauguration:** On Sunday, Secretary Babbitt and Ambassador Hattie Babbitt will lead the delegation to the inauguration of the new President of Colombia.

Department of Agriculture

- **Drinking Water to Every Home:** Today, Secretary Espy will launch USDA's campaign to bring running water to the home of every rural American by the year 2000. The Secretary will participate in a rural water delivery ceremony in Falls Mills, Virginia, and visit with families who will receive running water for the first time.
- **Crop Insurance Reform:** Today in the House, the Administration's comprehensive Federal Crop Insurance Reform was debated and passed by voice vote. The Act eliminates off-budget, emergency agricultural disaster spending and provides assistance to farmers through an expanded, mandatory crop insurance program. The proposal is expected to save \$750 million over five years.

Department of Energy

- **Lifting of Alaskan Oil Ban:** At the request of key House Members, the memorandum recommending to you that the ban on the export of Alaskan crude be lifted is being held until the House completes action on the Export Administration Act. In the interim, Energy is working with Legislative Affairs, the NEC and the Office of

Environmental Policy to develop an effective legislative and communications strategy designed to have impact in key energy States and California.

Environmental Protection Agency

- **Superfund:** On August 3, the Senate Environment and Public Works Committee reported out the Superfund bill by a 13-4 vote. With this Senate action, the bill has been approved by environment committees in both houses and will now proceed to Senate Finance and House Ways and Means. Administrator Browner expects the bill to go the House floor for a full vote before the August recess and to the Senate floor in September.

Department of State

- **Dominican Republic:** On August 2, Joaquin Balaguer was declared the victor in last May's election. Due to the allegations of serious voting irregularities, the State Department publicly expressed disappointment over the decision and will press Balaguer to live up to his promise of early elections under a reformed electoral law.
- **Nigeria:** During his July 27-28 visit to Nigeria, the Reverend Jesse Jackson carried your hard-hitting letter to Nigerian Head of State Abacha. Jackson and Ambassador Carrington found the apparent winner of last year's annulled presidential elections, Moshood Abiola, in high spirits and convinced of the eventual victory of his cause.

Department of Defense

- **Bosnia:** Although DoD does not have the final language from the Conference Committee on the DoD Authorization Bill, it appears that the conferees will insist on very tough language aimed at eventually effectuating the lifting of the arms embargo if other pressure tactics fail.

The humanitarian airlift to Sarajevo has been on hold since several aircraft were shot at on July 20-22; the airlifts may resume by the end of the week. Airdrop missions have not been flown since June 10; however, the UN continues to monitor the humanitarian situation, particularly in Bihac, to determine when airdrop operations are required. In Sarajevo water, which has been available generally every other day for two hours, has been decreased to one hour. Electricity, which has been fairly constant over the past 2-3 months, has been intermittently available during the past week.

- **Somalia:** With the deteriorating security situation in Somalia, General Shalikashvili and Secretary Perry believe that the USG should begin with the UN to withdraw equipment from Somalia. The USG has provided a significant amount of equipment for both UN and Somali forces; the equipment lease expires between September 30 and November 30. The Zimbabwean company that was overrun and surrendered to

the SNA this past weekend lost, among other things, a number of the Armored Personnel Carriers and police vehicles it was guarding.

United States Trade Representative

- **Uruguay Round Implementation:** Next week, Ambassador Kantor will participate in the informal Ways and Means Senate Finance conference on the UR implementing legislation. Upon the conference's conclusion and mark-up by other Committees of jurisdiction, USTR will finalize the legislation for submission to Congress.
- **North America:** Ambassador Kantor and Secretary Espy announced a one year U.S.-Canada Memorandum of Understanding on Canadian wheat exports to the U.S. The MOU establishes a Joint Commission on Grains that is to examine both countries' marketing and support systems on grains and make recommendations regarding longer-term solutions to the bilateral grain problem. The MOU further establishes a 1.5 million ton overall limit on Canadian wheat exports to the U.S., a sub-limit of 450,000 tons on durum wheat, and sets forth a "peace clause" whereby neither country will take countermeasures for the one year period of the MOU.

United Nations

- **Libya:** Today, the Security Council will review sanctions against Libya -- no changes are expected. The U.S., UK and France will make a joint statement to the press rejecting recent Libyan proposals to hold trials of the Lockerbie suspects anywhere other than the U.S. or U.K. and reaffirming the need for Libya to comply with the terms of Security Council resolutions 731, 748 and 883. There is increasing sympathy for Libya's "flexibility."
- **Former Yugoslavia:** Members of the Contact Group will continue to work on sanctions resolutions. Serious problems remain, however, including whether to approve a tightening resolution with financial and targeted sanctions. Russia is intent on delaying implementation of any new sanctions package.
- **Peacekeeping:** Next week, Ambassador Albright will travel to Beauregard Parish, Louisiana, with General Shalikashvili, to watch U.S. troops train to be peacekeepers.

RWANDA

Due in large part to U.S. efforts, the cholera outbreak is being controlled. Dysentery is the next serious health problem to be solved. The U.S. European Command airlift operations cell is up and running, as is a civil-military operations center at Goma. We have estimated that 200 personnel will be in Kigali including airlift support crews, security and command elements. Next steps include expanding Kigali airport's capacity, establishing long haul road transport from Mombasa to Kigali, assisting in transport from Kigali to Goma and

transitioning relief operations to UN non-government organizations. Despite efforts by village leaders, most Hutus refuse to leave the camps. The key issue is disarmament of Hutu extremists. The Joint Staff is expediting a package which will help spread the word to the camps of the RPF government assurances that all but real criminals will be welcomed home.

HAITI

The Department of State recruitment campaign initiated several weeks ago has had a lukewarm response. Thus far, we have only received commitments from Argentina (1-2 Infantry Battalions) and Caribbean Community Nations (250-300 Infantry troops) for the multi-national force. We do not have UN agreement on an American commander for the UN force, despite Ambassador Albright's efforts and a call from Vice President Gore to Secretary General Boutros Boutros-Ghali. We expect Boutros-Ghali to prefer a Latin American UN commander with a U.S. Deputy. Interdiction of migrants at sea has dropped off to only one person in the last two days. There are 16,554 Haitian migrants at Guantanamo, the only facility currently in use.

cc: Vice President Gore
Leon Panetta
Mack McLarty