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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Harold Ickes to POTUS re: Status of DCCC Money (1 page)	10/21/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4891

FOLDER TITLE:

November 6-12, 1994

2018-0662-S

rs3110

RESTRICTION CODES

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

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

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

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RR. Document will be reviewed upon request.

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

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



Memorandum

THE PRESIDENT HAS SEEN
11/10

THE SECRETARY OF THE INTERIOR

WASHINGTON
October 28, 1994

1. memo
2. Pam/ Podesta
for reply
cc Pontus

To be on cc VU

sub get him
over him to discuss
after return -

B

To: The President
From: Secretary Bruce Babbitt
Re: The Next Two Years

The California Desert Act is a major victory that by itself assures your Administration a place in conservation history. As usual, the press has been slow to give the Administration credit due, and I intend to work on that by taking a big group of land management professionals, Administration supporters and press out for a "week in the desert" in early December.

Before getting on to the next two years, just a few thoughts about the past two. Of the three major legislative initiatives that we came with, two, the California Desert and grazing are now virtually complete. The third, mining, is off in the ditch. Two thirds is not bad, even if it took an administrative end run to get there with grazing.

The Pacific Forest Plan is also a Clinton legacy issue - the first time in history that a multispecies resource plan has been implemented across an entire landscape. If you haven't already seen it, you should take a look at the CBS Sunday Morning piece from last week - it documents a remarkable economic revival now underway in central Oregon as the direct result of the Forest Plan and our economic assistance and job training efforts.

What I have learned from these efforts is that Congress has little appetite for environmental issues and it will only get worse after the election. Moreover, the major environmental groups, plagued by declining membership, are losing a lot of the political clout they once had. Support for environmental issues in the 90's is like what they say about the Platte River - a mile wide and an inch deep.

That means, that whatever the outcome of the election, we should be wary of high profile, polarizing grazing style legislative initiatives in the next two years. Moreover, we will have our hands full with upcoming reauthorization issues such as clean water, superfund and endangered species.

[Administrative initiatives like the Forest Plan and the remarkable success that we are having with restoration in the Everglades and Florida Bay are another matter. We should be able to continue making significant advances in this arena.

→ and show
highlight
mem

The most important lesson that I have learned from the past two years is the urgent need to expand our base beyond traditional environmental groups and to reach outward to hunters, fishermen, and historical preservation groups and others. In recent weeks, for example, I have been meeting with and speaking to the National Trust for Historic Preservation, the Safari Club, the Federation of Fly Fishermen, Ducks Unlimited, the Rocky Mountain Elk Foundation and the Congressional Sportsmens' Caucus. Jay Bradford's dad and others are introducing me into the rituals of southern bass tournaments, and the day may be coming when you will see more of me on the Bass Channel 35 than anywhere else.

What all this adds up to is a very different approach to the next two years. No big, polarizing initiatives in the Congress. I would like instead to work a slew of less controversial but important legislation, especially for the Parks, by building grass roots coalitions and using them to enlist members of Congress, Republicans and Democrats, from within their home states. That's lots of time with hunters, fishermen, garden clubs, landscape architects and history buffs. But there isn't any other way, and in the end its a lot better politics than an exclusive reliance on traditional greens.

The Western Governors as of now seem to be in pretty good shape. We are concentrating on specific issues within each state where we can make them and you look good.

Apart from base building and administrative initiatives, our other task is to manage issues so that hidden land mines are located, detonated and cleaned up in 1995 rather than 1996. That is not always easy to do in our regulatory agencies where we are driven by courts and external events, but overall we are getting much better at it and will continue to do so.

From this vantage point there are only three issues that I hope you will give some thought to from time to time.

1) The California Bay/Delta water issues. We have a big win within our grasp here and it will be a necessary, if not sufficient, part of your 1996 electoral strategy. Pete Wilson will of course, try to claim credit, while blaming us for everything that any group doesn't like. But we should be able to come out way ahead on this one.

2) The Columbia River salmon issues in Washington, Oregon and Idaho. This bears some comparison with the evolution of the forest crisis - with one major exception - the Federal Government cannot solve this one - some of the salmon runs will go extinct. Meanwhile the courts are pushing us into an ever tighter corner, with fewer escape routes. The onset of the crisis depends on the weather - if we have a heavy snow pack it could drift over to 1996, if we have a dry winter in the Northwest, it could come as soon as February or March of this coming year.

 This could well become the messiest resource controversy of your first term. At this point, however, I have only one request - that you ask Bob Rubin to get involved. He cares a lot about these issues and his economic expertise and judgement would really help.

3) The Endangered Species Act

The Endangered Species Act is the toughest political issue that I have handled - because species protection again and again laps across into restraints upon the use and development of private land. The conventional wisdom is that the Administration will be making a big reauthorization push, thereby generating intense controversy. My own instinct is to lay back and watch for awhile. We really don't need a lot of legislative changes, and if Congress should decide to take a pass on this one, that's O.K. with me. And some of our strategy will inevitably be shaped by how the "takings" issue plays out in other reauthorization fights such as the Clean Water Act.

Finally, I want you to know how much I like this job and working for you. In the next two years I want most of all to build on an already solid start, turn the volume down a bit, broaden our base, brag about what you have done, and anticipate writing you another memo entitled "The next four years" in November of 1996.

*NATIVE AMERICAN ISSUES are
moving nicely - That will
be the subject of
another short memo before
too long —————*

1964 Rodney Drive
Los Angeles, California 90027

~~scribble~~
* Doxygen ✓
Send cclerby ✓ 11/14
to book to Patry Kenny
Ueno AKS cooker

Michael E. Reynolds
1961 Rodney Drive
Los Angeles, California 90027

4 November 1994

Dear Mr. President & Mrs. Clinton:

The attached books are writings from
Los Angeles writers sharing their experiences
with HIV and AIDS. I started
writing after reading the forward
in volume one, and have two
stories in volume two.

I want to thank you both for
being out spoken about HIV and
trying to stop the spread of the
pandemic along with increasing
awareness.

It was my pleasure to work with
Christine Lobbie and your transition
team to develop an AIDS policy.

The stories are difficult to read
because of their content but they
are a perspective I think we
all need.

If there is something I can do to
assist your administration

please have someone contact
me.

Again, thank you for your
willingness to make a difference.

Sincerely
Mike Reynolds

ood Whispers



Blood
Whispers

L.A. WRITERS ON AIDS

VOL 2

EDITED BY TERRY AUSTIN

FAX TRANSMITTAL

of pages ► 4

To <i>Linda Lader</i>	From <i>Fran Wessel</i>
Dept./Agency <i>638-4141</i>	Phone # <i>456-2702</i>
Fax #	Fax #

NSN 7540-01-317-7368

5099-101

GENERAL SERVICES ADMINISTRATION

THE WHITE HOUSE

WASHINGTON

October 31, 1994

Marv Knox
Western Recorder
Post Office Box 43969
Louisville, Kentucky 40253

Dear Marv:

James Dunn shared your letter of October 11 with me, and I just want to thank you. I enjoyed having an opportunity to visit with you recently and appreciate your sending the article from the Western Recorder about our meeting. I was especially pleased to read your editorial of August 16.

Again, it was good to see you recently. I hope we'll have a chance to visit again soon. Please continue to pray for me as I continue to pray for God's guidance.

Sincerely,

Bill Clinton

October 11, 1994

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

Dear Mr. President:

Thank you for taking the time to participate in the briefing sponsored by the Baptist Joint Committee on Public Affairs last week. Your candid observations were helpful and enlightening.

Baptist Joint Committee staffers have indicated you were interested in seeing how our paper handled the briefing, so I have forwarded several copies of this week's Western Recorder to the BJC office to be sent to you. I hope you will feel my article accurately reflects your own position. The news article begins on page 1 of the paper. Your comments also provided the background for the editorial on page 5.

If you would like to get a weekly view of grassroots Baptist life, we would be happy to provide you with a complimentary subscription to our paper. If so, please have someone from your staff notify me.

In your comments at the BJC briefing, you mentioned that you are disappointed people within the religious community have not taken Jerry Falwell and Pat Robertson to task for their venomous remarks about you. In that vein, I want you to see the enclosed editorial, which I wrote for our August 16, 1994, paper. Of course, the Western Recorder is not a "heavy hitter" among the national media, but I thought you'd like to see that at least some of your fellow Christians are fed up with the mean way you have been treated.

President Clinton

Page 2

Finally, I want you to know that you and your family are in our family's prayers. We count ourselves among that remnant of Southern Baptists who are proud to call you a brother in Christ, and we pray God will guide and guard you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Marv Knox". The signature is written in dark ink and is positioned above the printed name.

Marv Knox

MK/at

Enclosure

Conspiracy theories hurt conservatives' cause

Conservative Christians' credibility has taken a bruising lately, and a couple of their heroes have provided the cause.

Jerry Falwell and Pat Robertson both subtly—and not-so-subtly in one case—alleged the president of the United States is responsible for murder.

Take Falwell first: His Liberty Alliance has distributed a video called "Clinton's Circle of Power" that claims Bill Clinton has had his political enemies killed. E.J. Dionne, a syndicated Washington Post columnist, quotes the video quoting longtime Clinton adversary Larry Nichols of Arkansas: "You may also wonder what it's been like fighting Bill Clinton. People are dead in Arkansas. There are people that are dead. Yeah. When I started this, I knew that I might be one of the unsolved mysteries in Arkansas. There were boys on the railroad track. There were countless and countless people that mysteriously died that, as it turned out, had some connection to Bill Clinton. I believe this is going on today."

Robertson has focused on a very public 1993 death, that of Vincent Foster, an assistant counsel at the White House and former law partner of Hillary Rodham Clinton. Law-enforcement and medical investigators ruled Foster's death a suicide, but Robertson spins a much more sinister scenario. New York Times writer Erik Eckholm quotes Robertson from his "700 Club" television show: "Was there a murder of a White House counsel? It looks more and more like that."

Modern society may have devalued human life, but murder still is a serious charge, especially when it implicates the president of the United States. If Falwell and Robertson have evidence Clinton is an accomplice to murder, they should take that information to state and federal prosecutors. No sane American of any party affiliation wants any president to walk free if he's guilty of murder. But if Falwell and Robertson don't have solid evidence to take to the prosecutors, they should apologize for their rumor-mongering and keep their mouths shut about it.

This, of course, is a sensitive topic. Millions of conservative Christians find Clinton and his policies detestable. Based on their understanding of the Bible, they believe he's wrong on practically everything—from abortion, to gays in the military, health care reform, handgun con-

trol and the National Endowment for the Arts. They see themselves engaged in a culture war for the very soul of the nation, and they look to preachers such as Falwell and Robertson as their generals.

Try, if you will, to separate issue from tactic.

The larger issue is a philosophical debate over the direction of the nation. Christians can and should be involved in this discussion; "separation of church and state" never meant religious people have no place at the table when national policy is being deliberated. Values and perspectives long held dear seem to be eroding in our culture. Christians and other religious people have a right to their passionate concerns and a right to urge the populace to adopt their standards as public norms. In a democracy, everyone should have a voice, and that includes people of religious faith.

But this tactic is unworthy of people who label themselves with the name of our Lord and Savior. The Ninth Commandment forbids bearing false witness, and the Bible elsewhere condemns slander and gossip. Matthew 18 outlines the formula for resolving personal conflicts. Nowhere does the Bible advocate engaging in dirty political tricks, even if the purpose is believed to be noble.

America does indeed seem to be waging a culture war. Unfortunately, one of the strongest impediments to the cause of people of faith, especially conservative evangelical Christians, is the common caricature that they are hard-hearted and deceitful, willing to do practically anything to achieve their purposes. When Falwell and Robertson go out peddling murder conspiracies—especially with shallow documentation based on the say-so of partisan people whose motives are suspect at best—they reinforce that caricature and hurt their case. They erode the credibility of conservative Christians everywhere, especially before a public ready to judge and label people according to the sound bytes of their leaders.

For the reputations of Christians everywhere and the sake of their own cause, Southern Baptist leaders close to Falwell and Robertson should send them a clear message: "Either put up or shut up. The ends don't justify this meanness."

Marv Knox

Baptists' West End Mission Project merits commendation

Two Kentucky Baptist institutions—Baptist Fellowship Center and Baptist Hospital East in Louisville—deserve commendation for bridging barriers and launching a project that will make a major difference in poor people's lives.

Working with staff from the Kentucky Baptist Executive Board and a host of community agencies, Baptist Fellowship Center and Baptist Hospital East have founded the West End Mission Project. A story about the latest development in the project is on page 12 of this week's Western Recorder.

The concept began last year, when the center's director, Johnnie Clark, and other Baptist ministers from the West End approached the Kentucky Baptist Convention about meeting health care needs. Baptist Healthcare

System took up the challenge and assigned Baptist East the lead role. Now, the project has the potential to alleviate longstanding medical and social problems in the community, one of the state's poorest. It also provides a vital bridge for racial reconciliation between the West End, which is predominantly African American, and eastern Jefferson County, which is overwhelmingly white.

Baptist Fellowship Center has been a community leader since its start in 1914.

This new project illustrates how, under the leadership of President Ed Vaughn, Baptist Healthcare System is emphasizing "Baptist" in its name and claiming ministry as a vital part of its mission.

Marv Knox

Baseball strike's good for American families, Deep Mama claims

Deep Mama smiled broadly as she pulled up beside me at a red light and rolled down her window. "Follow me," she directed.

Deep Mama's my super-secret source on family life. So I always listen when she says she wants to talk.

"You sure look happy today," I observed as we got out of our cars at a local fast-food joint.

"Yes, indeed!" she chirped as she waited for me to open the door.

"Kin I help you?" a teenager behind the counter asked.

"I'll treat," she told me. Turning to the attendant, she ordered a chocolate shake for her and tea for me. Deep Mama's information network is impeccable; she knew I'm

on a diet and trying to limit my ice cream.

"What makes you so thrilled?" I asked.

"Is it the imminent start of school?"

"Good guess, Sherlock," she retorted, "but it's better than that."

"Umm," I said, unable to come up with another speculation.

"Don't you read the papers?" Deep Mama asked. "Big league baseball went on strike."

"But that's horrible news," I intoned. "Three players have—or had—a chance of breaking Roger Maris' home run record. And the

pennant races were better than they've been in years."

"You poor men all think alike," she moaned. "This strike is a gift from God to restore family priorities to the American home!"

"B-b-beg pardon?" I stammered.

"Ever since those players went on strike, my J.R.'s been a brand-new man," she explained. "No more baseball; no more couch potato. He's fixed the toilet and the bathtub, built new bookshelves in the basement, weeded the garden. And right

now, as we speak, he's taken Junior and Bitsy to the park."

"But this strike is a tragedy," I bleated. "Baseball's the national pastime."

"I'll say. It's past time we put those overpaid mutant ninnies out to pasture. They make hundreds of thousands—even millions—of dollars just to play a game! If America had its head on straight, teachers and nurses and firemen and mothers, not overgrown boys, would make that kind of money."

"Well, you've got a point, Deep Mama," I conceded.

"Absolutely," she agreed. "And if the players and owners ever patch things up, I hope the fans go on strike!"

Marv Knox



11/14/94

10/31

per Pat Griffin

Hold til after
elections.

resubmit to
him to prepare
new rec. tele.
— call. TW

THE PRESIDENT HAS SEEN
103 94

THE WHITE HOUSE
WASHINGTON

September 30, 1994

RECOMMENDED TELEPHONE CALL

TO: MINORITY LEADER MICHAEL
MINORITY WHIP GINGRICH

DATE: SAT. OR SUN., OCT. 1/2

FROM: Griffin; Brophy; Emerson

PURPOSE: To shore up their support for holding the House vote on GATT next Wednesday, and to thank them for their help in getting GATT to this point.

BKGRND: Michael and Gingrich tell us that they support a House vote on GATT next week. As with Gephardt, they are under pressure from their members, who are sensitive to the concerns of Perot voters and would prefer not to vote until after the election. So far, they are being helpful--but a Republican caucus on the subject has been scheduled for Tuesday morning. They will need to hold firm at that caucus. Moreover, one complaint we have heard throughout is that Gingrich feels Republicans did not get enough "credit" for NAFTA--so a call would have the dual effect of stroking them and stressing the need to stand firm on the vote

POINTS: 1. Thank them for all their help in getting this crucial legislation to this point, and stress the need for a final push to get it over the top.

2. To postpone the House vote could severely jeopardize the GATT--we have the momentum and the votes now; let's get it done. To delay will just give opponents more time to organize.

3. Remind them of the overwhelming business support for GATT.

4. If members feel pressure from Perot folks now, imagine the pressure that will build during the next month if they do not vote now.

5. As it is, I will have to go to APEC without GATT approval. The damage from that will be mitigated if GATT has already passed the House.

ACTION:

Handwritten:
Call on Gingrich
to get him to
B. M. M.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
10 3 94

September 30, 1994 ⁹⁴SEP 30 P7:54

RECOMMENDED TELEPHONE CALL

TO: Republican Leader Michel
Republican Whip Gingrich

DATE: Saturday, October 1 or Sunday, October 2
Calls should be made before Monday

RECOMMENDED BY: Patrick Griffin
Susan Brophy
John Emerson

PURPOSE: To emphasize how crucial it is that the
vote on GATT occurs next week.

BACKGROUND: Michel and Gingrich tell us that they
support a House vote on GATT next week.
As with Gephardt, they are under
pressure from their Members, who are
sensitive to the concerns of Perot
voters and would prefer not to vote
until after the election. So far, they
have been helpful -- but a Republican
caucus on the subject has been scheduled
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Moreover, one complaint we have heard
throughout is that is that Gingrich
feels that Republicans did not get
enough "credit" for NAFTA -- so a call
would have the dual effect of stroking
them and stressing the need to stand
firm on the vote.

TOPICS OF DISCUSSION:

1. Thank them for all their help in
getting this crucial legislation to
this point, and stress the need for
a final push to get it over the
top.
2. To postpone the House vote could
severely jeopardize the GATT -- we
have the momentum and the votes
now; let's get it done. To delay
will just give the opponents more
time to organize.

3. Remind them of the overwhelming business support for GATT.
4. If Members feel pressure from the Perot folks now, imagine the pressure that will build during the next month if they do not vote now.
5. As it is now, I will have to go APEC without GATT approval. The damage from that will be mitigated if GATT has already passed the House.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

WH Operators

DATE OF SUBMISSION:

September 30, 1994

ACTION: _____

THE PRESIDENT HAS SEEN
THE WHITE HOUSE

Chlor 11/11

To: President Clinton
Mrs. Clinton

Fr: George S.

(FYI)

VP/Leon

we need a
serious discussion
of this on our return -
B

cc. Leon Panetta

Memorandum to the Chief of Staff

From: George Stephanopoulos

November 1, 1994

Values Speech Series

A small group of us (including Joel Klein, Bill Galston and Don Baer) have held a couple of meetings to discuss the possibility of the President giving a series of speeches on values during the post-election/pre State of the Union period. We think it would be a good way for the President to rise above the Congressional/political fray, to speak to the broader problems facing American society, and to give his personal perspective on how to strengthen the bonds of the American community.

Ideally, we would do the first speech in late November before a major Protestant or Evangelical group, the second as his last public appearance before Christmas at a major Catholic University, and the third in early January -- either at the Convention on Christian Ethics as Bill Galston has suggested or at before a Jewish congregation. The first speech would analyze our spiritual/values crisis; the second could address the roles of churches, families, individuals in solving these problems; and the wrap-up speech could address the role of government. Obviously, this is just a first sketch of the idea; others may have a better suggestion.

Finally, I think we should seriously consider approaching a publisher now to explore the possibility of publishing the series early in the year. Such a book may have great appeal, and it would give the American people the chance to see a different side of the President than they are presented by the mass media.

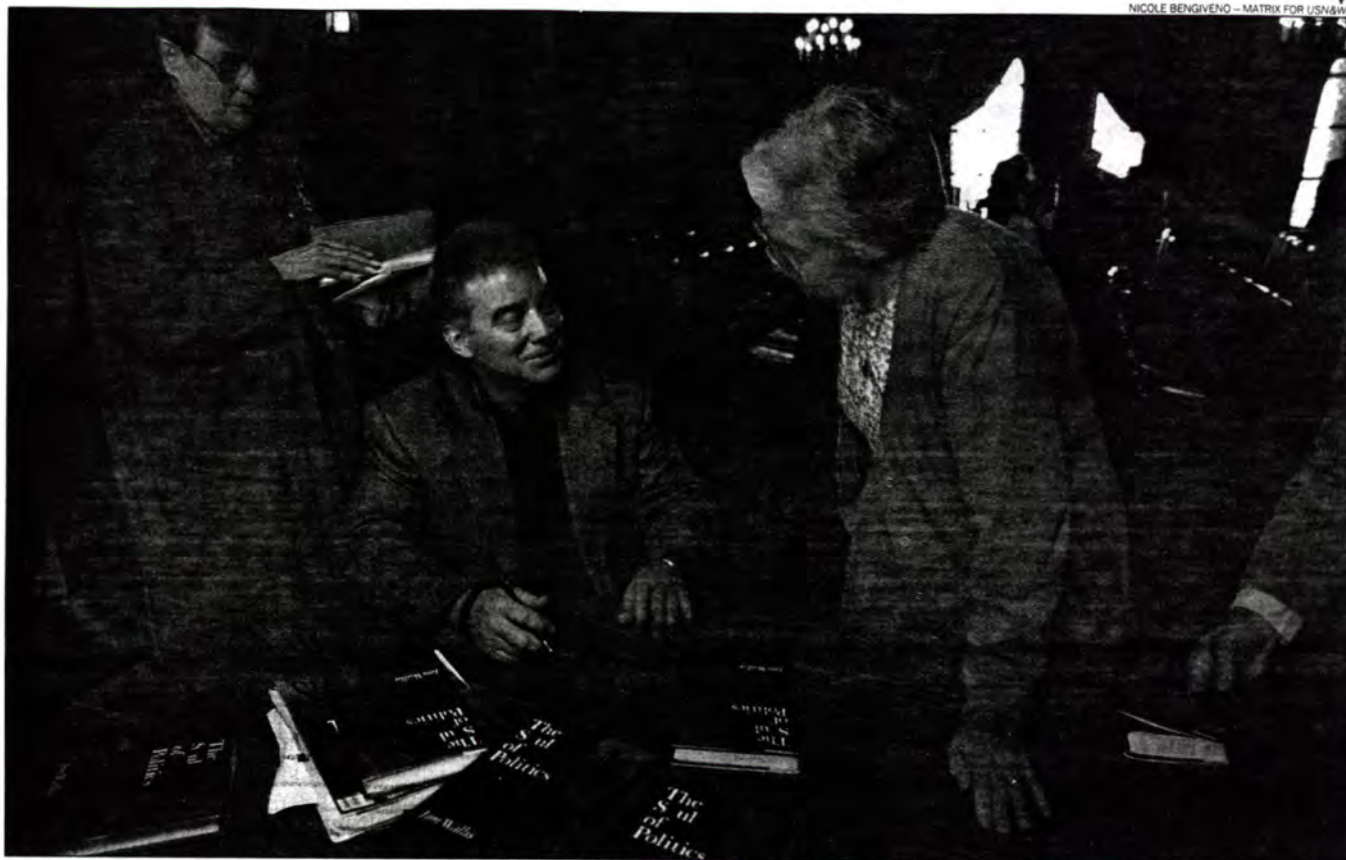
This project would take a fairly significant commitment of time and staff resources, but I think it's worth it. We need to lift the President above the day-to-day fray and present him as the thoughtful, spiritual and inspiring leader we know him to be.

*My 2 agree
with this.*



The spirit of politics

A widening plea for the radical transformation of American public life



Biblical values. Evangelical minister Jim Wallis looks to the wisdom of the early prophets for a restorative vision of party politics.

During the spring of 1962, a University of Michigan student labored over a "manifesto of hope" that contained these words: "Loneliness, estrangement, isolation describe the vast distance between man and man today. These dominant tendencies cannot be overcome by better personnel management, nor by improved gadgets, but only when a love of man overcomes the idolatrous worship of things by man." Politics, he continued, "has the function of bringing people out of isolation and into community, thus being a necessary, though not sufficient, means of finding meaning in personal life."

The author of this highly spiritual passage was Tom Hayden, a little-known campus activist at the time who would later achieve notoriety as an antiwar

rabble-rouser and "Chicago 7" conspiracy defendant. The document that came to be known as *The Port Huron Statement* contained the principles and blueprint for the nascent Students for a Democratic Society, or SDS, an acronym that would in short time become a potent symbol of the most extreme antiauthoritarianism of the Vietnam War era.

If it's surprising that one of the premier radicals of the 1960s would be so saturated in spiritual values, it's perhaps even more surprising to hear those sentiments resonating in intellectual and political circles everywhere today. In almost identical vocabularies, religious leaders, scholars, activists and political theorists of both right and left can be heard deploring the degradation of American politics and calling—often in

undisguised biblical language—for a spiritual transformation of our public life. Like no time in recent memory, serious and urgent discussions of political and economic reform are being framed around religious notions such as the soul, spiritual healing, faith and—perhaps most resonant—the restoration of something called "community." Consider just these few recent examples:

■ Evangelical preacher and antiwar activist Jim Wallis's new book, *The Soul of Politics*, is a passionate argument for letting the wisdom of biblical prophets inform modern America's public life. "Deep in the American soul," he writes, "exists the conviction that politics and morality are integrally related."

■ Republican political commentator Kevin Phillips's *Arrogant Capital* com-

■ SCIENCE & SOCIETY

compares American political stagnation today with the doomed politics of ancient Rome, 16th-century Spain, 17th-century Holland and Victorian England. All of these world powers, Phillips argues, experienced similar economic and cultural changes prior to their deterioration—among them economic polarization, declining cities and schools, widespread xenophobia and—especially—complaints about the culture's moral decay.

■ Jewish philosopher Michael Lerner's *Jewish Renewal* calls for a return to Hebrew tenets of compassion and transcendence as a way of salvaging our spiritually bereft political life. According to Hillary Rodham Clinton's unofficial intellectual counselor, nothing less than a profound religious renewal is needed to transform America's foundering political economy.

Central to all these critiques is a belief that America's body politic is in big trouble and that old categories like liberal and conservative, left and right, are of little use anymore in discussing public priorities. If the socialist experiment has dead-ended, these critics say, the *laissez-faire* alternative has led to an empty and cynical consumerism that has left people unhappy and craving something more. These critiques are not coming from the Christian right; indeed, Wallis's Christian spiritualism dictates tolerance on volatile values issues like abortion and gay rights. The common message is that the ideology of neither the left nor the right is equipped to deal with the enormity of the spiritual crisis.

Restoring a role for values. What's offered in place of ideology is a corrective vision—one of a moral community and genuine participatory democracy, a "politics of conscience," in Wallis's phrase. Where the particulars of these communities and political visions vary, the common thread is a belief that values—especially traditional Judeo-Christian values—have been wrongly and harmfully excluded from politics and public life and ought to be restored. In one way or another, these critics want to renew the "national conversation" and revitalize American public philosophy with a deliberate infusion of moral debate. To that end, for example, Lerner's liberal Jewish magazine *Tikkun* and Wallis's evangelical publication *Sojourners* will co-sponsor a national summit on ethics next year. "Clinton began his presidency with a national summit on the economy," says



Talmudic vision. Michael Lerner preaches a politics of compassion based in Judaism.

Lerner. "We think that was the wrong direction in which to go."

While such sentiments run the risk of sounding utopian and preachy, underlying these visionary documents is a rigorous and highly nuanced scholarly debate. Called the "public square debate" in the nation's law reviews, it poses contentious philosophical questions: Who has a rightful place in the national conversation? Should all religious baggage properly be left at the door when public issues are under discussion? While most philosophers and legal scholars have taken the position that public debate must be thoroughly secular, others have increasingly argued that religious principles are not only permissible in but essential to fruitful discussion of a good society. Yale law Prof. Stephen Carter popularized this

position last year with the publication of his book *The Culture of Disbelief*, a treatise publicly endorsed by President Clinton. Some of the recent cultural critiques push that argument even further, resoundingly calling for more rather than less religion in the public realm.

What accounts for the current wave of disenchantment with politics as usual? At least part of the answer, most critics agree, lies with the end of the cold war, which for better or worse provided many Americans with a clear framework of meaning and good purpose. But at least as important, Lerner argues, is the cultural triumph of the market, the complete penetration of the American psyche by the capitalist ethic of self-interest: "That triumph has generated widespread materialism, cynicism and unhappiness—and the search for meaning." Even the hard-nosed political pragmatist Phillips views Americans' unease as a fundamental psychological craving. Observing that the '90s have always been radical decades in U.S. history, he says: "These last decades sort of hurry up the future. People get concerned about what's coming, what the next patterns are going to be." A recent poll, he notes, shows 6 in 10 Americans wanting to change not just the faces of politics but the entire system.

Of course, spiritual hunger and searching are as dangerous as they are exciting, as these critics are well aware. Craving can be satisfied by fascist communities as easily as by rational ones.



Price of arrogance. Kevin Phillips sees a nation in decline.

And as Wallis makes clear in *The Soul of Politics*, the spiritual renewal of politics is something quite different from the increased presence of the Christian right in party politics: "We are not calling here for the invasion of sectarian religion or theocratic grabs for power," he insists, "but rather for the contribution of neglected values to the political process."

Devil in the details. So what would this new world look like in practice? Nearly every critic talks in one way or another about more democracy and an enhanced sense of responsibility for the community. But the notions of what makes a meaningful community, and the connection between these communitarian visions and the pragmatic particulars, vary a great deal. Phillips sees electronic connectivity as a possible solution and advocates a national referendum system that would allow citizens' voices to supplant elected officials in national decision making. Wallis, by contrast, sees direct democracy happening at the street level, in neighborhood organizing around well-defined local purposes. Lerner, a former psychotherapist, talks of innovations such as teaching empathy in the nation's classrooms. Whatever form the movement toward revitalized community and participatory democracy takes, critics agree that the need for change is urgent.

The sense of great cultural moment would be easy to dismiss as hyperbole were it not being heard everywhere and in a variety of voices. "Politically as well as economically," write the authors of *Habits of the Heart* and *The Good Society*, "ours is a new historical moment." Wallis uses the New Testament word *kairos*, by which he means a time of serious spiritual crisis, but also a time pregnant with possibility. In more secular language, political analyst E. J. Dionne Jr., author of *Why Americans Hate Politics*, says: "The 1990s are daunting, but they also offer an opportunity for creative political thinking not seen since the Industrial Revolution ushered in the new intellectual systems that we now call Marxism and capitalism."

Tom Hayden, now 54 and a California state lawmaker, is at work on his own book about the proper place of spiritual values in politics and public life. He looks back at the founding of the radical SDS and finds the current emphasis on biblical and republican values familiar: "These conclusions and many others like them represent nothing less than the maturing of the awkward formulations of *The Port Huron Statement* into the cultural vocabulary of the mainstream of American life." ■

BY WRAY HERBERT

■ CONVERSATION

A born-again Whole Earth Catalog

Looking toward the millennium, the editors show how new technologies can perk folks up



JAMIE TANAKA

New look. Rheingold seeks "ideals that have a chance of succeeding."

If the Sears, Roebuck catalog and a Swiss Army knife had conceived a baby in 1968, it would have looked like the first *Whole Earth Catalog*. A hippie-esque guide to books and tools, *WEC* inspired the back-to-the-land movement of the '70s and encouraged rural and spiritual homesteaders to plunge into self-reliance. Out this month, *WEC* has been reincarnated as *MWEC*—the *Millennium Whole Earth Catalog* (HarperCollins, \$30), which centers on the ways citizens can use new communication technology in their lives. *U.S. News* senior editor Vic Sussman interviewed Stewart Brand, the founder of the old *WEC*, and Howard Rheingold, editor of the new *MWEC*, to discuss the once and future catalog. The conversation was conducted entirely by E-mail.

How does the *Millennium Whole Earth Catalog* reflect social changes since the first *WEC*?

RHEINGOLD: There was no such thing as a personal computer in 1968, and [the Internet] wouldn't exist until 1969. Now, individuals and grass-roots organizations

have desktop tools and communication power that only governments and large corporations had 25 years ago.

BRAND: A difference for me was shifting from Buckminster Fuller to anthropologist-biologist Gregory Bateson for fundamental insight. Both pushed a "whole systems" approach, but Bucky's was basically engineering, whereas Bateson's was basically biology—much more complex, paradoxical and evolving. We also went from commune dwellers to computer hackers as our most nutritious grass roots.

Young people drawn to the *WEC* were annealed by Vietnam and social activism. Who is your audience today—slackers and generation X?

RHEINGOLD: Anyone who wants to lead a more independent, fulfilling life without selling his or her soul to some

W H O L E
E A R T H

THE PRESIDENT HAS SEEN "///"

THE WHITE HOUSE
WASHINGTON

November 1, 1994

*Leon E. Ertter
Vice President
Re: Mr. Ertter who can
warm up, meet to focus -*

~~CONFIDENTIAL~~

Dear Mr. President,

Thank you for taking time from your busy schedule to meet with me before your recent Mideast trip.

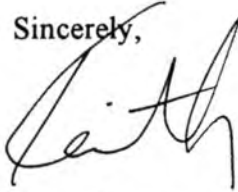
As we discussed, I am planning to leave my official position at the White House on December 1, 1994 and return to Atlanta, Georgia where I will become associated with Public Strategies, Inc.. Pursuant to our conversation, I do not plan to make any public announcement of this decision until after the November elections.

I am deeply grateful to you for allowing me to have the honor and privilege of serving in your Administration. The significant progress that has been made in this country under your leadership will be properly recognized and rewarded by the American public before the completion of your first term. I am proud to have been a part of it.

I hope that we can continue to keep in touch when I return to Georgia.

Thank you for everything.

Sincerely,



Keith Mason
Deputy Assistant to the President and
Deputy Director of Intergovernmental Affairs

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

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

Chen
THE PRESIDENT HAS SEEN *11/11*

THE WHITE HOUSE
WASHINGTON

November 10, 1994

MEMORANDUM TO THE ~~PR~~ESIDENT

FROM: MARCIA HALE *(initials)*

SUBJECT: Phone calls from Mayors

Mayor Archer called and asked me to share the attached information with you.

Mayor Rendell called and gave me similar information for turnout in Philadelphia.

Mayor Abramson called to say he believes he made the right decision not to go on the trip to the Mid-East with you (even though he badly wanted to go) because he was very involved in the Congressional Race in Louisville. We won that open seat race by only 400 votes.

ACCUMULATED REPORT
 3:40:15 9-Nov-1994

Page 1

NOVEMBER 8, 1994
 GENERAL ELECTION
 DETROIT, MICHIGAN

	Total	Pct
Precincts Counted - TOTAL	819	100.00
Precincts Counted - DETROIT POLLS	669	100.00
Precincts Counted - ABSENTEE BOARDS	150	100.00
Precincts Counted - DISTRICT 3	13	100.00
Precincts Counted - DISTRICT 4	29	100.00
Precincts Counted - DISTRICT 5	27	100.00
Precincts Counted - DISTRICT 6	34	100.00
Precincts Counted - DISTRICT 7	25	100.00
Precincts Counted - DISTRICT 8	20	100.00
Precincts Counted - DISTRICT 9	20	100.00
Precincts Counted - DISTRICT 10	10	100.00
Precincts Counted - DISTRICT 11	14	100.00
Precincts Counted - DISTRICT 12	23	100.00
Precincts Counted - DISTRICT 13	36	100.00
Precincts Counted - DISTRICT 14	33	100.00
Precincts Counted - DISTRICT 15	56	100.00
Precincts Counted - DISTRICT 16	42	100.00
Precincts Counted - DISTRICT 17	43	100.00
Precincts Counted - DISTRICT 18	35	100.00
Precincts Counted - DISTRICT 19	34	100.00
Precincts Counted - DISTRICT 20	39	100.00
Precincts Counted - DISTRICT 21	37	100.00
Precincts Counted - DISTRICT 22	26	100.00
Precincts Counted - DISTRICT 23	24	100.00
Precincts Counted - DISTRICT 24	14	100.00
Precincts Counted - DISTRICT 25	20	100.00
Precincts Counted - DISTRICT 26	15	100.00
Registered Voters - TOTAL	602,402	
Ballots Cast - DETROIT POLLS	220,459	
Ballots Cast - ABSENTEE BOARDS	54,203	
Ballots Cast - TOTAL	274,662	45.59

STRAIGHT PARTY POSITIONS

DEM - DEMOCRATIC PARTY	177,197	94.60
REP - REPUBLICAN PARTY	9,336	4.98
WOR - WORKER'S WORLD PARTY	321	0.17
LIB - LIBERTARIAN PARTY	320	0.17
NLP - NATURAL LAW PARTY	133	0.07

GOVERNOR AND LIEUTENANT GOVERNOR

DEM - HOWARD WOLPE		
DEM - DEBBIE STABENOW	229,620	85.97
REP - JOHN ENGLER		
REP - CONNIE BINSFIELD	37,485	14.03

SECRETARY OF STATE

DEM - RICHARD H. AUSTIN	232,626	87.77
REP - CANDICE S. MILLER	32,410	12.23

ATTORNEY GENERAL

DEM - FRANK J. KELLEY	242,181	92.39
REP - JOHN SMETANKA	19,955	7.61

11-9-94

Mr President,
 in the limo on
 the way from Cobo
 Hall to the Westin,
 you asked Bob
 Come how many
 votes he needed
 from Detroit to
 win his election.
 He said if Detroit
 voted 275,000
 he would win.

Well, Mr President
 we delivered. And so
 did you
 274,662
 De *Wolpe*

ACCUMULATED REPORT

Page 2

3:40:15 9-Nov-1994

NOVEMBER 8, 1994
GENERAL ELECTION
DETROIT, MICHIGAN

	Total	Pct
U. S. SENATOR		
DEM - BOB CARR	229,540	87.80
REP - SPENCER ABRAHAM	24,813	9.49
WOR - WILLIAM ROUNDTREE	2,062	0.79
LIB - JON COON	4,316	1.65
NLP - CHRIS WEGE	694	0.27

REPRESENTATIVE IN CONGRESS 14

14TH DISTRICT

DEM - JOHN CONYERS, JR.	120,231	88.29
REP - RICHARD CHARLES FOURNIER	13,430	9.86
NLP - RICHARD R. MILLER	2,522	1.85

REPRESENTATIVE IN CONGRESS 15

15TH DISTRICT

DEM - BARBARA-ROSE COLLINS	110,211	91.54
REP - JOHN W. SAVAGE, II	7,999	6.64
NLP - HENRY OGDEN CLARK	712	0.59
NPA - CYNTHIA M. JAQUITH	867	0.72
NPA - LARRY N. ROBERTS	603	0.50

STATE SENATE 1

1ST DISTRICT

DEM - JOE YOUNG, JR.	33,072	87.18
REP - PETER S. ECKLUND, JR.	4,862	12.82

STATE SENATE 2

2ND DISTRICT

DEM - VIRGIL C. SMITH, JR.	41,240	89.33
REP - CAROLYN SMITH	4,924	10.67

STATE SENATE 3

3RD DISTRICT

DEM - HENRY EDWARD STALLINGS, II	43,896	91.09
REP - CAROLE ROBINSON CROMWELL	3,368	6.99
NPA - STEPHEN O. MCCOY	924	1.92

STATE SENATE 4

4TH DISTRICT

DEM - JACKIE VAUGHN, III	62,910	95.62
REP - EUNICE M. MYLES	2,880	4.38

STATE SENATE 4TH DISTRICT

TO FILL VACANCY

DEM - PATRICIA ANN HOLMES	15,831	100.00
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STATE SENATE 5

5TH DISTRICT

DEM - MICHAEL J. O'BRIEN	52,007	90.93
REP - TONDRIA M. CANTY	5,190	9.07

Chro

Chro / ~~Chro~~
Carlton

Pyl-

B

A Place to Live is a Place to Start



*Explaining to Americans What HUD is Doing
to Advance President Clinton's Hopes
for the Nation's Communities*

November 1994



THE WHITE HOUSE
WASHINGTON

November 3, 1994

The Department of Housing and Urban Development touches the lives of millions of people and thousands of communities every day. HUD has the potential to give low-income families a chance to achieve self-sufficiency; to give all families access to home-ownership; to ensure equal housing opportunity; to create safe, secure, affordable housing environments, and to bring private sector investment to communities throughout the nation.

This document discusses how that potential can be realized under the innovative leadership of Secretary Henry Cisneros. New links between the public and private sectors are being forged, new ways of developing affordable housing are being developed, fair housing and fair lending laws are being enforced vigorously, and the resources of all levels of government are being pooled with private investment to create jobs and opportunity for people and to provide communities with the means to help themselves.

This report to the American people, outlining the guiding principles Henry Cisneros and I have established for the Department of Housing and Urban Development, is a blueprint for the future as well, describing in plain terms what HUD does, enumerating HUD's successes, and presenting the goals HUD is committed to meeting in 1995. I am proud this report is a product of my Administration, and I recommend it to all who want to play a constructive role in building stronger, healthier communities.

Bill Clinton

A Message from the Secretary

This report is designed to answer the question, "What is HUD doing to advance President Clinton's goals for America's communities?"

It can also help in dealing with other questions about HUD's work, such as:

- What is the logic or philosophy at the center of HUD's efforts?
- Is there a single phrase or core message that defines HUD's work in this Administration?
- What does the team at HUD stand for and believe in about America's community challenges?

These are difficult questions to answer because they suggest there can be a single phrase or theme for problems that are diverse and cover a broad range of community challenges. By simply listening to people across the nation -- citizens, service providers, state and local government officials, various experts on urban issues -- and by working to solve problems with them, we have focused on common sense solutions to the principal problems they have identified. We are not driven by predetermined themes or pre-established solutions but rather by what it will take to get results in the areas that have emerged as our priorities:

- Reducing Homelessness,
- Changing Public Housing,
- Expanding Homeownership,
- Expanding the Stock of Affordable Rental Housing ,
- Preserving the Stock of HUD-Assisted Rental Housing,
- Opening Housing Markets,
- Empowering Communities, and
- Managing for Performance and Results.

Together with community leaders and activists, we are putting forward thoughtful solutions in each of these areas, solutions that are not so much philosophical or ideological as they are a straightforward commitment to helping people live better lives.

One important insight that does serve as a building block for our work is that all people need a place to live, and that people with troubles must solve the problem of where to live before they can make much progress on the other challenges they face. When nightfall comes or exhaustion sets in, every single American must have a place to lay his or her head and a place to eat, to refresh, to store possessions. The achievement of that stability makes it possible to begin meeting life's other challenges. Hence, the title of this report, "A Place to Live is a Place to Start."

A second thought that flows from the notion of a "start" is the idea of people moving upward in life, of a series of transitions to a better life; of a dynamic, forward-moving quest -- not a static ending place. We don't view the housing products we help make possible -- homeless shelters, public housing, assisted rental housing, or even "starter" ownership homes -- as final destinations. We view them instead as steps from which people can advance if they are presented education, health services, training, and income-improving opportunities.

That is the key idea here -- opportunity. We at HUD are working with other federal agencies and with local leaders to create communities of opportunity. And that means we have to think not simply in terms of services, of how we can provide one more program that converts people into clients or recipients, but we have to create the conditions of real opportunity where people can take action to improve their own lives.

We are convinced that there is a middle ground between the bureaucratic mindset that regards citizens as passive recipients and the market approach that treats citizens as autonomous consumers. The lessons of recent history teach us that there are many human problems which the practices, behaviors, and attributes of large bureaucracies make it impossible for government to solve.

The nation has also seen the effects of over-emphasizing the consumer culture, a legacy of disposable products, disposable communities, and disposable people. We believe strongly that there is a middle ground: that it is the combination of an individual stake in the future and a shared sense of responsibility for collective successes that creates communities of opportunity. We frequently use the word "empowerment" as a shorthand term for creating those conditions. At HUD we mean to

will listen to and work with local citizens, that we will encourage and support community initiatives, that we will dismantle the crushing practices of traditional bureaucracy, and most of all that we will strive to create opportunities for people who hunger for self-improvement and who have a stake in a hopeful future.

This is a big change for HUD. Imagine a public housing authority that sees itself not as a landlord or service provider for passive tenants but instead as a partner with engaged residents converting public housing into a starting point for job training, education, and work experiences. Imagine a metropolitan area where housing opportunities and financing are not denied to the residents of central city neighborhoods but are available to everyone who plays by the rules of work and saving.

There is a sense of reciprocity implied here: everyone plays by the rules. People learn, work, and prepare their children to make a contribution; the society in turn treats their hopes and aspirations with fairness.

The idea of fairness is a third unifying theme for our work. Nothing else we do can work if the essential ingredient of fairness is not there. The basic American formula is, work today and sacrifice now for tomorrow's gains. Nothing is guaranteed but the equation generally works. Except there are some Americans for whom the rules do not work. They have a job, they have saved money, they have a clean credit report. But they can't get a housing loan because of the neighborhood they live in, or because of the color of their skin, or some other discriminatory fact. Such discrimination is not only against the law but it is also devastating to our hopes for building a color blind society with true justice for all.

A fourth idea that pulls our work together is that HUD operates as a partner with communities, figuring out how federal authorities or resources can support local initiatives and plans. To my knowledge, not one HUD employee anywhere uses a hammer and nails daily to build or repair housing. Rather we principally provide funding for those who do. By virtue of that funding we set standards and directions. But we must never forget that we stand behind those doing the work in communities.

Listening to those working in communities gives HUD a focus on physical places -- on neighborhoods, communities and cities -- that forces us to keep an eye on the hard realities. It gives the Department an on-the-ground footing that serves as a discipline: that is, a community will either visibly improve or it will steadily decline. There is no hiding whether our programs are helping or not.

HUD can help communities turn around. For example, working together we can alter the face of public housing and replace aged, outmoded, overcrowded developments with housing that is small-scale, on sites of lower densities, designed for safety, and architecturally attractive. We can convert obsolete industrial sites that deter community investment -- the so -- called "brownfields" -- into locations for affordable homeownership and neighborhood business centers. With communities, we can remake the urban landscape and literally build solid reasons for hope. But, at HUD we must listen better, organize ourselves more appropriately, and simplify our procedures for use by the people doing the actual hands-on work of community-building.

The ultimate success of HUD's efforts is dependent upon HUD's organizational ability to change. This large government bureaucracy is slow converting itself into an enterprise that is accessible and responsive to communities. There are practical constraints, of course, on how far a Washington-based agency can reinvent itself, but there are steps that are taking to enforce the discipline of performance and accountability. For example, we are using our budget and automated data systems to track progress toward our program goals, nudging HUD toward becoming a performance-driven organization. We have flipped the organizational structure "right-side up," so that our 81 field offices across the nation -- the HUD people who work daily in communities -- are confronting those communities' needs and forcing the central bureaucracy to respond. And our new emphasis on pre-decisional involvement of unions, on workplace conditions, on full opportunity, and on training career development is creating a team atmosphere where people are valued not for their positions in the hierarchy but for their talents and contributions to HUD's mission.

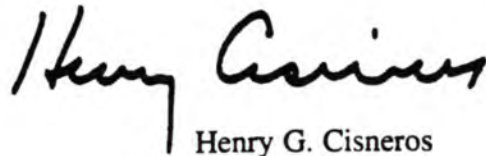
Returning to the original questions about what HUD does and about the logic at the center of HUD's efforts, people across

America have pointed out realities that are too diverse to tie together with a single phrase. Yet, they have also identified unifying ideas:

- Housing is a starting place for self-improvement.
- Housing and self-improvement are tied to education and work in communities of opportunity.
- Fairness is essential in creating a society where people play by the rules, accepting and expecting a sense of reciprocity, of responsibilities but also of rights.
- And, HUD does best when we stand supportively behind community energies. We will do that by converting the very organization of HUD into a government enterprise that is accessible and responsive.

Beyond these ideas, we are simply trying to use common sense to help people. This report sets forth the common sense in our proposals for the priority areas where communities tell us they need action.

We have tried to present in one place for the first time an explanation of what HUD is doing to advance President Clinton's goals for communities. We have prepared this report in the hope that everyone who cares will try to understand what we are doing and will sign on to help.


Henry G. Cisneros

Priority: Reducing Homelessness

Principle

The true extent and character of homelessness must be acknowledged, and the Federal government must do its part to ensure that men, women, and children in America need not turn to streets, parks, and subway stations to live.

Approach

HUD's strategy is to address the root causes of homelessness through a "continuum of care" that has as its goal the availability of permanent, affordable housing and services, where needed, so that homeless persons can become self-sufficient.

How HUD Defines Homelessness

- A. According to Priority Home! The Federal Plan to Break the Cycle of Homelessness:
 - 1. Approximately 600,000 persons are homeless on any given night.
 - 2. About 7 million persons experienced homelessness at some point in the latter half of the 1980s.
 - B. The fastest growing group in the homeless population is women with children.
 - C. There are two broad, sometimes overlapping, categories of problems that cause homelessness:
 - 1. Crisis poverty, which is the result of economic and social changes in the job and housing markets and in family structures.
 - 2. Chronic disabilities, including mental illness, substance abuse, AIDS, Tuberculosis, and other health-related disabilities.
-

What is HUD Doing to Reduce Homelessness?

- A. Helping communities develop a continuum of housing and services necessary to address the root causes of homelessness by:
 - 1. Improving aggressive, but sensitive outreach to the streets.
 - 2. Ensuring appropriate number of shelter beds and quality needs assessment upon entry to shelters.
-

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3. Providing substance abuse treatment at appropriate community facilities.
 4. Providing transitional housing with support services such as job training, child care, and health care, when needed.
 5. Ensuring supportive housing for persons requiring mental health treatment.
 6. Increasing permanent housing options through single room occupancy housing, vouchers, construction and rehabilitation.
 7. Stemming the flow of people into homelessness through prevention efforts and traditional housing programs.

**Other Elements of
HUD's Plan**

- A. Not every homeless family and individual will need all steps of the continuum, but communities should develop the full range of services to meet the varying needs of the homeless population.
 - B. HUD seeks to replace six burdensome McKinney programs with one flexible block grant.
 - C. The 1995 HUD budget for homeless programs is double the 1994 level of \$823 million to \$1.7 billion.
 - D. HUD is encouraging community planning of homeless efforts address local needs in 319 cities and in communities in all 50 States and the District of Columbia:
 1. Formula grants will extend funding in order to allow planning predictability and flexibility in communities.
 2. Local homeless planning boards will be established.
 - E. Nonprofit providers lead in delivering housing and services:
 1. At least 51 percent of funds will go to nonprofits.
 2. Nonprofits will serve on local homeless planning boards.
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3. HUD supports strengthening the capabilities of nonprofits to deliver homeless services.
- F. HUD encourages bringing mainstream institutions (e.g., businesses) and resources (e.g., Community Development Block Grants) to local efforts through local homeless boards.
- G. Permanent housing for homeless families will be offered through set-asides of Section 8 rental certificates.
- H. HUD encourages serving families together in homeless shelters.
- I. Special efforts are underway to ensure that the needs of hard-to-serve homeless persons are addressed.
- J. The Homeless Initiatives Cities program recognizes examples of innovative homeless networks:
- It is designed to reward community initiative (e.g., Miami sales tax, Denver-Lowry Air Force Base reuse).
- K. HUD seeks to define community reciprocity so that public spaces used by the homeless are returned to the public and the homeless are given viable alternatives.
- L. Federal interagency collaboration is a vital element of the President's national plan to reduce homelessness.
-

What Has HUD Accomplished to Reduce Homelessness in 1993-94?

- President Clinton issued an Executive Order in May 1993 calling for a single, coordinated Federal plan to break the cycle of homelessness; 17 Federal agencies are now working together to implement the plan.
 - In May 1994, HUD, HHS, VA and 14 other agencies released Priority Home! The Federal Plan to Break the Cycle of Homelessness. The agencies are now implementing the plan, which has received widespread support for its assessment of the problem and its proposals to reduce homelessness.
 - The Administration requested and Congress approved the Innovative Homeless Initiatives Demonstration Program in June 1993 at \$100 million. HUD has selected the District of Columbia, Los
-

Angeles, Denver, Miami, the San Francisco-Bay Area, and Philadelphia as demonstration areas. HUD awarded an additional 48 grants for innovative projects in 26 states.

- The Administration achieved a 44% increase in HUD homeless funding for 1994. This has enabled HUD to fund hundreds of nonprofit organizations and city homeless programs.
- Congress funded President Clinton's request for a doubling of HUD's budget in fiscal 1995 to assist homeless individuals and families -- from \$823 million to \$1.7 billion.
- HUD established a National Office of HIV/AIDS Homeless Housing and has set aside Section 8 certificates to provide housing for persons with HIV/AIDS who are homeless or at-risk of being homeless.
- HUD initiated a \$10 million effort for 250 Section 8 certificates aggressive outreach to help the homeless in New York City's subway system.

What are HUD's Homeless Priorities for 1995?

- Work with Congress to pass the consolidation of McKinney programs in order to:
 - Consolidate 6 programs into a single, flexible program.
 - Allocate funds for the consolidated program through a needs-driven formula to States and cities.
 - Foster comprehensive homeless systems in America's cities enabling homeless persons to leave the streets and achieve self-sufficient lives.
 - Use vouchers for homeless families by setting aside Section 8 vouchers to provide the permanent housing component of communities' continuum of care. This will increase housing options for homeless families.
 - Work with communities to help ensure that homelessness is a central part of a community's development plan. This will integrate the solutions to homelessness into the overall plan for community growth.
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- Implement specific initiatives to help ensure that the neediest homeless populations are helped. For example, HUD will work with community-based groups and cities to help ensure that persons living with HIV/AIDs, mental health needs, and other needs have appropriate housing options.
 - Implement the Federal Plan on Homelessness. The Clinton Administration will work to implement the Plan's recommendations. The Plan calls for, among other things, reorganization of HUD McKinney Homeless programs, enactment of Health Reform and Welfare Reform.

For further information contact:

Andrew Cuomo
Assistant Secretary for
Community Planning and Development
451 7th St. S.W.
Washington, DC 20410
202-708-2690

Priority: Changing Public Housing

Principle

Public housing should be a starting point for personal and family mobility, not a permanent destination. With residents and community leaders we can and will turn public housing developments around and transform them into safer, more promising places to live and raise families, which fully participate in the larger community.

Approach

HUD is changing the basic idea of public housing so that the nation thinks of it not as a service that is provided residents but as a partnership between people who have a stake in a hopeful future.

Public Housing Today

There are 1.4 million units of public housing and the majority are in good condition. But many are isolated both physically and socially from the larger community. Our goals for public housing are twofold: we want to change the face of public housing and replace distressed, overcrowded and poorly designed developments with housing that is small-scale, less dense, safely designed, and architecturally attractive and we want to emphasize work and self improvement as the route to personal mobility.

What is HUD Doing to Change Public Housing?

- A. Harnessing resident responsibility by:
 - 1. Supporting the organizing of more active, engaged resident groups and leaders.
 - 2. Involving residents in meaningful decision-making.
 - 3. Administering tenant selection and eviction policies more firmly with the involvement of residents.
 - 4. Expanding family support strategies by utilizing community-based services.
 - 5. Encouraging young residents' potential by every means possible, emphasizing recreational and educational development.
 - B. Empowering and retaining role models among residents and reinstituting work as an achievable and necessary goal by:
 - 1. Ensuring an income-mix among residents by emphasizing the importance of working families as role models.
-

-
2. Rewarding work by changing the rent rules.
 3. Making work pay by maximizing employment of residents by PHA grant recipients.
- C. Putting a higher priority on jobs and economic development by:
1. Using public housing funds to employ residents for the essential tasks of a housing authority.
 2. Capitalizing on training programs for residents and creating incentives and support, such as child care.
 3. Encouraging entrepreneurship through joint ventures between resident groups and public housing contractors.
- D. Pioneering new approaches to the governance of public housing authorities (PHAs) by:
1. Assuring that housing authorities are not bureaucratic impediments to full empowerment of residents; the present conception of PHAs has too often served to isolate residents.
 2. Encouraging and supporting new models of entrepreneurial public housing authorities particularly by freeing up good performing housing authorities from counter-productive regulations.
 3. Strengthening troubled PHAs with guidance, training and resources.
 4. Sharing meaningful decision-making with organized, involved residents.
 5. Using HOPE VI revitalization grants as demonstrations of new techniques in comprehensive approaches to housing and services for poor people.
 6. Utilizing neighborhood-based and resident-based alliances for services and partnerships.
 7. Using private partnerships for management innovation, including contracting the management of developments
-

to private managers and building new units and partnerships with private specialist and community development groups.

8. Insisting that mayors, community leaders, and neighborhood groups accept responsibility for weaving public housing into communities.

E. Creating a sense of safety by:

1. Redesigning public housing to create safe space.
2. Increasing patrol presence to reduce crime and fear.
3. Involving residents to a greater degree in an effort to take back their communities.

F. Insisting on an effective management system that maintains quality buildings by:

1. Ensuring the quality of regular maintenance and cleaning.
2. Making refurbishment and readiness of vacant units critical priority.
3. Scheduling systematic large scale improvements.
4. Developing a supportive connection between public housing and adjacent neighborhoods.

G. Undertaking massive replacement and new development by

1. Demolishing obsolete units to reduce density.
 2. Building new units on a smaller, architecturally appropriate scale, including scattered site homes, that are better integrated into the neighborhoods in which they are located.
 3. Expediting replacement and development by innovative use of project management methods.
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4. Leveraging private capital for added units in mixed-income settings.
 5. Using certificates and counseling and other mobility tools to enable residents to move throughout the metropolitan area.
 6. Building public housing connections to metropolitan-wide institutions and networks.
- H. Creating new transitions to homeownership on a large scale by:
1. Developing ways to move residents from public housing to homeownership.
 2. Emphasizing single-family homes.
 3. Developing homeownership certificates and lease-purchase programs.
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What has HUD Accomplished to Change Public Housing in 1993-94?

- HUD created an Office of Distressed and Troubled Housing Recovery (ODTHR), to intervene aggressively with housing authorities in Washington, D.C., Philadelphia, New Orleans, Chicago, Baltimore, Houston, Detroit and Kansas City to turn around specific developments.
 - Under the HOPE VI demonstration program, \$630 million in grant agreements have been executed for 24 severely distressed developments in order to enable their comprehensive revitalization.
 - The Youth Apprenticeship Program has been initiated, making funds available for job training and career opportunities for 500 public and assisted housing residents between the ages of 16 and 30.
 - Admissions policies have been revised to give housing authorities greater flexibility in setting selection preferences based on local housing needs and priorities.
 - The Indian Home Loan Guarantee Program has been implemented, giving Native American families and Indian Housing Authorities access to sources of private financing previously unavailable for
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the construction, acquisition, or rehabilitation of family dwellings on restricted Indian land.

- The Tenant Opportunities Program (TOP) was created to help public housing residents take enhanced leadership roles and build stronger public housing communities. TOP is designed to create a working partnership among resident groups, local housing authorities, and HUD. This year's \$25 million in TOP grants going to 257 resident organizations is five times the previous year's funding. The TOP grants will be used for job training and employment opportunities, to address needs such as substance abuse treatment, health care, the establishment of day care centers, and resident security patrols.
- HUD helped public housing residents working to make their communities crime and drug-free:
 1. Operation Safe Home is a new interagency initiative to combat violent and white collar crime and fraud in public and assisted housing. HUD's Inspector General's Office, Justice, Treasury and the Office of National Drug Control Policy -- along with state and local law enforcement agencies and public housing authorities -- are cooperating to make public and assisted housing free from criminal activity and drugs.
 2. In FY 94, HUD awarded over \$228 million to 520 public and Indian housing authorities to combat drug abuse. These funds can be used for the employment of security personnel; reimbursement of local law enforcement agencies; employment of investigators; voluntary tenant patrols; and drug prevention, intervention, and treatment.
 3. President Clinton announced a policy to give public housing authorities, residents, local law enforcement, and others guidance on the range of lawful techniques available to combat violent crime in public housing developments.
- HUD has revamped its modernization program to make it more flexible and easier to use, has reduced paperwork and oversight, and increased the PHAs ability to expedite funds from the modernization pipeline. Over the past year PHAs have obligated almost \$3 billion and expended \$2.3 billion.

What are HUD's Public Housing Priorities for 1995?

- Work with Congress to enact legislation that will create work incentives for residents of public housing. We will resubmit legislation to Congress that will: 1) permit housing authorities to set ceiling rents for their projects at a reasonable rental value; and 2) disallow increases in rent for 18 months for any family whose income increases as a result of employment of a family member previously unemployed for one or more years.
- Pursue legislation that would allow housing authorities to use modernization funds for the development of replacement housing, giving them the flexibility to determine whether replacement and/or deconcentration, rather than rehabilitation, would be a preferable option economically and socially.
- Seek legislative overhaul of the Public Housing Drug Elimination Program by replacing it with the Community Partnerships Against Crime (COMPAC) program. COMPAC would broaden the level of community involvement and cover all types of criminal activity, not just drug-related crime.
- Support legislation that deregulates public housing authorities, with an emphasis on waiver of regulations for high performing and smaller housing authorities.
- Continue to send "recovery teams" consisting of HUD staff and staff from qualified PHAs to assist troubled housing authorities in the management and operation of their programs.
- Encourage PHAs to take bold, comprehensive, and coordinated steps to transform their public housing communities into vibrant living environments.
- Encourage the leveraging of public funds to promote mixed-income communities and scattered site housing by cultivating public/private partnerships with HOPE VI grantees.
- Encourage the use of Section 8 certificates to help speed the relocation of tenants from projects which should be demolished. All residents of these projects will be offered Section 8 certificates and intensive counseling on how they can be used, including the benefits of moving to private sector housing.

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- Substantially increase through housing authorities the jobs, training and economic opportunities available to low-income residents and direct contracting opportunities to businesses owned by or employing low-income residents.
 - Introduce a Public Housing to Work initiative, through which HUD will join forces with the Department of Labor and the Building and Construction Trades Department of the AFL-CIO to identify job and apprenticeship opportunities in the construction trades for public housing residents.
 - Follow up on lead-based paint testing to assure that PHAs not meeting the December 1994 deadline are planning to complete this testing in FY 1995.

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Priority: Expanding Homeownership

Principle

Increase the number of new homeowners annually and reaffirm homeownership as one of the central missions of HUD.

Approach

HUD is fostering a new partnership in the nation's housing sector to ensure unprecedented cooperation toward achievement of national homeownership goals.

What is HUD Doing to Expand Homeownership?

- A. Designing a National Homeownership Strategy and preparing to lead it by:
1. Setting national homeownership goals through a housing sector working group that has been formed with public and private sector leaders.
 2. Building a new coalition of industry lenders, local and state governments, and housing advocates to act upon the homeownership goals.
 3. Cutting financing and transaction costs and increasing the availability of financing.
 4. Cutting production costs.
 - a. Encouraging and facilitating large developments of affordable homes to achieve economies of scale.
 - b. Reducing the costs of producing housing units by promoting land contribution, development fee waivers, and pro bono services.
 - c. Investigating land use and zoning requirements to determine their effect on costs.
 5. Opening up housing opportunities to underserved populations.
 - a. Ensuring fair housing goals are achieved as homeownership opportunities are created.
 - b. Using programs such as the new Section 8 for Homeownership Program to help tenants in assisted housing buy their homes.

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6. Focusing on specific communities as targeted areas for homeownership.
 - a. Developing community-wide strategies for promoting homeownership.
 - b. Targeting distressed communities, and communities with concentrated rental units, for homeownership opportunities and conversion.
 7. Raising the general public's awareness of the importance of homeownership.
- B. Reorganizing and revitalizing the Federal Housing Administration to help attain homeownership goals by:
1. Implementing a national demonstration to provide downpayment and second mortgage assistance for homebuyers in partnership with cities, States, and nonprofit entities.
 2. Redefining and expanding counseling for homeownership.
 3. Working to secure the passage of legislation increasing loan limits.
 4. Developing programs that convey FHA-owned properties for homeownership.
 5. Creating new partnerships with mortgage lenders, local and State governments, and housing advocates to expand the availability of homeownership opportunities to underserved and unserved populations.
 6. Promoting rehabilitation programs such as 203(k) and Title II to improve the condition of housing units available for ownership.
- C. Fully utilizing sources of capital and resources within HUD by:
1. Maximizing Ginnie Mae's participation in homeownership strategies.
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2. Exploring new uses for the HOME program and identifying ways to marry HOME dollars with FHA programs.
 3. Creating partnerships with Fannie Mae and Freddie Mac -- to expand homeownership opportunities.
 4. Establishing a regulatory framework for the GSEs to ensure that they meet Congressionally mandated housing goals.
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**What Has HUD
Accomplished to
Expand
Homeownership in
1993-94?**

- The upfront premium for Federal Housing Administration (FHA) insured mortgages has been reduced. For a \$75,000 mortgage, upfront costs will be reduced by \$563.
- HUD has insured 3,358 Section 203(k) loans in FY 93 and approximately 3,700 in FY 94. FHA's 203 (k) Program, HUD's primary tool for rehabilitation and repair of single-family properties, has been streamlined to make it more efficient and useful to low- and moderate-income families who use the loans to buy and fix their homes.
- FHA has insured more than 1.3 million single-family loans in FY 94 -- compared to 940,000 mortgages insured in 1993. Of the '94 total, some 450,000 were for first-time homebuyers.
- Last year, FHA sold 1663 properties to 325 nonprofits and units of local government. FHA's efforts to discount and work in partnership with nonprofits and local governments is active in 100 communities.
- The FHA Single Family Property Disposition Program has been broadened to expand homeownership opportunities and strengthen communities.
- In September 1994, HUD began allowing government agencies to purchase HUD-owned properties for resale to public safety employees, such as police officers, firefighters, and emergency medical technicians.
- The Government National Mortgage Association (Ginnie Mae) began a new multiclass securities program, which helps to increase affordable housing opportunities by reducing financial costs for FHA and VA borrowers. The multiclass program establishes a

platform for the design of state-of-the-art world class securities, enabling HUD to broaden its scope in the affordable housing market.

- HUD and EPA published a proposed rule to increase consumer awareness and access to information before making housing choices. Under the rule, potential homebuyers and renters must be informed of lead or lead hazards before purchase or lease of a home and be given an optional 10-day period to test for lead based paint before purchasing a home.
- Final property disposition regulations were published in September 1994 giving owner-occupants initial preference for homeownership opportunities, and giving nonprofit organizations and government agencies 30 percent discounts to purchase and rehabilitate HUD owned single family properties in revitalization areas.
- The Department issued regulations expanding consumer protection to subordinate lien mortgages; issued escrow regulations reducing the amount of money consumers are required to hold in escrow; and held a hearing and technical demonstration to examine issues related to controlled business arrangements and computerized loan originations.

What are HUD's Homeownership Priorities for 1995?

- Establish goals and aggressively promote a national homeownership strategy.
- Secure passage of legislation to expand use of FHA insurance in underserved markets by increasing maximum mortgage limits, conducting innovative demonstrations and entering into joint venture partnerships to serve more low-and moderate-income people.
- Expand FHA's single family property disposition initiative and increase the sale of HUD-owned homes to individuals, nonprofit organizations and local governments to promote local homeownership efforts and neighborhood revitalization.
- Implement two homeownership demonstrations to assist low-and moderate-income first-time homebuyers. In the first demonstration, HUD will work with public and nonprofit partners to provide

downpayment and second mortgage assistance. In the second, HUD funds will serve as a catalyst for large scale development of affordable housing in designated "homeownership zones."

- Revise FHA underwriting guidelines to eliminate barriers to homeownership. Barriers include assumptions about family composition, work patterns, employment reliability, patterns of saving and other things that might have a discriminatory effect.
- Increase the level of homeownership nationwide by developing and implementing a comprehensive housing counseling program that includes extensive outreach to potential homebuyers.
- Set in place a flexible regulatory framework for the Government Sponsored Enterprises.
- Protect homebuyers by strongly enforcing the Real Estate Settlement Procedures Act (RESPA). RESPA enforcement already has resulted in 400 settlements requiring more than \$4 million in consumer restitution, fines and penalties.
- Issue clear and fair RESPA guidelines affecting consumers, loan servicing rights, computer loan originations, controlled business arrangements, and other transactions.

Priority: Expanding the Stock of Affordable Rental Housing

Principle:

Because many Americans must rent housing and there is a shortage of affordable rental housing, HUD must work to enhance the production and restoration of quality, affordable rental housing.

Approach:

HUD is placing major emphasis on partnerships for production, financing, and innovation to produce quality, affordable rental housing.

What is HUD Doing to Expand the Stock of Affordable Rental Housing?

A. Forming partnerships for production of rental units by:

1. Signing risk-sharing agreements with 33 State and local housing finance agencies, Fannie Mae, Freddie Mac, and the National Cooperative Bank for housing production.
2. Providing resources to enable six pension funds to finance the construction or substantial rehabilitation of about 1,000 low-income units throughout the country.
3. Using HUD's HOME program as the primary source of Federal dollars for the construction and rehabilitation of rental units for low-income tenants.

B. Revitalizing the multifamily housing finance system by:

1. Working with Fannie Mae and Freddie Mac to help create an active secondary market for multifamily loans and meet special affordable housing goals.
2. Actively pursuing non-traditional sources of capital for housing by seeking partnerships with foundations, church groups, universities, insurance companies, and public utility companies. New sources of multifamily financing are urgently needed.
3. Working with industry representatives to recommend priorities for available credit subsidies in the coming year.
4. Streamlining FHA's traditional insurance programs, making them more user friendly.
5. Developing more workable subsidy layering guidelines.

C. Overhauling the Section 8 program by:

1. Increasing funding for tenant-based Section 8 vouchers and certificates.
2. Providing additional flexibility for public housing agencies to use project-based rental certificates.

D. Pushing to attain higher production levels and to design more workable housing by:

1. Working with developers, local governments, and social service providers, ensuring that family support services -- training, education, and work opportunities -- are designed into projects to create a momentum for self-improvement and self-sufficiency.
2. Establishing a resident initiatives fund available to resident organizations for resident-related activities.

What has HUD Accomplished to Expand the Stock of Affordable Rental Housing in 1993-94?

- Signed risk-sharing agreements with 33 state and local housing finance agencies, Fannie Mae, Freddie Mac, and the National Cooperative Bank.
- Launched the Section 8 Community Investment Demonstration to encourage pension fund investment in multifamily housing production or preservation. HUD awarded \$100 million to six pension funds selected to participate in a demonstration that will finance affordable housing development nationwide. This will create 5000 multifamily units, 1000 of which will be Section 8 assisted.
- HUD published guidelines that delegate subsidy layering authority to state and local agencies administering the low-income housing tax credit program. By taking HUD out of this process, owners can complete their financing packages in less time and at less cost.
- Funded 7,665 units (116 projects) of Section 202 Housing for the elderly, totaling \$499 million. Of the 116 sponsors awarded funding, 39 (34 percent) were minority business enterprises.

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- Funded 2,559 units of housing for the disabled under Section 811, totaling \$157.8 million.
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**What are HUD's
Affordable Rental
Housing Priorities
for 1995?**

- Implement Phase II of FHA's risk sharing demonstration, expanding the number of partners and the types of risk share products. Requires passage of authorizing legislation.
 - Increase assisted living opportunities for elderly tenants through increased production under the Section 232 program.
 - Implement subsidy layering guidelines to effectively integrate the use of FHA insurance with the federal low income housing tax credits.
 - Modify existing insurance programs to provide mortgage insurance for the development and rehabilitation of small 12-30 unit rental properties.
 - Prepare a proposed rule implementing the GSE Act of 1992 including an increased focus on rental housing.
 - Seek out sources of capital not now invested in multifamily housing opportunities, identify products, programs and partnerships that will encourage the flow of capital to multifamily housing.
 - Expedite the implementation of the Section 8 Community Investment Demonstration program that will create at least 2500 units of new and rehabilitated affordable housing financed by pension funds. At the same time, rapidly implement the 1995 program to attract more pension funds to the program.
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Priority: Preserving the Stock of HUD-Assisted Rental Housing

Principle

Improve and maintain the quality of rental units owned and operated by private owners and managers under various HUD-FHA mortgage insurance and rent subsidy programs.

Approach

HUD is focusing resources on enforcing quality standards, removing non-performing owners and managers, repairing the housing stock and engaging the involvement of residents.

What is HUD Doing to Preserve the Stock of Affordable Rental Housing?

- A. Enforcing quality standards for HUD-assisted rental housing by:
1. Declaring zero tolerance for wrongdoing and aggressively enforcing mortgage insurance and rental subsidy contracts with owners.
 - a. Debarring unscrupulous owners and managing agents.
 - b. If owners are unwilling or unable to provide funds for repairs, HUD is:
 - (1) terminating Section 8 rental subsidy on units not meeting House Quality Standards;
 - (2) seeking mortgagee-in-possession;
 - (3) acquiring title through foreclosure or deed in lieu of foreclosure;
 - (4) conveying property to community-based nonprofits that have the capacity to deal with the needs of the property and the residents.
 2. Creating and using new enforcement tools such as expanded civil money penalties and expansion of the formerly coinsured loan asset management contract that handles properties from the failed Coinsurance Program.
 3. Establishing the Special Workout Assistance Teams (SWAT approach) to provide a concentrated focus of skills and resources that will enforce rental subsidy and mortgage insurance contracts and rules.
 4. Recapturing and re-using Section 8 subsidies being squandered on unlivable housing units.

B. Repairing the inventory by working to improve the physical and financial health of properties by:

1. Deploying six SWAT teams to identify and cure the physical and financial conditions in targeted properties, thereby:
 - a. Developing prototypes for improving HUD's organizational ability to cure troubled project conditions and take firm enforcement actions.
 - b. Reducing loss and risk to the FHA insurance fund.
 - c. Demonstrating ways that SWAT and Operation Safe Home can work together.
2. Negotiating action plans with private owners to repair and rehabilitate projects.
3. Requiring private owners to submit Comprehensive Needs Assessments (CNA).
4. Expanding HUD's capital repair resources by creating a Housing Quality Fund that merges several existing accounts in order to direct funding to "troubled" properties with approved CNAs.
5. Preserving Title VI (Low Income Housing Preservation and Resident Ownership Act) affordable multifamily housing by simplifying the program.
6. Forming partnerships with State Housing Agencies to purchase or finance and preserve HUD-owned multifamily properties.
7. Lowering the cost of the Section 8 rental assistance program.

C. Empowering residents of the HUD-assisted rental stock by:

1. Rewarding work and establishing support programs for working families.
2. Strengthening and expanding family support programs through the placement of service coordinators, funded through the Housing Quality Fund.

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- itions
3. Creating transitions to homeownership through the preservation of affordable housing.
4. Encouraging residents' involvement in improving the living environment in their communities.
- D. Transforming HUD's internal organization for preserving the rental stock by:
1. Changing the way HUD does business; revamping and revising administrative policies; increasing the use of partnerships for preservation; and expanding contracting resources.
2. Supporting HUD preservation staff with training and resources.
3. Selecting new field office leadership.
4. Selling HUD-held mortgages out of HUD's inventory.

What has HUD Accomplished to Preserve the Stock of Affordable Rental Housing in 1993-94?

- A 24-member Special Workout Assistance Team (SWAT) has been organized to help field offices resolve physical, financial, and ownership problems on troubled assisted multifamily properties.
- Grants have been awarded to address drug-related criminal activity at 123 multifamily properties.
- In FY 94, over 700 action plans were negotiated with private owners to repair and rehabilitate housing complexes, including conversion of multifamily projects to homeownership.
- Formed partnerships with state housing agencies to purchase/finance and preserve HUD-owned multifamily properties.
- Nine HOPE 2 planning grants and 16 HOPE 2 implementation grants for homeownership of multifamily projects were awarded to residents and nonprofit organizations for a total of \$57.7 million.

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- HUD closed 97 property sales out of inventory and closed 78 foreclosure sales for a total of 175 closings this fiscal year. Closings reflect an inventory reduction of 28 percent for the fiscal year. HUD replaced 400 managements agents and foreclosed on 102 individual owners. We are also aggressively pursuing enforcement against owners of multiple properties.
 - Launched SNAP -- Safe Neighborhood Action Plan -- a new partnership with U.S. Conference of Mayors and the National Assisted Housing Management Association (NAHMA) to combat crime in HUD assisted housing.

**What are HUD
Priorities for
Preserving the
Stock of Affordable
Rental Housing in
1995?**

- Strengthen enforcement; remove unscrupulous owners and management agents; extensively publicize HUD's zero tolerance standards.
- Intensify the SWAT effort to develop and implement strategies for troubled real estate.
- Implement systematic methods for defining the physical condition of the insured housing stock.
- More effectively involve tenants in the control of their housing through increased resident management opportunities, outreach and resident ownership.
- Significantly expand the use of resident service coordinators.
- Continue aggressive efforts to sell HUD-owned multifamily properties and HUD-held notes.

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Priority: Opening Housing Markets

Principle

Make equal housing opportunity a reality for all Americans by expanding housing choice and affordability and by eliminating discriminatory barriers.

Approach

HUD is raising fair housing issues to a new level of national awareness by taking steps to make clear that fairness in the housing markets is essential to the nation's community goals and that discriminatory practices are against the law.

What is HUD Doing to Open Markets?

- A. Vigorously enforcing the nation's fair housing laws:
1. Stimulating the growth and development of active private fair housing organizations across the nation by increasing funding for Fair Housing Initiatives Program.
 2. Expanding the number and capacity of substantially equivalent state and local agencies that enforce fair housing laws by increasing funding for the Fair Housing Assistance Program.
 3. Leading Federal efforts to further fair housing through the Secretary's chairmanship of the President's Fair Housing Council.
 4. Reorganizing the enforcement effort in the field by creating 10 enforcement centers that will more efficiently and effectively enforce Title VIII and other civil rights laws.
 5. Enhancing training to use the most up-to-date testing techniques for identifying unfair practices.
 6. Ensuring that HUD programs do not discriminate and, indeed, affirmatively further fair housing by vigorously enforcing Title VI.
- B. Expanding the scope of fair housing choice to include opportunities throughout metropolitan areas:
1. Ensuring that communities identify the local impediments to fair housing and take steps to eliminate those impediments by requiring fair housing planning.

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2. Broadening the geographical availability of housing opportunities for low-income persons by expanding Section 8.
 3. Enhancing true choice in residency by expanding mobility counseling for Section 8 recipients.
 4. Enforcing Title VI, including monitoring compliance with site and neighborhood standards.
 5. Creating desegregated housing opportunities and redeveloping public and assisted housing through the settlement of longstanding litigation.
- C. Ensuring equal opportunity for homeownership by expanding fair lending and reducing discrimination in property insurance.
1. Establishing fair lending standards by signing "best practices" accords with lenders across the nation.
 2. Developing a regulatory framework that defines "disparate impact," and lending and insurance discrimination under the Fair Housing Act.
 3. Developing a coordinated Federal approach to fair lending policy and enforcement efforts through the Interagency Task Force on Fair Lending.
 4. Investigating mortgage lenders and property insurers for violations of the Fair Housing Act, in coordination with Department of Justice where appropriate.
 5. Developing fair lending regulations for use by the GSEs, Fannie Mae and Freddie Mac.

**What Has HUD
Accomplished to
Open Housing
Markets in
1993-94?**

- President Clinton issued Executive Order 12892, directing HUD to promulgate regulations on mortgage lending and property insurance discrimination. The order also directs all executive departments and agencies to ensure that their programs affirmatively further fair housing; creates a cabinet-level Fair Housing Council.

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- In a historic move, HUD took over a public housing authority in Vidor, Texas for failure to protect the civil rights of minorities. In early 1994, four African-American families moved to the development and 21 African American families currently live there.
 - HUD has opened an office in Beaumont, Texas to oversee the integration efforts of 70 public housing authorities in the 36 counties of East Texas.
 - In September 1994, HUD and the Mortgage Bankers Association of America signed a voluntary Best Practices Agreement that commits both organizations to work in partnership toward the elimination of lending discrimination and expansion of affordable homeownership opportunities.
 - March 8, 1994, HUD, the Department of Justice, and the bank regulatory agencies adopted a joint Policy Statement on Discrimination in Lending, providing an unified federal approach to lending discrimination for the first time ever.
 - In January 1994, HUD brought together more than 1,000 people representing Federal, state and local governments, public interest groups, industry associations, and others for the largest government-sponsored fair housing meeting ever.
 - HUD launched a technical assistance initiative in 30 cities that will create economic opportunities for low-income residents pursuant to the previously neglected provisions of Section 3 of the Housing and Urban Development Act of 1968.
 - The new Office of Program Compliance and Disability Rights has produced a design manual on construction requirements of the Fair Housing Act for use by builders and architects.
 - The budget for the Fair Housing Initiatives Program has grown from \$10.6 million to \$26 million in FY 95, without significantly increasing the staff. Result: the creation of 24 new private fair housing organizations and the awarding of 117 grants.
 - Reduced racial barriers in mortgage lending through increased Home Mortgage Data enforcement by the Mortgage Review Board.

**What are HUD's
Fair Housing
Priorities in 1995?**

- Reduce discrimination in housing through aggressive enforcement of Title VIII and all civil rights statutes.
- Promote choice in residency by providing mobility counseling for recipients of Section 8 certificates who are working or work-ready.
- Affirmatively further fair housing in HUD and other Federal programs by requiring fair housing planning for all HUD entitlement jurisdictions and by working with the President's Fair Housing Council.
- Reduce discrimination in lending and property insurance by issuing regulations on both subjects and by continuing HUD's leadership role on the Interagency Task Force on Fair Lending.
- Support the lending industry's voluntary efforts to increase fair lending by negotiating Fair Lending Best Practices Agreements with at least 75 lenders.
- Increase economic opportunities for low-income persons and small and disadvantaged businesses by publishing final regulations governing Section 3, providing extensive technical assistance, and enforcing Section 3 where appropriate.
- Promote the development of additional "substantially equivalent" state and local fair housing agencies who can aggressively and efficiently enforce the fair housing laws on behalf of the Federal government by expanding the Fair Housing Assistance Program.
- Enhance the impact and increase the number of private fair housing organizations by increasing funding for the Fair Housing Initiatives Program.

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Priority: Empowering Communities

Principle

HUD seeks to create vibrant communities by building on communities' housing assets, expanding job opportunities, providing more flexibility to local governments, expanding participation of non-profits and low-income people, and enabling the entire community to plan together comprehensively.

Approach

HUD's community empowerment strategies rely upon streamlining the application process, encouraging "bottom up" strategies and comprehensive planning, and the integration of the resources of multiple Federal agencies working together at the community level.

What is HUD Doing to Empower Communities?

- A. Building upon examples of success.
 1. Focusing on Empowerment Zones (EZs) and Enterprise Communities to show that Federal agencies can work together in areas that have suffered from years of neglect.
 2. Initiating awards programs to draw attention to innovation and creativity in communities across the country.
- B. Expanding job opportunities.
 1. Focusing existing programs on maximizing economic opportunity for low-income persons.
 2. Supporting neighborhood retail and industrial job producers through LIFT, Section 108, Economic Development Initiative (EDI), CDBG=Jobs, and the tax incentives of EZs.
 3. Furthering job training through new CDBG economic development regulations and creative use of Section 108, Youthbuild, youth apprenticeship programs, and Section 3.
 4. Increasing the availability of capital in low-income areas through community development banks.
 5. Providing localities with new tools to remove obstructions that hinder job creation (e.g., land assembly, "brownfields") through expanded technical assistance and LIFT.
- C. Providing more flexibility to local governments.

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1. Eliminating burdensome reporting, planning, and application requirements for HUD programs through the consolidated plan.
 2. Using HUD field staff to work proactively as problem-solver with local governments and non-profits rather than as program enforcers.
 3. Enabling local governments to produce substantial amounts new housing through improved operation of the HOME program and creation of a new HOME 108 loan guarantee program.

D. Expanding community-based participation.

1. Building neighborhood capacity:
 - a. Providing funding to create, expand, and operate neighborhood-based community organizations through HOME, special CDBG rules, and Community Viability funding.
 - b. Improving housing production capacity in neighborhood through improved implementation of HOME, CHDO Technical Assistance, and a new HOME 108 loan guarantee program.
 - c. Focusing technical assistance on grassroots efforts that bridge various HUD programs.
 - d. Supporting the development of housing production capacity in CDCs.
 - e. Institutionalizing alliances with foundations, churches, national community organizations, and CDCs.
 2. Providing information to citizens and groups in order to strengthen their participation:
 - a. Creating a consolidated plan and software package to provide clear information about how communities are spending their money.
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b. Coordinating technical assistance sessions for consolidated planning that bring together all elements of communities, including local governments, non-profits, housing organizations, and religious and business institutions.

E. Encouraging community action that links economic, human, and physical development.

1. Encouraging regional planning through metropolitan strategies.
2. Emphasizing physical design elements, open spaces, historic re-use and preservation, creative urban design, and other amenities that help enhance the quality of life in communities.
3. Encouraging comprehensive and coordinated approaches to community development through local consolidated planning.

F. Encouraging institutions of higher learning to participate in strengthening their communities and regional economies without sacrificing their core mission.

1. Recognizing, rewarding, and showing examples of university-community partnerships;
2. Helping finance the next generation of urban scholars;
3. Creating a postgraduate fellows program to convert housing developers and "dealmakers" into a cadre of highly skilled community transformation professionals.
4. Using HUD's Office of University Partnerships as the universities' point of entry into other federal community-related grant programs;
5. Creating partnerships with other Federal departments and agencies that support innovative university teaching, research, and service efforts, including the Department of Education, the National Endowment for the Humanities, the National Science Foundation and the Corporation for National Service.

G. Fostering collaboration among foundations, corporations, nonprofit groups, community-based groups, community organizing networks, advocacy organizations, religious organizations, arts and sports organizations, State and local governments, and other Federal agencies.

1. Demonstrating the tangible successes of the Department's strategies by focusing on specific communities, mediating stalemates, forging coalitions, and coordinating multi-agency resources.
2. Addressing the needs of underserved populations, such as migrant farmworkers, Americans living in the colonias and in rural areas, and Native Americans in tribal communities.

What Has HUD Accomplished to Empower Communities in 1993-94?

- January, 1994: HUD issued regulations for the Empowerment Zone application. June 1994: Communities submitted 292 applications for urban Empowerment Zones and Enterprise Communities.
- June 1994: HUD designated 20 innovative community development corporations to receive tax benefits for programs to create jobs and provide training for low-income residents.
- July 1994: HUD awarded \$38 million in Youthbuild grants to help disadvantaged youth learn employment skills through constructing and rehabilitating housing for low-income and homeless people. Grants provide participating youths with education, support services, leadership development, and job opportunities.
- September 1994: HUD allocated \$19 million in Economic Development Initiative grants, helping create jobs for low-income persons.
- Congress increased HOME funding from \$1.275 billion in FY 94 to \$1.4 billion in FY 95, permitting HUD to fund additional units for low-income persons. By September 1994, more than 93,700 units had received commitments under HOME -- 67,500 more units than a year ago.
- In 1994, the Office of Community Viability was established to empower neighborhood groups to participate in local community decision-making.

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- Community Development Block Grant funding has increased from \$4 billion in FY 1993 to \$4.6 billion in FY 1995, which should produce an additional 37,000 rehabilitated housing units for low- and moderate-income persons and 19,000 jobs.
 - HUD helped develop administration of the National Community Development Initiative, which uses HUD funds to leverage funding from private foundations for capacity building in community development corporations.
 - HUD established an advocacy staff for Americans living in *the colonias* along the Mexican-American border and for farmworkers to assist them in understanding and gaining access to Federal programs. HUD is developing a program to support improved infrastructure and affordable housing in the colonias.

What are HUD's Community Empowerment Priorities in 1995?

- Work to ensure the success of the Empowerment Zones and Enterprise Communities selected. This will involve significant inter-agency cooperation, extensive waiver of rules, designation of additional funds for selected communities, and significant community participation.
 - Enactment of the Neighborhood Leveraged Investment for Tomorrow (LIFT) program to provide needed assistance for community economic development projects that can serve as catalysts for neighborhood revitalization.
 - Enactment of the Community Viability Fund to provide support for existing community-based organizations, to encourage the creation of new neighborhood organizations, and to support advances in metropolitan planning through incentives, technical assistance and recognition awards.
 - Secure Congressional support for legislation to enable HUD to fund model projects in *the colonias* that lack the most basic infrastructure and necessities for housing development. This legislation should also authorize an initiative to grant aid for farmworkers whose housing needs have been too often ignored.
 - Articulate metropolitan approaches and encourage regional solutions through recognition awards and incentives.
-

-
- Fully implement job programs, such as the CDBG=Jobs initiative to facilitate creation of jobs for low-income workers.
 - Integrate key local housing tools like CDBG and HOME with other HUD housing initiatives.
 - Fully implement the consolidated plan to improve the coordination of HUD programs.

For further information contact:

Andrew Cuomo
Assistant Secretary for
Community Planning and Development
451 7th St. S.W.
Washington, DC 20410
202-708-2690

Managing for Performance and Results

Principle

The true success of HUD's programs will be measured by whether HUD's management of those programs produces results. It is essential to this performance-driven principle that HUD continue to streamline decision-making and improve customer service throughout the country.

Approach

In order to improve program performance, HUD is rebuilding its capacity to serve communities. HUD has begun this reinvention process by changing its organizational structure and instituting new systems to assure performance accountability.

What is HUD Doing to Manage for Performance and Results?

- A. Building a performance-driven organization designed to achieve clear missions, committed to attaining measurable results and managed through a strategic performance system that integrates budget, policy, personnel, and organization to focus on performance.
- B. Creating a team-oriented setting where team members are valued for their ideas, unique contributions, and the diversity of their strengths; and where unprecedented union/management collaboration involves workforce knowledge and experience.
- C. Structuring a "right-side-up" organization, where field offices are the building blocks of the organizational structure and where the regional layer of administration is eliminated.
- D. Working to be a partner with communities, respectful of the ideas of community providers with systematic consultation at all levels.
- E. Insisting on entrepreneurial government that is leaner in staff positions and committed to enhancing productivity through training and investment in technology.
- F. Constructing a proficient management system that includes upgraded financial systems, re-engineered programs and offices, and safeguards to minimize waste, fraud, and abuse.
- G. Developing and implementing a department-wide framework to correct longstanding deficiencies in resource management practices.
- H. Developing an internal consulting capacity to help managers implement changes in programs and support reinvention.

**What Has HUD
Accomplished to
Manage for
Performance and
Results in 1993-94?**

- HUD has invested heavily to support the workforce and to improve workplace conditions through collaboration with the Department's union partners.
- In accordance with the President's Executive Order, HUD signed national partnership agreements with the unions, AFGE in November 1993 and NFFE in April 1994.
- Placed a priority upon Equal Employment Opportunity and the Affirmative Employment Program to demonstrate respect for diversity.
- Implemented nationwide EEO Training for all managers, and Diversity Training for all field office staff.
- Invested heavily in training for employee productivity and performance by establishing a HUD Training Academy, Individual Development Plans, and partnerships with the University of Maryland and the University of the District of Columbia.
- Committed to automation improvements to support program goals, including streamlined FHEO Title VIII Housing Discrimination Complaints Process; the Competition Process for Awarding Empowerment Zone/Enterprise Communities; and establishing a Homeless Assistance Management Information System.
- Established a Strategic Performance System that tracks commitments and progress. One of the first agencies to develop a tracking system for measuring its performance, HUD is creating a budget structure more closely related to the program operations that allows the Department to track performance.
- Built systems to protect against fraud, waste and abuse. Since April 1993, HUD has closed over 50% of the material weaknesses identified by the IG, GAO, and Congressional oversight reports. "Management Control," once identified as a material weakness, is now an integral part of management planning.
- By streamlining the regulatory process HUD has reduced the time to implement rules by eight months.

**What are HUD's
Management
Priorities for 1995?**

- Reduce costs and improve outcomes of HUD's operations and services.
- Reorganize the Office of Administration to maximize scarce resources in support of the National Performance Review objectives, to enhance customer service, and to serve as an in-house consultant service for the Department-wide reorganization.
- Implement a new performance management system that is fully integrated with HUD's strategic and operational plans, and that assures management accountability for results.
- Develop and implement a mid-level career development program designed to expand the cadre of diverse, talented mid-level managers and supervisors.
- Upgrade all aspects of the technological infrastructure, including LANs, work stations and mainframes. Expand the capabilities of the current network to include enhanced use of multimedia.

For further information contact:

Marilynn Davis
Assistant Secretary for
Administration
451 7th St. S.W.
Washington, DC 20410
202-708-0940

THE WHITE HOUSE

WASHINGTON

November 10, 1994

94 NOV 10 P 6 : 59

MEMORANDUM FOR JOHN PODESTA

From: Joan Baggett

Subject: Presidential Quote

Rachelle Horowitz, the American Federation of Teachers' Political Director is retiring this year. The AFT Newsletter is doing a story about her retirement that will be running in the next issue alongside their Mid-term election coverage. As you know, she has been a good friend and supporter of the Administration since the beginning and the newsletter would like to get the attached quote about Rachelle approved as a Presidential quote. Their deadline is Monday, November 14. If you have any questions we can be reached at 61125. Thanks for your help.

Proposed quote for your approval:

"Rachelle Horowitz has been a pillar of the Democratic Party as much as she has been the defining voice of the AFT's Political Office. In a world where a person is held to their word, Rachelle has always come through. No politician ever forgets ~~the~~ ~~those~~ people who come out in support of them at the beginning and work hard by their side to the end. Union members nationwide have benefitted from Rachelles's commitment to the democratic principle of egalitarianism. I am confident she will continue her loyal ways, and I wish her all the best in her future endeavors."

11/11/94

OK

JDB/TDS

George A. Peapples
Vice President
General Motors Corporation
Industry-Government Relations Staff
(202) 775-5090

November 10, 1994

Mr. John Podesta
Assistant to the President and Staff Secretary

Via Fax: 202-456-2215 2 pages total

We plan to release this letter to the media this evening.

I gave a copy
to John

— Andy

—



November 10, 1994

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

Secretary Federico Peña's decision that a safety defect exists in certain General Motors C/K pickup trucks, if allowed to stand, threatens the entire automotive industry by creating needless, unreasonable regulatory confusion.

In essence, the practical result of the Secretary's decision is that compliance of a vehicle design with a very specific performance requirement of a Federal Motor Vehicle Safety Standard is irrelevant if the Secretary determines years later that the vehicle manufacturer should have selected an equally compliant design used by another manufacturer because it has had better performance in one particular accident mode.

Basically, the Secretary's approach to motor vehicle safety means the industry cannot rely on federal safety standards to design its cars and trucks. Inevitably, after years of production, some designs will always exhibit better performance than other designs in some specific accident subcategory, and in some constructed test, not based on a performance standard. The Secretary's approach means that the vehicles performing less well could be subject to recall and increased product liability exposure, even though they met or exceeded a directly relevant performance requirement of a federal standard.

This is not rational regulation of the automotive industry, and we are extremely concerned that this decision will establish a precedent which will completely undermine the regulatory process itself as well as the relationship between the industry and agencies that regulate it. We hope that, as President, you will address the intolerable state of regulatory uncertainty that will otherwise result from Secretary Peña's decision.

Sincerely,

Robert J. Eaton
Chairman and CEO
Chrysler Corporation

Alex Trotman
Chairman and CEO
Ford Motor Company

John F. Smith, Jr.
President and CEO
General Motors Corporation

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+ ~~Andy~~ Fish

SECRETARY OF LABOR
WASHINGTON

MEMORANDUM TO THE PRESIDENT

94 NOV 9 P7:42

From: Laura D'Andrea Tyson
Chair, Council of Economic Advisers

Robert B. Reich
Secretary of Labor *RB*

Subject: Income Trends and International Trade

This memo summarizes trends in the growth and distribution of income, and briefly examines the impact of international trade on growing income inequality.

I **From World War II to the 1970's, real income increased for most Americans, and income inequality decreased. These trends of growing income and diminishing inequality have been reversed in the past 15 years.**

- The average real incomes of the least-well-off 60 percent of American families were lower in 1993 than in the late 1970's.
- The median worker suffered a 2.3 percent decline in hourly pay between 1979 and 1993. (This masks gender disparity: The median male worker lost 12 percent, while the median female worker gained 8 percent.) Recently released BLS data indicate that the median worker continued to lose ground in the first three quarters of 1994.
- The wage rate of the 10th percentile male worker declined by 11 percent between 1979 and 1989, and by another 5 percent between 1989 and 1993.
- The share of national income collected by the top 5 percent of households increased from 18.3 percent in 1988 to 20 percent in 1993. (Most of this increase took place last year.) Meanwhile, the share going to the poorest 20 percent--a much larger group--fell from 3.8 percent to 3.6 percent. These inequality figures are at their highest levels since the Census Bureau first collected the data in 1967.
- Income inequality is strongly linked to education levels, and the education premium has widened. In 1979, the average college-educated male earned 49 percent more than his high-school-educated counterpart. In 1992, the gap was 83 percent. Part of this gap reflects improving prospects for educated workers, but much of it reflects real declines for less-educated workers. Young male high-school graduates earn one-fifth less today than in 1979.

- Less than one third of prime-age workers have a college degree or higher, whereas nearly half have a high school degree. Therefore, the earnings of the median worker more closely resemble that of the typical high school graduate.
- The limited evidence that exists points to similarly growing inequality in benefits, with better-educated workers more likely to have employer health and pension coverage.

II These patterns suggest a major shift in demand in favor of skilled workers.

- There has been an increase in employment for skilled workers despite rising wages, and a decrease in employment for less skilled workers despite their falling wages. These trends suggest that a major shift in demand for skilled labor has caused the growing income inequality. Economists are divided on the causes of this major demand shift, and it is likely that several factors have contributed to this phenomenon.
- Capital income is a minor factor, however; widening inequality may be due to divergence in earning power.
- Part of the growing earnings gap is probably due to the decline in union membership. Another part is probably due to the erosion of the real value of the minimum wage, especially for women.
- The major factors behind the demand shift towards more-skilled labor are probably technological change and international trade. Most economists give a greater role to technological change (e.g., computerization of the economy), but international trade is still widely considered a significant cause of income inequality.

III Growing trade coincides with, and probably helps cause, growing income inequality.

- Global trade and American inequality have grown in parallel: Between 1973 and 1992, merchandise imports rose from 5 to 9 percent of GDP, while merchandise exports rose from 5 to 7 percent. In 1978, developing countries accounted for 29 percent of U.S. manufactured goods imports; by 1992, this ratio increased to 36.4 percent.
- Growing trade clearly benefits Americans on average. But some growth. Economic theory predicts the biggest losses for those exposed to the fiercest competition through trade -- less-skilled workers. Indeed, imports have become concentrated in industries that employ less-skilled workers. Any policy that liberalizes trade -- regardless of whether it lowers foreign trade barriers more than it lowers U.S. trade barriers -- will probably tend to increase the demand for skilled workers relative to less-skilled workers.

- Standard analytic approaches attribute between 10 and 20 percent of the losses less-skilled workers have suffered since the 1970's to growing international trade.
- Some analysts attribute a much higher fraction of the income losses of less-skilled workers to expanded trade. The AFL-CIO and the Economic Policy Institute, for example, identify international trade as a principal cause of wage erosion and increased inequality.
- Whatever the economic reality, the public believes that imports are a major threat to less skilled workers. For example, a May 1994 Roper poll found that 47 percent of the public considers American jobs going to other countries to be a very serious threat to citizens like them, while another 34 percent considers it a moderately serious threat. Blue collar workers, union workers, and less-educated workers were more likely to consider the loss of jobs a very serious threat. A September 1993 Gallup poll found that over half of Americans think wages will decline because of NAFTA.
- There is latent pressure in the U.S. to restrict trade. To continue the current path of expanding markets and encouraging exports -- which is ultimately the best interest of the U.S. and its trading partners -- the U.S. needs a stronger and more credible commitment to helping those who lose from trade liberalization.

✓ copy to McHarty "110-
9009 S

THE WHITE HOUSE

WASHINGTON

ACTION

November 9, 1994
94 NOV 9 10:39

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ✓
SUBJECT: Summit of the Americas
Invitations to Regional Organizations

Purpose

To invite the heads of the Organization of American States, the Inter-American Development Bank, the Pan American Health Organization and the United Nations Economic Commission for Latin America and the Caribbean to participate as observers at the Summit of the Americas.

Background

These are the four most important regional organizations and it is appropriate they be represented at the Summit given the key role each will play implementing Summit recommendations. The four representatives will not participate in your private meetings with the other leaders but will be invited to social events and to the closing plenary.

We are considering proposals to invite OAS Secretary General Gaviria and IDB President Iglesias to address the closing plenary. Several of the representatives may also be invited to participate in the First Lady's conference on children.

RECOMMENDATIONS

That you sign the letters of invitation to the three Washington-based organizations at Tab A.

That you approve the cabled invitation to the United Nations Economic Commission for Latin America and the Caribbean at Tab B.

Approve _____

Disapprove _____

Attachments

Tab A Proposed Invitations to OAS, IDB and PAHO
Tab B Proposed Cabled Invitation to ECLAC

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Secretary General:

It is my pleasure to invite you and Mrs. Gaviria to attend the Summit of the Americas to be held in Miami December 9-11.

You have played a most helpful role in planning for the Summit, for which I am very appreciative. It is my hope the Organization will also play an important role helping to implement the Summit's recommendations.

The Department of State will be in contact shortly with your staff regarding accommodations for you and Mrs. Gaviria and other details of the Summit program.

Hillary joins me in hoping you and Mrs. Gaviria will be able to be with us in Miami.

Sincerely,

A handwritten signature in cursive script, reading "Bill Clinton".

His Excellency
Cesar Gaviria Trujillo
Secretary General
Organization of American States
17th and Constitution Avenue, N.W.
Washington, D.C. 20006

THE WHITE HOUSE
WASHINGTON

Dear Mr. Iglesias:

It is my pleasure to invite you to attend the Summit of the Americas to be held in Miami December 9-11.

You have played a most helpful role in planning for the Summit, for which I am very appreciative. It is my hope that the Inter-American Development Bank will also play an active role helping to implement the Summit's recommendations.

The Department of State will be in contact shortly with your staff regarding accommodations and other details of the Summit program.

I look forward to your joining us in Miami.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a large initial "B" and a long, sweeping underline.

Mr. Enrique V. Iglesias
President
Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577

THE WHITE HOUSE

WASHINGTON

Dear Dr. Guerra de Macedo:

It is my pleasure to invite you and Mrs. Guerra de Macedo to attend the Summit of the Americas to be held in Miami December 9-11.

The Summit will bring together the leaders of the hemisphere for the first time in more than a generation to review the progress we have made toward creating a community of democracies and to set out a new agenda that addresses the challenges we will face through the remainder of this century and into the next.

The Department of State will be in contact shortly with your staff regarding accommodations for you and Mrs. Guerra de Macedo and other details of the Summit program.

I look forward to your joining us in Miami.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a large, prominent "B" and "C".

Dr. Carlyle Guerra de Macedo
Director
Pan American Health Organization
525 23rd Street, N.W.
Washington, DC 20037

PROPOSED LETTER INVITING EXECUTIVE SECRETARY OF ECLAC
TO ATTEND THE SUMMIT OF THE AMERICAS.

UNCLASSIFIED
TO: EMBASSY SANTIAGO
INFO DEPARTMENT OF STATE

1. EMBASSY IS REQUESTED TO DELIVER WITHOUT DELAY THE FOLLOWING LETTER FROM THE PRESIDENT INVITING GERT ROSENTHAL, EXECUTIVE SECRETARY OF ECLAC, TO ATTEND THE SUMMIT OF THE AMERICAS. THERE WILL NOT/NOT BE A SIGNED ORIGINAL.

2. BEGIN TEXT

MR. GERT ROSENTHAL
EXECUTIVE SECRETARY
UNITED NATIONS ECONOMIC COMMISSION
- FOR LATIN AMERICA AND THE CARIBBEAN

DEAR MR. ROSENTHAL:

IT IS MY PLEASURE TO INVITE YOU AND MRS. ROSENTHAL TO ATTEND THE SUMMIT OF THE AMERICAS TO BE HELD IN MIAMI DECEMBER 9-11.

THE COMMISSION HAS PLAYED A MOST HELPFUL ROLE IN PLANNING FOR THE SUMMIT AND I HOPE IT WILL ALSO PLAY AN IMPORTANT ROLE IMPLEMENTING THE SUMMIT'S RECOMMENDATIONS.

THE DEPARTMENT OF STATE WILL BE IN CONTACT SHORTLY WITH YOUR STAFF REGARDING ACCOMMODATIONS FOR YOU AND MRS. ROSENTHAL AND OTHER DETAILS OF THE SUMMIT PROGRAM.

I LOOK FORWARD TO YOUR JOINING US IN MIAMI.

SINCERELY
WILLIAM J. CLINTON
END TEXT

H. ALSTON JOHNSON
2565 KIRKINERT AVENUE
BATON ROUGE, LOUISIANA 70806

THE PRESIDENT HAS SEEN
11-10-94

November 9, 1994

Leon

Hon. William J. Clinton
The White House
214 East Wing
The White House
Washington, D.C. 20500-2000

Dear Bill:

I thought about you a lot last night. I also thought about November, 1980 and the subsequent spring when you visited with us and others about hearing the voters speak and listening to what they had to say. While I am certain that November 8, 1994 will not be a red-letter day on your calendar, I would point out one bright side: after November, 1980, you were unemployed and today you still have the most important job in the world with tremendous potential for doing good.

Not one thing that happened on November 8, 1994 diminishes my admiration for what you are trying to do. Nor do I think it portends great disaster in November, 1996. You have faced such an occurrence before and you came back all the stronger for it. I know you can do so again. In order to do so, I strongly recommend that you set aside a good deal of reflective time over the next two months to digest this thoroughly and put into place a thoughtful approach to the next two years.

In that regard, I also recommend that you accede to the Jim Lyons suggestion about a "friends retreat" between now and the opening of the Congress, taking several hours on a weekend to meet with some of us from the 1991 exploratory committee who have not seen you on a regular basis. You should feel free in such a group to speak your mind and see if we can together figure out a way to put these political matters squarely and firmly back into the best political hands in the business: yours.

Best to Hillary.

Sincerely yours,

Alston

H. Alston Johnson, III

THE PRESIDENT HAS SEEN

11-10-94

Sherwood school awaits Clinton for dedication

BY CYNTHIA HOWELL
Democrat-Gazette Education Writer

Pulaski County Special School District officials are patiently awaiting President Clinton's next trip home in hopes that he will attend dedication ceremonies for the new elementary school that carries his name.

In August the district opened William Jefferson Clinton Elementary School in Sherwood. The school is the first in the state and the nation to so honor Clinton, a native Arkansan and former governor.

The district initially scheduled a dedication ceremony in early October but postponed it when the president couldn't attend. Tentative plans were made for November, but Clin-

ton's scheduling director notified Superintendent Bobby Lester in late October that the president's schedule doesn't include a trip to Arkansas for the Thanksgiving holiday.

In a handwritten note at the bottom of a formal letter, William M. Webster told Lester, "The President asked me to send his regards and apologies. Perhaps we can do this on our next trip home."

Ron Standridge, a district spokesman, said district officials are willing to wait. The district didn't dedicate its last new school, Crystal Hill Magnet Elementary, until almost the end of its first year of operation.

Clinton Elementary is an interdistrict school, open to about 650 pupils from pre-kindergarten through sixth grade from both the county and Little Rock school districts. The school offers specialty programs in technology and speech, including the use of classroom computers to reinforce each child's reading, writing and math skills.

The district, a party in an 11-year-old federal school desegregation lawsuit, recently asked U.S. District Judge Susan Weber Wright to designate the school as a magnet school as an aid in recruiting pupils.

Clinton Elementary has four community business partners, including the president's Arkansas Office, the Central Arkansas Rehabilitation Hospital, the Sherwood Chamber of Commerce and McDonald's restaurant.

Clinton Elementary has four community business partners, including the president's Arkansas Office, the Central Arkansas Rehabilitation Hospital, the Sherwood Chamber of Commerce and McDonald's restaurant.

Faubus getting stronger with therapy

Six-term Gov. Orval E. Faubus is slowly regaining strength since being hospitalized more than a month ago with cancer of the spine and other ailments.

Faubus was transferred from Baptist Medical Center to Baptist Rehabilitation Institute last week and now is able to sit up in a wheelchair and get around his room. He attended religious services Sunday.

He said Tuesday that physical therapists were gradually bringing strength back to his limbs. He exercised his right arm as he spoke.

Now a resident of Conway,

Faubus, 84, a Democrat, was governor for six consecutive two-year terms from 1965 to 1969 before bowing out. He has unsuccessfully attempted several comebacks since he left office.

On Tuesday, the former governor was wheeled about two blocks through corridors to Baptist Medical Center to see his wife, Jan, who was hospitalized that day with complications from three sessions of chemotherapy she received to slow a fast-growing malignancy.

Also moved from the governor's room to his wife's room was a huge bouquet of flowers that Jennings Osborne, a Little

Rock businessman, sent to the Faubuses. It was the fourth large floral display Osborne had sent.

Faubus said he had obtained a ballot to vote absentee. He noted that throughout his adult life he has kept Madison County, where he was born and still owns land, as his voting residence.

He said he hoped his wife would be out of the hospital in time for the general election Tuesday.

Through the years, Faubus has had a number of maladies. He has had heart surgery, and a pacemaker helps regulate his heartbeat.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Harold Ickes to POTUS re: Status of DCCC Money (1 page)	10/21/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4891

FOLDER TITLE:

November 6-12, 1994

2018-0662-S

rs3110

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

HOWARD M. METZENBAUM
OHIO

THE PRESIDENT HAS SEEN 11/10

United States Senate

WASHINGTON, DC 20510-3502

COMMITTEES:
JUDICIARY
LABOR AND HUMAN RESOURCES
SELECT COMMITTEE ON INTELLIGENCE
ENVIRONMENT & PUBLIC WORKS
CHAIRMANSHIPS:
SUBCOMMITTEE ON ANTITRUST
SUBCOMMITTEE ON LABOR

October 12, 1994

President Bill Clinton
The White House
Washington, DC 20500

Dear Bill

You can't imagine how delighted I was to know that you spoke before the National Baptist Convention about the importance of passing the Multiethnic Placement Act. As you know the transracial adoption bill was very important to me and was my top priority before leaving Congress.

It's heartbreaking to see tens of thousands of children who want and need loving parents but, instead, are languishing in foster care. After years of much hard work and coalition building and with help from your Administration, we succeeded in enacting this small but essential bill.

I understand that you are considering an event with children at the White House to commemorate passage of the Multiethnic Placement Act. Nothing would make me prouder than to be there with you to send a loud and clear message that this Administration will stand firmly in favor of implementing the statutory policy.

I know from reporters and editorial writers around the country that this issue resonates with the American people. They understand that transracial adoptions should be encouraged when appropriate parents of the same race are not available. They agree that no child should be shunted from one temporary home to another when there are permanent families whose arms are wide open in welcome.

Of all the laws I've authored in my 19 years, none makes me prouder than this one.

Very sincerely yours,

Howard M. Metzenbaum
United States Senator

HMM/sp

November 1994

Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Hold for Travel	2	3 Hold for APEC Summit Prep Time	4 Hold for Travel	5 Hold for Western Swing Travel
6 Hold for Travel	7 Hold for Travel	8 Election Day Meeting with President Ahstisari of Finland (T) Prep Time for APEC	9	10	11 Speech to the Foreign Service School George- town (T) Veteran's Day Foreign Travel Depart for the Philippines	12 Foreign Travel
13 Phillipines	14 Jakarta, Indonesia	15 APEC Econ. Leaders Mtg. Jakarta, Indonesia	16 Jakarta	17 Hawaii	18 Hawaii (T)	19 Hawaii (T)
20	21 Prime Minister Rabin	22	23	24 Thanksgiving	25	26
27	28 Hanukkah	29 Meeting with President Kuchma of the Ukraine (3 hours)	30 Presidential Visit to Canada (T)			

December 1994

Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Rural Summit in Ames, Iowa RON California (T)	2 (House Decorating) California (T)	3 (House Decorating)
4 Kennedy Center Honors	5 Malcolm Baldrige Awards	6 DLC Gala in DC (T)	7 Pagent of Peace (Tree Lighting)	8	9	10
11 Depart Miami Christmas in Washington	12	13	14	15	Summit of the Americas, Miami	
18 Summit of the Americ...	19	20	21	22	23	24
25 Christmas	26	27	28	29	30	31
		Candlelight Tours				

THE PRESIDENT HAS SEEN 11/10

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THE WHITE HOUSE
WASHINGTON

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this letter to
Rubin, Routes
Send back to me

September 29, 1994

Keven A. McKenna
23 Acorn Street
Providence, Rhode Island 02903

Dear Keven:

Thanks for your letter of September 19. It was good to hear from you and to get an update.

I appreciate your perspective on so many different issues, especially Haiti. We've gotten a good agreement, and I think we're on the right track to restoring democracy there. On the others, I agree with you that, if we stay focused on what we were sent here to do, the end will bring us out all right.

I'm always glad to know how you feel, and I really do appreciate your writing. Keep sending your thoughts as you see fit.

See you soon.

Sincerely,

Bill Clinton

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KEVEN A. MCKENNA

ATTORNEYS AT LAW

23 ACORN STREET, PROVIDENCE, RHODE ISLAND 02903

Telephone: (401) 273-8200 Fax (401) 521-5820

Keven A. McKenna

David J. Dee

Alyssa DeAndrade

September 19, 1994

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20005

Re: Some Thoughts From Your R.I. Watch

Dear Bill:

I hope you do not mind if I occasionally drop you a note with a few brief observations and suggestions. Sometimes an old friend watching from afar can be helpful.

First, Thank you again for a wonderful visit at the Oval Office and for referring my name to Veronica Biggins and Craig Smith. I shared my resume also with Leon Panetta. Smith called me and Biggins wrote me, however, they apparently have no openings. Keep me in mind if you think I can be helpful.

Second, the Administration needs to move back to your original strengths- A Progressive Populist Democrat with a world vision. Forget the left wing social issues. They undermine respect for you. Your leadership talents were wasted at the outset with marginal and divisive issues not appropriate for Presidential attention.

Let's return to the advocacy of some straight forward simply expressed pocket book ideas with national appeal. There are three simple notions which can help meet the promise of your Presidency to the average voter, and which will stimulate the economy and give people the economic security and tools to do the job of economic expansion themselves.

- (i) A simple first and last dollar coverage on national health insurance;
- (ii) Incentives for the expansion of new business by not taxing dividends on stock from small business corporations;
- (iii) Encourage expansion of tax exempt savings accounts as an alternative to the regressive Social Security taxes, similar to the success with the Chilean model.

Third, Do not back down on universal health coverage. You must keep your promise to the average voter. Let's not allow that promise to be lost in the same manner as Bush lost his no tax pledge.

The Administration tried to do too many things with one bill and ended up offending a lot of people who initially only had tangential concerns about the bill. Tobacco interests, to the Catholic Church, to struggling small businesses were made unnecessary opponents.

Keep the bill simple. You owe the voters national coverage. However, you do not have to cover everything from abortions to mental health counseling and solve every problem of the health care system. Basic economic protection from health care costs is the key.

Forget the employer mandates and the massive bureaucracy. You can do more with less. For a relatively small amount of money, you can use the existing Medicare/Medicaid strengths, - yes, there are some, to do the job. and **enact law based upon first and last dollar coverage. The coverage would be universal. The benefits would be narrow.**

Would it not be better to give everyone some coverage, then phase in broad coverages for only a few ?

To administer the system, use the existing government structure. Instead of trying to make an uncompetitive health care sector competitive within itself, take advantage of the government's obvious competitive advantages.

- **Expand Medicare to cover catastrophic coverage for everyone.** When I drafted the Rhode Island bill in 1974, it only cost .50 cents a person for a \$5000 ceiling.

Since the Federal Government has a national pool, the underwriting costs are really cheap for catastrophic coverage. No insurance company (since by definition its pool of premiums would be narrow) can compete on a price basis with a national pool administered by the government..

As to cost, calculate the coverage backwards. Pick a premium price to which people would not object. Then set a ceiling for the trigger consistent with that number.

For example, without the benefit of research, try this analysis: \$20 a person per month is \$240 a year. That is \$5.4 billion in revenues.

I do not believe that more than one percent of the population have claims which would exceed an average of \$24,000 a person, i.e. 2,250,000 persons x \$24,000= \$5.4 billion.

- **Have Medicare/Medicaid cover a small floor of basic coverage** to allow people into the system, i.e. two days of hospital coverage, one hour out-patient coverage for a physician visit. Set absolute dollar limitations on the amount to be reimbursed for those services and permit no additional billings. Use the Social Security tax surplus to cover those additional basic benefits. Simply reduce the Social Security tax and increase the Medicare tax.

- **Add the consensus private insurance reforms, such as portability and the no pre-existing coverage provision, and require standardized private basic plans (with no controversial provisions) to be available to cover the middle benefits. Those plans could be cheaper because the catastrophic ceiling reduce the insurer's risk and the first dollar coverage reduces the largest basic cost.**

- **Expand the tax deductibility of health care savings accounts and tie the tax deductibility of health insurance premiums to conformance to national basic health**

insurance standards. This will help make the user the advocate for cost control, without the need for unwieldy new cost control bureaucracies.

- **Allow for the gradual filling in of necessary benefits** over time as reforms and revenues permit.

These changes will not only keep your promise for universal coverage, and set a foundation for future expansion of coverage, but they also will create incentives to make traditional market incentives bring about savings and retard health care inflation.

Fourth, Provide tax exempt stock incentives for small business job expansion. Remember it is new businesses and small business which create jobs and new ideas. And, yet, those business are starving for capital and are being strangled by regulations and taxes.

Let them breathe and expand. Especially with the computer decentralizing businesses, technologically adept small businesses are really the key to job growth.

The mega bank trend may be great for the Treasury trying to sell its notes, but those mega banks do nothing for small business and the average guy. We need to encourage savings that will lead to job expansion.

The stock market really has become a secondary and less influential method of raising capital. It really is no more than a national casino game than a mechanism for raising capital.

The mortgage back securities market place is three times the size of the stock market and has essentially taken the banks out of the mortgage lending business.

Treasury's manipulation of bank rates appear to be of lesser significance to stimulating the economy than in years past. You need to look at other tools for monetary policy- i.e. individual savings and investments incentives.

Thus, we need to look at more effective methods of job expansion through the direction of capital. Why not encourage direct investment of savings into small business ?

For corporations with less than \$50,000,000 in assets, take the tax off stock dividends. This will cause a massive private sector investment in job expansion.

The Treasury would lose little, if any, revenue since the greater majority of those businesses have in the past rarely paid any dividends.

Direct the SEC to ease off their incredibly complex regulations for new stock issuances for small business. No one except lawyers read the prospectuses they produce, and we lawyers are too expensive for most small businesses.

Has it not amazed you that we have state governments encouraging citizens to invest billions in gambling, state lotteries, casino's etc. Yet, it is almost impossible to invest in new jobs. Should we not encourage people to "gamble" with jobs rather than craps ?

Does it make more sense for a New Democrat to help small business re-build the economy than have the Fortune 500 do the job? Clearly, there are more votes in the small business community than in the big business community. Look what the opposition of small business did to the employer mandate. Give the new workers of the 90's the availability of capital and job expansion will take care of itself.

Fifth, take a serious look at providing investment account alternatives as part of Social Security. It will encourage investment in the private sector and expand jobs. I have read that, I believe, Chile, has used that mechanism quite successfully to expand savings and investments and still provided greater retirement benefits. This tool should also in turn create an additional boost to the stock market and overall economy in 1996 - the year that really counts.

Sixth, Stay Away from divisive social issues. Remember your campaign slogan. "It is the Economy Stupid."

Although the talk shows and perhaps much of the general population are still skeptical and cynical about the administration, the passage of the Crime bill, the handling of the Haitian situation, Gore's positive roll in the Cairo Conference, and your recent speeches on Family Values have helped build a firm foundation for moving the Administration back to position of respect and majority appeal.

Now is the time to chisel in stone a new image of your Presidency.

As I mentioned to you earlier, you have a real opportunity, with creative leadership, to restore hope in the America.

We need to pre-empt the negativism of society by reaching out with some imaginative positive ideas with wider appeal than some of the issues with which you were tagged in the first two years.

Frankly, I could never understand why some members of your Administration wasted the prestige of the White House on closed end issues, such as abortion and homosexuality. The Supreme Court has spoken. Let those issues rest. Advocacy of health coverage of abortions and the use of abortions as a tool of population control are not only offensive and inappropriate for a national administration, but they are red button issues which deny the Presidency a claim to a moral position on other issues. Politically, those issues are losers. The few citizens who are interested in that advocacy are already in your corner and there is little else you can do for them.

For example, what genius at the State Department decided to take on the Catholic Church at the Cairo Conference? Does not that Department have enough real problems to handle. I thought State's job was to avoid controversy, not stimulate it. Thankfully, Vice President Gore did a good job resolving that mess. That issue certainly did not help passage of national health insurance, which is otherwise supported as a moral imperative by the Catholic Church.

Does any one really believe that the funding of abortions in standard health care packages is of greater priority than the passage of a basic health care plan? At clinics in Rhode Island, - A Catholic State- abortions can be purchased for as little as \$300. Who

can not afford that "elective" medical procedure ? Do we really need to offend our Catholic friends any more on this issue ? Let's get back to the basics of what counts.

These suggestions, I hope, will help us as Democrats recover our strengths with the greater portions of American who caught in the middle class squeeze, and who are frustrated and without hope.

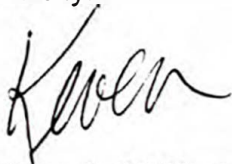
Let's not abandon the middle class and small business community to the provocation of Republican nay sayers. Let's show some confidence in the ability of people to solve their own problems. More full entitlements will not encourage individual responsibility. How about some New Democrat ideas that focuses on economic freedoms and incentives rather than more of same old Democratic ideas tied to new regulations and bureacratic laden grant programs? New Democrat ideas could have a lot of appeal in the next Congress. Let Americans Be Free and they can do the job of creating jobs.

If you would like me to assist in the details on these suggestions, let me know.

I watched the shots of you on local television on the Vineyard in August. Looked to me that you needed the break to gain a breather. Wow- golfing in the rain- that is a disciplined vacation.

Keep Plugging. Stay Tough. Your handling of the Haitian Situation was a true profile in courage. The voters will eventually appreciate your greatness.

Good Luck. Your old friend from Georgetown University.



Keven A. McKenna

THE PRESIDENT HAS SEEN
11/10

Bluber
What about
the 293 in
his letter on p. 1 -
As we've seen
Larkin, admin
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November 1994

Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Hold for Travel	2	3 Hold for APEC Summit Prep Time	4 Hold for Travel	5 Hold for Western Swing Travel
6 Hold for Travel	7 Hold for Travel	8 Election Day Meeting with President Ahstisari of Finland (T) Prep Time for APEC	9	10	11 Speech to the Foreign Service School George- town (T) Veteran's Day Foreign Travel Depart for the Phillipines	12 Foreign Travel
13 Phillipines	14 Jakarta, Indonesia	15 APEC Econ. Leaders Mtg. Jakarta, Indonesia	16 Jakarta	17 Hawaii	18 Hawaii (T)	19 Hawaii (T)
20	21 Prime Minister Rabin	22	23	24 Thanksgiving	25	26
27	28 Hanukkah	29 Meeting with President Kuchma of the Ukraine (3 hours)	30 Presidential Visit to Canada (T)			

December 1994

Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Rural Summit in Ames, Iowa RON California (T)	2 (House Decorating) California (T)	3 (House Decorating)
4 Kennedy Center Honors	5 Malcolm Baldrige Awards	6 DLC Gala in DC (T)	7 Pagent of Peace (Tree Lighting)	8	9	10
					Summit of the Americas, Miami	
11 Depart Miami Christmas In Washington	12	13	14	15	16	17
Summit of the Americ...						
18	19	20	21	22	23	24
25 Christmas	26	27	28	29	30	31
		Candlelight Tours				

THE PRESIDENT HAS SEEN 11/10

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THE WHITE HOUSE
WASHINGTON

Leon -

Both Casner &
Witt talked to
Mufson & I left
a message at his
office that the
President had asked
them to call peace
he was out of town.
I heard so Mark
from Mufson. It was
very understanding he
was taken care of. NH

THE PRESIDENT HAS SEEN 11/10

MEMORANDUM

TO: THE PRESIDENT
FROM: BETTY CURRIE
RE: PHONE CALL - CONG. MFUME
DATE: NOVEMBER 2, 1994

LEON
(memo to Betty
to call - Cong.
Samuel Rife -
B

CONG. MFUME CALLED - HE WOULD LIKE TO TALK WITH YOU RE. THE
STORM THAT HIT BALTIMORE. 150 BUILDINGS WERE DAMAGED AND
MANY PEOPLE ARE HOMELESS.

WITT WAS WITH MFUME YESTERDAY AS THEY TOURED BALTIMORE.
SECRETARY CISNEROS HAS TALKED W/ HIM ALSO.

LEON PANETTA HAS BEEN INFORMED -- DO YOU WANT LEON TO RETURN HIS
CALL?

THE WHITE HOUSE
WASHINGTON

November 10, 1994

MEMORANDUM FOR SANDY BERGER

FROM: JOHN PODESTA *JJP*

SUBJECT: JOHN MELCHER

Former Senator John Melcher would like to talk about our trip to the Philippines. He is actively involved there and a friend of President Ramos. He may have already spoken with Stanley Roth. He can be reached at 202/546-4084.

George A. Peapples
Vice President
General Motors Corporation
Industry-Government Relations Staff
(202) 775-5090

9/1 NOV 10 P3:08

November 10, 1994

Mr. John Podesta
Assistant to the President and Staff Secretary

Via Fax: 202-456-2215

2 pages total

We plan to release this letter to the media this evening.

Alexis Herman
Joel Klein
Bob Rubin 11/10
Leon Panetta
Dee Dee Myers

**CHRYSLER
CORPORATION**

94 NOV 10 P 3 : 08

November 10, 1994

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

Secretary Federico Peña's decision that a safety defect exists in certain General Motors C/K pickup trucks, if allowed to stand, threatens the entire automotive industry by creating needless, unreasonable regulatory confusion.

In essence, the practical result of the Secretary's decision is that compliance of a vehicle design with a very specific performance requirement of a Federal Motor Vehicle Safety Standard is irrelevant if the Secretary determines years later that the vehicle manufacturer should have selected an equally compliant design used by another manufacturer because it has had better performance in one particular accident mode.

Basically, the Secretary's approach to motor vehicle safety means the industry cannot rely on federal safety standards to design its cars and trucks. Inevitably, after years of production, some designs will always exhibit better performance than other designs in some specific accident subcategory, and in some constructed test, not based on a performance standard. The Secretary's approach means that the vehicles performing less well could be subject to recall and increased product liability exposure, even though they met or exceeded a directly relevant performance requirement of a federal standard.

This is not rational regulation of the automotive industry, and we are extremely concerned that this decision will establish a precedent which will completely undermine the regulatory process itself as well as the relationship between the industry and agencies that regulate it. We hope that, as President, you will address the intolerable state of regulatory uncertainty that will otherwise result from Secretary Peña's decision.

Sincerely,

Robert J. Eaton
Chairman and CEO
Chrysler Corporation

Alex Trotman
Chairman and CEO
Ford Motor Company

John F. Smith, Jr.
President and CEO
General Motors Corporation

BILL CLINTON

Fishes
was was
the monkey
the? — B

11/10
THE PRESIDENT HAS SEEN

Oct. 18, 1994

Dear Supporter,

I'll never forget you here in 1992, when so many had written us off.

We won because of our commitment to change and because we got our message out.

As you can see from the attached report card on our first 31 months, we've made a good start. We've got a lot left to do, but America is in better shape than it was two years ago: government is working more for ordinary citizens; there are more jobs and lower deficits; and America is leading a worldwide effort to greater security, trade, and democracy.

As you can also see from the attached report, the Congressional Republicans have a very different idea about our future. They've opposed most of the progress we've made. They killed important bills. Their "Contract" is a promise to take us back to trickle down Reaganomics, to exploding deficits, Medicare cuts, jobs going overseas.

I need your help. In many House and Senate races, new Democrats are threatened by old Republicans filling the airwaves with false charges and false choices. We can only beat back this assault with your help. Please send us a check now—anything you can afford. \$50 now is worth more than \$100 in a week. And share this report with your friends and neighbors. Copy it. Fax it. Help in your local campaigns. The people won't be misled if they get the facts! Sincerely,
Bill Clinton

|||||

Ms. Susan Domfort
8200 Shore Front Pky.
Far Rockaway, NY 11693-2154

016171921 A2H419

Dear Mr. President:

We cannot allow the Republicans to win on Election Day. That is why I am enclosing a gift to the Democratic National Committee in the amount of:

☐ \$20 ☐ \$35 ☐ \$50 ☐ \$100 ☐ Other \$ _____

Please call 1-800-753-3367 from 9am to 9pm, EST, Mon.-Fri. to pay by VISA or MasterCard and put your gift to work right away.

Please make your check payable to the Democratic National Committee (DNC)/ Federal Account and return with this form in the envelope provided. Please be sure to fill out the required information below.

Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year. Your contribution may be used in connection with Federal elections and is subject to the limits and prohibitions of the Federal Election Campaign Act. Your contribution is not tax-deductible as a charitable contribution for Federal income tax purposes.

Employer

Occupation

☐ Check if self-employed.

Paid for and authorized by the Democratic National Committee, 430 South Capitol Street, SE, Washington, DC 20003.



United States Senate

WASHINGTON, DC 20510-0505

OFFICIAL BUSINESS

Travis
Lorax Plus
Announcement B

President Clinton

(HAND DELIVERED)

Barbara Baker
U.S.S.

Pres. B.C.

over 40
Kids Kidnapped
to JORDAN.

This is an
important, brief
issue for you to
raise with King
Hussein.

reading time: 1 1/2 mins.

Thanks!
BB

BARBARA BOXER
CALIFORNIA

COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS

COMMITTEE ON THE BUDGET

JOINT ECONOMIC COMMITTEE

DEPUTY WHIP

United States Senate

HART SENATE OFFICE BUILDING
SUITE 112
WASHINGTON, DC 20510-0505
(202) 224-3553

October 20, 1994

1700 MONTGOMERY STREET
SUITE 240
SAN FRANCISCO, CA 94111
(415) 403-0100

2250 EAST IMPERIAL HIGHWAY
SUITE 545
EL SEGUNDO, CA 90245
(310) 414-5700

525 B STREET
SUITE 990
SAN DIEGO, CA 92101
(619) 239-3884

2300 TULARE STREET
SUITE 130
FRESNO, CA 93721
(209) 497-5109

William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

THE PRESIDENT HAS SEEN 11/10

Dear Mr. President:

All people of good will should applaud your success in facilitating peace in the Middle East. I understand you plan to attend the final signing of the peace treaty next week at the Israeli-Jordanian border.

This is to request your assistance in raising an issue with King Hussein of Jordan that may have not been discussed during the peace negotiations.

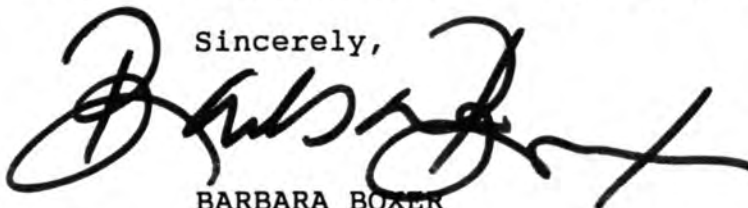
As you know, Jordan has not become a party to the Hague Convention on the Civil Aspects of International Child Abduction. This is a matter of urgent significance to families across the United States whose American born children have been abducted by relatives and taken to Jordan. We have recently granted Jordan partial forgiveness of its debt to the U.S., yet we have not addressed the issue of returning these 40 children to the United States.

Recently I wrote letters to King Hussein and Secretary of State Warren Christopher in a particular case involving one of my constituents, Kathleen Ziadeh, whose child, Zaid Ziadeh, was abducted by his non-custodial father, Jamal Ziadeh, on January 12, 1991, and taken to Jordan. Ms. Ziadeh and her family have worked persistently for over three years to have the child returned to the United States. Although there has been some contact by the State Department with the child and his father, the child is yet to be returned to the United States to be with his mother, who has been granted custody.

Again, I applaud your efforts toward Middle East peace. I urge you to take whatever action you deem appropriate to bring the cases of these children to the attention of King Hussein.

Thank you for your attention to this very important matter.

Sincerely,



BARBARA BOXER
U.S. Senator

THE PRESIDENT HAS SEEN 11/10

throughout the country.

- **Home Loans:** Today, VA announced that the Department has guaranteed its highest volume of home loans in Fiscal Year 1994 -- the 50th anniversary of VA's loan guaranty program. VA guaranteed more than 600,000 home loans totaling \$55.1 billion in Fiscal Year 1994.

Department of Interior

- **California Desert Bill:** On Monday, Secretary Babbitt joined you for the signing of the California Desert Bill. Following the signing ceremony, the Secretary hosted a reception in his office for environmental leaders and various key supporters of the bill. The Secretary plans to do a follow-up trip to the desert with environmental leaders to celebrate the Administration's victory on this matter. This trip will probably be scheduled for early December.
- **CITIES Convention:** Next Thursday, the Secretary plans to address the CITIES convention in Florida (the first U.S. meeting since the initial meeting in 1973). He will highlight various accomplishments -- particularly those relating to rhinos, tigers and migratory birds -- while also stressing that our job is far from complete.

Department of Education

- **Direct Loan Program:** November 2 was the last day for accepting applications for participation in the direct loan program in its second year. Based on the applications we have received, we estimate that we have reached the statutory limit of 40% of loan volume. Several major universities have applied, including MIT, New York University, Brandeis University, Howard University, and CUNY's 18 schools.

Leon. su my M. P. B.

Direct Lending Campaign: The Department is conducting a comprehensive media strategy to familiarize the public with the Individual Education Account, direct lending and loan consolidation. Key features of the campaign include public service announcements by the Secretary, Deputy Secretary and students, distribution of press materials to newspapers and news magazines, and appearances on TV and radio, especially those stations that are primarily youth-oriented. We are also targeting editorial boards in major market outlets and the business and financial press. An advertising agency is developing additional print ads, TV commercials, brochures and other promotional materials.

- **Goals 2000 Teachers Forum:** The Deputy Secretary will deliver the opening address November 17.

Department of Agriculture

- **Joint Statement of Shared Principles:** On October 31, Secretary Espy signed an agreement with the South African Government establishing a permanent channel for

Leon

THE PRESIDENT HAS SEEN

11/10

Curtis Gans

Alive Again in Washington

When campaign finance reform legislation died, its supporters in the press and elsewhere blamed its demise on individuals—the president, House Speaker Tom Foley, Senate Republicans. In fact, it died in this Congress and in the three that preceded it because it was the wrong approach to the problem—one designed in fact, if not intended, to produce partisan stalemate.

The legislation's course began in this Congress with a Democratic Senate bill whose immutable core was a set of spending limits. The level of those spending limits was seen by Republicans (with solid research to support them) as anticompetitive, improving the intrinsic benefits of incumbency and thus overly protective of the Democratic majority.

Most Republicans were willing to filibuster the bill to death. The handful who weren't proposed instead to even up the likely partisan impact of the bill by eliminating those sources of money that tend to favor Democrats, such as PACs and soft money.

The result was a pastiche of partisan propositions whose retention of the \$1,000 individual contribution limit, elimination of soft money and PACs, curtailment of the unlimited amounts an individual and immediate family could spend on his or her campaign and lack of any substantial public funding ensured that only incumbents would have the wherewithal to compete.

House Democrats, not needing GOP votes, passed a bill with both spending limits and more substantial public funding but minus constraints inimical to their party. PAC limits were kept at their present level, soft money was retained but shifted to state parties, and

while the bundling of campaign contributions was abolished, exemptions were created for EMILY's List and others whose giving has favored Democrats.

Two bills went to conference: a Senate measure universally seen as pernicious and a House version viewed as partisan. These bills enjoyed no public support beyond a handful of interest groups and journalists. They were seen by the large majority of scholars and practitioners in the field as a step backward from current law. And they had, according to almost all constitutional scholars, serious problems at the intersection of the legislation and the First Amendment.

With the notable exceptions of Sens. David Boren and George Mitchell, even those who voted for them could not defend the substance of these bills.

There are a number of verities that law, research and politics teach about campaign reform:

(1) No American judiciary will find constitutional constraints on: (a) an individual's right to spend his (or her) own money on his campaign; (b) the ability of groups that are truly independent of campaigns to put forward views meant to influence election outcomes; and (c) the right of like-minded individuals to collectively organize their human and fiscal resources to maximize their point of view.

Which, in turn, means we will continue to have costly personally financed campaigns; that money squeezed from the process in one place will find another, less attributable, way in, and that the effort to eliminate the influence of organized interests through the abolition of PACs and bundling will likely fail.

(2) The critical determinant of competitiveness in political campaigns is not what any one candidate spends but whether both or all qualified candidates in any given race have enough money to get their message across.

(3) The principal cause of spiraling campaign costs (and a primary cause of voter disaffection) is the increased use of televised political advertising, which for competitive Senate races in 1992 reached 58 percent of the average campaign budget.

(4) Campaign reform, which addresses the rules under which all political participants must play, depends for its durability on a bipartisan perception of its fairness and, by inference, bipartisan cooperation in its development.

All of this argues for a different approach to reform:

■ Instead of attempting to squeeze money out of campaigns, driving it into channels for which there is no public accounting, the cornerstone of any sound reform would be full, timely and accessible disclosure of all campaign funds—individual and collective, hard and soft, donations, loans and pledges. Citizens would, and should, be the ultimate arbiters of the probity of their candidates.

■ Instead of putting limits on spending, increase and diversify the supply of money. This means raising the unrealistically low limits on individual and collective giving—at least until a threshold of candidate viability is reached. But it also means providing incentives to broaden the base of small contributors and a direct infusion of public funds, to provide access for those who have political but not financial support.

■ The spiraling cost of campaigns should be capped by addressing directly the politically destructive cause of those increases, by having the United States cease being the only democracy in the world that does not regulate televised political advertising.

Is any of this possible?

There is broad bipartisan agreement on the need for better disclosure, made more achievable by computerization and electronic filing. There is wide and bipartisan agreement in the congressional leadership on the profoundly destructive role of our present system of unfettered advertising. And there are at least some Republicans in leadership positions who would support some public financing of campaigns were the existing public resource imbalances—in the frank and in the inability of challengers to draw salaries from their campaign funds—addressed.

The principal backers of the old and failed approaches—Sens. Boren and Mitchell and Common Cause President Fred Wertheimer—are retiring. The new Congress will be substantially more Republican, forcing a greater degree of bipartisan cooperation if the issue is to be resolved.

After four successive Congresses, marked by a maximum of partisan posturing, a minimum of legislative progress and an approach to reform designed for failure, there is reason to hope new approaches might yield different results.

The writer is director of the nonpartisan Committee for the Study of the American Electorate.

THE WASHINGTON POST MONDAY, NOVEMBER 7, 1994

33

LARDY TRADE TRIO

U.S., Canada, Mexico should hurry side accords

A gentle giddyap is due the governments of the United States, Canada and Mexico.

Since the North American Free Trade Agreement took effect Jan. 1, they have been quick to lower commercial barriers, but not so quick to create the continental institutions envisioned under the pact's side accords.

The countries expected the institutions to commence initial operations by late summer. It seems clear now that most have no realistic chance of being ready to go until early next year at the earliest.

There are to be five institutions in all. The North American Labor Commission is to be based in Dallas, the North American Commission on Environmental Cooperation in Montreal, Quebec, and the North American free trade coordinating secretariat in Mexico City.

The North American Development Bank is to be based in San Antonio and the Border Environment Cooperation Commission in Ciudad Juarez, Mexico. (Membership in these is limited to the United States and Mexico.)

Of the five, only one has a director — Victor Lichtinger, a Mexican, who heads the North American Commission on Environmental Cooperation. Only Mr. Lichtinger's institution has a permanent headquarters.

Why the delays? There are sundry reasons.

The North American Development Bank and the Border Environment Cooperation Commission have been slowed by a U.S.-Mexico dispute over whether a Mexican or a U.S. citizen will head the latter institution. (It will be headed by a U.S. citizen, to the United States' satisfaction.) Canada must still nominate a Canadian to head the trilateral labor commission. And Canadian officials need to agree on an office site for Dallas.

Mexico's tense elections and a U.S. administration distracted by difficulties with Congress also explain the delays. And then there are the inevitable problems that go with creating institutions out of whole cloth.

The countries have not been idle. Their trade, environment and labor ministers have discussed implementation of the side accords, in person and by telephone. Each has established national administrative offices to hear labor rights complaints. (The U.S. office released its first opinion on Oct. 12.) The border Environment Cooperation Commission board held its first meeting on Oct. 12.

But they made commitments that they have been slow to fulfill. The needs are great. They should get moving.

Dallas Morning News
12/24/75

THE PRESIDENT HAS SEEN 11/10

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Tony Hale

← Fy
What's the deal?
B.C.

ative process, which now usually stiffens into unredeemed part san ship by August, from becoming paralyzed as early as April.

This strange scenario into which the republic is tumbling is so counter to what any sane per-

receiving federal matching funds until at least March of the election year.

Yet again, the two major political parties might decide to cooperate in meeting this problem, since they are both going to be hurt by it. Early

is likely to produce an electorate that will make the angry voters of 1994 seem, in comparison, like purring political pets.

The writer is president of the Discovery Institute.

ned by Stuart before Stuart, whose story started to fall apart, jumped off a bridge and killed himself.)

Until that dramatic resolution, virtually all black men in Boston—particularly in inner-city Roxbury and Mission Hill, where police tactics got a little rough—will tell you they were

ment Tuesday: "On behalf of my family, I would like to apologize to the black community. It is really disturbing to think that this would be a racial issue. It is a terrible misfortune that all this happened."

His words make it a little less terrible.

THE PRESIDENT HAS SEEN

11.9.94

Richard V. Allen and Daryl M. Plunk

To Strengthen the Deal With North Korea

The Clinton administration is hailing the Oct. 21 agreement between the United States and North Korea as the beginning of the end of a perilous nuclear crisis that has dogged President Clinton since his inauguration. But this is a crisis that Washington may very well be forced to revisit before long. That's why it would be worthwhile for the American people to take a closer look now at the unprecedented arrangement that has been struck between the United States and the hostile, heavily armed North Korean regime.

To begin with, they should consider the highly unusual personal pledge quietly made by President Clinton that went far beyond the formal agreement signed in Geneva: a commitment to spend billions of U.S. tax dollars if need be to supply the communist dictatorship with fuel assistance and nuclear power technology.

Secretary of State Warren Christopher is visiting South Korea this week. While there, he should take steps to shore up America's precarious standing in this deal.

The North's past behavior suggests that Americans should consider this agreement as tentative at best. Its complex, quid pro quo requirements assume good faith and reciprocity on the part of Pyongyang. But North Korea has a long and consistent track record of renegeing on promises made to Washington.

For the most part, the deal appears "front loaded" in favor of North Korea. For the long term, a consortium of nations is responsible for constructing two light water reactors for North Korea that would be less capable of producing weapons-grade fuel than Pyongyang's existing technology. The construction project's price tag conservatively is estimated to be about \$4 billion, with South Korea and Japan paying most of the bills.

For the short term, the same consortium will assist North Korea's faltering economy by providing very large quantities of free oil. In addition to leading the international energy assistance consortium, Washington has pledged to ease its longstanding trade embargo and move toward diplomatic relations with the North.

Apparently at the urging of North Korean negotiators, the Clinton administration went even farther. In an unusual Oct. 20 letter to North Korean strongman Kim Jong Il, President Clinton pledged that American taxpayers would pick up the multibillion-dollar tab for both the reactors and the fuel aid in the event the consortium fails to do so—"subject to the approval of the U.S. Congress."

The administration tried to minimize press, public and congressional attention to this unusual letter. It was not released to Congress,

the press and the public until Oct. 26—as media focus on the agreement began to fade.

According to the agreement, Pyongyang promises to freeze its nuclear program immediately and allow for limited scrutiny by the United Nations' International Atomic Energy Agency (IAEA). This is a plus, since, under the IAEA's watchful eye, the North's Yongbyon reprocessing facility could not be used to turn spent fuel into weapons-grade nuclear material undetected. Still, it is notable that, under an agreement ratified by North and South Korea in 1992, both sides pledged not to possess reprocessing facilities. Thus, Pyongyang currently is in violation of that accord.

In phase two of the deal, the North pledges to move its large cache of spent fuel rods out of the country, precluding any chance to reprocess them. Pyongyang would then also allow for "special inspections" by the IAEA. However, these pledges would not be fulfilled until key nuclear components are delivered for the first reactor—a point in the construction project estimated to be at least five to eight years away.

North Korea already is obliged to allow special inspections as a signatory of the Nuclear Non-proliferation Treaty (NPT). When the IAEA first surveyed key North Korean nuclear facilities in 1992, it found evidence the

North was lying about its production of enriched plutonium and requested special inspections of two suspect sites. Caught red-handed, Pyongyang defied the U.N. body and threatened early last year to pull out of the NPT. Mounting tensions led to talks with the Clinton administration and the Oct. 21 agreement.

In the final stage of the deal, and once the second reactor has been completed, the North promises to dismantle all its nuclear facilities that exist today. This phase is estimated to be at least 10 years into the future.

To sum up: Over the past two years, Pyongyang has concluded nuclear agreements with both the IAEA and Seoul that it has failed to fulfill. Now the Clinton administration has offered it attractive economic and political benefits and granted the North up to 10 years to fulfill pledges it has already refused to honor.

More important, the agreement allows the North to keep its nuclear leverage, strengthening Pyongyang's hand both diplomatically and militarily. And for the coming decade or longer, North Korea's ability to build nuclear weapons will remain intact, so it can, at any time, turn its back on the agreement and move to build bombs.

Given all this, Washington should move swiftly to strengthen its hand in the agree-

ment. During Secretary of State Christopher's visit to Seoul he should:

- Announce the appointment of a respected and experienced American as a presidential envoy who will soon be dispatched to Pyongyang to deal directly with the leadership there. Had this been done months ago, perhaps the United States could have crafted a better agreement. The Geneva accord was signed by representatives of the U.S. State Department and the North Korean Foreign Ministry. Washington should move quickly to deal directly with the small circle that monopolizes virtually all power and decision-making in Pyongyang.

- Call on the North to resume substantive, high-level talks with Seoul immediately.

- Reaffirm the importance of close U.S. coordination with the South Korean government. There is a growing popular belief in South Korea that the North has outmaneuvered Washington and marginalized the South's role. This could cause needless frictions in an alliance that has been very close and productive for many years.

Richard V. Allen, who was national security adviser to President Reagan, is chairman of the Heritage Foundation's Asian Studies Center. Daryl M. Plunk is a senior fellow at the foundation.

Robert J. Samuelson

Avoidance Anxiety

The widespread contempt that most Americans feel for their government—the defining mood of the 1994 election—goes beyond discontent with President Clinton. It springs ultimately from a bipartisan pattern of political avoidance that prevents us from dealing seri-

ating almost universal uncertainty. The whole system is brought into disrepute. This is the story of the 1994 campaign. It evaded choices.

By now, most Americans grasp that the budget deficits involve a continuing mismatch

licans replied that these accusations were blatant "lies." They were.

But Republicans exposed themselves to attack by their own brand of avoidance. The Republican approach to budget balancing is to

cost-of-living adjustment (COLA) would, at present inflation, cut estimated spending about 3 percent. There's also a good case for making annual adjustments slightly less (perhaps one half percentage point) than the

dent Clinton's statements on Social Security were especially shameless and irresponsible. They may have sabotaged any chance of the Bipartisan Commission on Entitlement and

The Washington Post

AN INDEPENDENT NEWSPAPER

THE PRESIDENT HAS SEEN

11.9.94

Bosnia on the Brink

BOSNIA'S Muslim-led government has surprised almost everyone—most of all its Bosnian Serb foes—by mounting its biggest offensive in three years of war. Partly through an American-sponsored accommodation with Cro-

to bear to protect these forces are foundering on the paralyzing fear—among the foreign governments that have provided the troops (no American troops are there)—of retaliation against them. Their withdrawal would remove an important sup-

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Leon / Chasco
This is part of
What our election
was about —
Clinton get them an
answer
B.

Health Care Reform, Up Close

NEXT TIME it talks about health care reform, perhaps the White House will consider the experience of a local organization, Health Services for Children with Special Needs, in trying to set up an experimental, D.C. government-approved managed care program for several thousand poor and disabled District children. Health Services has been waiting eight months for federal approval while spending an estimated \$2 million of its own money gearing up for the experiment. The approval has yet to come despite a supposed policy of quick response by the administration in such matters. Meanwhile, the organization is running out of money and could soon have to fold, the cost of D.C. Medicaid continues to soar, and the chronically ill children the experiment was—still is—intended to help remain entangled in a fractured, uncoordinated and in some respects wasteful health care system. This couldn't be what the Clinton administration had in mind.

In fact, it's not. President Clinton has made a point of saying that Medicaid waivers for state experiments should be approved by the Health Care Financing Administration (HCFA) within four months. There is a good reason for tilting toward expeditious handling of state experiments. The inability of Washington to produce health care reform has not prevented several states from seeking to achieve incrementally what Congress and the president couldn't accomplish. The Health Services experiment, which would span three years, is designed to achieve a 2.5 percent savings

in Medicaid spending while delivering quality care and cost-effective services. When you consider that the District's Medicaid program has ballooned by two-thirds since 1990 to \$668 million, and how hard-pressed the city is generally for funds, it's understandable that the Department of Human Services would be interested in exploring a more efficient alternative. The District government, however, isn't alone.

Close to 200 District health care providers, including Columbia Hospital for Women, D.C. General Hospital, Howard University Hospital, the Medico-Chirurgical Society of D.C., the Edward C. Mazique Parent Child Center, along with Del. Eleanor Holmes Norton and D.C. Council member Linda Cropp, have endorsed this project. There are dissenters, to be sure. Just about every state that has attempted to introduce managed care has encountered resistance in one form or another, especially where providers found themselves confronted for the first time with pressure to compete for business by holding down costs. But change is an integral part of health care reform, so opposition from a small segment of the provider community comes as no surprise. Less understandable, however, is the pace at which the federal authorities respond to legitimate, worthwhile local and state initiatives. A provider shouldn't have to sink to the point of almost going under to get the government's prompt attention. HCFA should say yes or no. Eight months is too long a time to tread water.

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THE WHITE HOUSE
WASHINGTON

DATE: Nov. 9, 1994

TO: JOHN ANGELL

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

I would like to have Leon
sign off on this.

Thank you.

94 NOV 9 P2:39

Dear 1-:

As we look forward to the 104th Congress, I want to reiterate my commitment to working in a bipartisan spirit to strengthen our nation. Your help and support will be crucial to securing victories for the American people.

With best wishes,

Sincerely,

The Honorable 2-
House of Representatives
Washington, D.C. 20515

John—
We want this to go
to the 104th Congress.
Thanks.
Lee Ann

THE WHITE HOUSE

WASHINGTON

October 24, 1994

MEMORANDUM FOR ALEXIS HERMAN

JOHN PODESTA

SYLVIA MATHEWS

FROM: STEPHEN B. SILVERMAN *SSB*
Deputy Secretary to the Cabinet

SUBJECT: Presidential Representative to the International
Black and White Ball

Attached is a memo from Josh Steiner, Chief of Staff at the Department of the Treasury, forwarding material from Richard Magnon, Executive Director of the International Black and White Ball, for the President to name a representative to the International Black and White Ball of San Antonio. Please advise on how to proceed with this request.

Thank you for your help.

*Alexis —
Your call —
Should we do this
& if yes, who*

*John
11-7-94*



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 21, 1994

MEMORANDUM FOR STEPHEN SILVERMAN

FROM: Joshua L. Steiner *JS*

SUBJECT: International Black and White Ball

Richard Magnon, Executive Director of the International Black and White Ball, wrote the Secretary asking him to forward the enclosed materials to the White House so that the President could name a representative to the Ball. The Secretary has responded to Mr. Magnon, and mentioned in the letter that the request was forwarded to you.

Thanks for any help on this, and call me if you have any questions.

ST

C1/N:6 to Josh

C2/staff to Pats

JYU

Alex

SBS

94-138536

The Executive Committee of the
INTERNATIONAL BLACK and WHITE BALL
San Antonio, Texas

October 3, 1994

U.S. Department of the Treasury
Secretary of the Treasury
Lloyd Bentsen
1500 Pennsylvania Ave. N.W.
Washington, DC 20220

Dear Mr. Bentsen:

Last year Dr. Francisco Alejo was named by President Carlos Salinas de Gotari to represent him at our 1993 International Black and White Ball. Dr. Alejo was his personal representative also at an eight day conference in the cities of Vancouver and Victoria, Canada, which was vital to the success of NAFTA.

Dr. Francisco Alejo is a brilliant scholar who can speak four languages and has studied "how having such a large market and free trading would be an economic blessing to Canada, the United States, and Mexico." It was too late to invite President Clinton to send a personal representative at this time.

Among our guests at the ball were members of the Garza Sada Industrial Group of Monterrey, Mexico who have personally attended our Ball since 1932 and were personal friends of my father for over forty years.

We are asking you since you have been acquainted with the Magnon family and our Ball to personally deliver this material to President Clinton in order that he may promptly act to name a personal representative, since our 61st Ball is dedicated to him and the new Mexican President, Ernesto Zedillo Ponce de Leon, which will take place Saturday, December 10, 8 PM in the Banquet Hall of the Convention Center.

The packet to President Clinton is not sealed and if you wish you may read all the interesting and informative facts we have included.

Thanking you for your courtesy in reference to this matter.

Appreciatively,

Bernard A. Magnon

Bernard A. Magnon, Director
Tel: 1-210-432-6857
Monday - Friday 8 AM - Noon
Except Friday Dec. 9.

P.S. Could you, would you, follow the processing of our letter at the White House and let us know how our invitation is progressing and what to expect?

The Executive Committee of the
INTERNATIONAL BLACK and WHITE BALL
San Antonio, Texas

October 3, 1994

President of the United States
William Jefferson Clinton
White House
Washington, DC 20500

Dear President Clinton:

The Executive Committee of the famous International Black and White Ball of San Antonio, Texas, is honored to invite you to designate a personal representative to this historic event that will take place, Saturday, December 10, at eight o'clock in the evening in the large North Banquet Hall of the Henry B. Gonzalez Convention Center of San Antonio, Texas. The night prior to the ball will be a gala reception for the guests of honor of Mexico and the United States at eight o'clock in the evening in the Menger Hotel.

My mother, Mrs. Maria R. Magnon, believing that the discrimination practiced against the Mexicans and American citizens of Mexican decent was due in grand part to the lack of contact. The first International Black and White Ball was organized by Mrs. Magnon and given in December, 1933, with the purpose of facilitating contact between the two cultures which experts believed impossible to promote.

The Ball was a complete success. The San Antonio press gave it much publicity and soon the most outstanding persons of the Mexican and American Society attended, became acquainted, and thousands of friendships began. Soon it became the most prestigious event in Texas, with Governors, Senators, and Personal Representative from the Presidents of Mexico and the United States attending.

The distinguished Dr. George I. Sanchez of the University of Texas in Austin wrote: There exists innumerable ways of promoting this better comprehension and one of the most effective is to gain friendly relations. You, Mrs. Magnon, have carried out a commendable work with the purpose of facilitating numerable socials among the Spanish-speaking and English-speaking people in this historic city of San Antonio where the two cultures have existed for over 100 years. You have done this with dignity, with the gentleness and with decorum. For this, esteemed lady, receive the most profound gratitude of the residents of this locality.

The Presidents of Mexico and the United States have given added brilliance to the Ball with the support of its governments by sending a high ranking personal representative. Last year in 1993 Dr. Francisco Alejo was named by President Carlos Salinas de Gotari to represent him at our 1993 International Black and White Ball. He was President Salinas's personal representative. Also at an eight day conference in Vancouver and Victoria, Canada, one week previous to our Ball, he was able to answer any questions about NAFTA and its meaning to Canada, the United States, and Mexico. We had a suite for him in San Antonio and Dr. Alejo visited our convention facilities and answered any questions our guests asked him.

On February 28, 1951, Mr. Fernando Casas Aleman made mother vice-president of the Spring Festival of Mexico City. President Miguel Aleman's wife was president. They invited seventy young women from throughout the world. Mother would invite about eight more young ladies after they had been presented at the Black and White Ball. All their expenses were paid by the Mexico Spring Festival Committee.

Mother had a police car to drive her to the meetings and to all the activities planned for the young ladies. She directed the Festival for six years. Every year the Festival raised enough money to build one children's hospital for the poor. (1 children's hospital every year for six years)

Among the young ladies invited to the Festival in Mexico City was Betty Bentsen, sister of Lloyd Bentsen, your present Secretary of Treasury.

In 1948, Texas Governor Beauford T. Jester met President Harry Truman's train at the Texas border and accompanied him throughout Texas on his tour. Governor Jester had been backed by the oil industry but now was opposed by them because he favored tax at the well head and that way the Texas Treasury would have a large surplus of cash to build public schools, community colleges, special schools for retarded children, and vocational schools.

When threatened by people who were to throw rotten eggs, he warned these people of the danger they faced of being shot by the Secret Service. There were thousands of people who cheered him and the President. He had asked mother to invite Joan to represent Texas at the Black and White Ball. President Truman was going to name him Ambassador to Mexico, however he died in his sleep.

In 1960, before my mother died in 1962, the Ball honored Congressman Henry B. Gonzalez. In 1970 as director we again honored Congressman Henry B. Gonzalez, who in 1994 was just given the Kennedy Foundation "Profiles in Courage" Award. Henry, a long time personal friend will attest to the sincerity, worthiness, and prestige of the Ball. Just this October 28th, he will be given a huge testimonial luncheon sponsored by the City Council. We purely plan to attend to be among the "well wishers".

Your present HUD Secretary, Henry Cisneros, when mayor of San Antonio, was Master of Ceremonies for the Ball. His accompanying letter testifies as to his high regard for myself and the Ball.

In 1960 other testimonies and accomplishments of the Ball are also included on separate pages. Since it is the Ball's tradition to dedicate the Ball to the new Presidents, this year we are dedicating the Ball to you, President Clinton and to Mexico's new President, Ernesto Zedillo Ponce de Leon.

Thusly, it will be a great honor for San Antonio and the historic International Black and White Ball, celebrating its sixty-first anniversary of promoting goodwill, understanding, and friendship between the United States and Mexico to have a distinguished person named by you as your personal representative.

Waiting for your reply in the near future,

Sincerely Yours,

Bernard A. Magnon

Bernard A. Magnon, Director

tel. 1-210-432 6857

*8 am. to noon
M-FR.*

Mr. & Mrs. Bernard A. Magnon
215 Sunnycrest Drive
San Antonio, Texas 78228

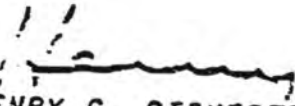
Dear Mr. & Mrs. Magnon:

I greatly appreciate your kind expression of goodwill and support.

I hope to earn your continued confidence by my performance as Mayor of San Antonio.

The business of governing our country's 11th largest City will require all my efforts. I have pledged to work to set an example that will bring honor to all who strive to keep America and her cities moving forward.

Sincerely,


HENRY G. CISNEROS
Mayor

HGC:cm

*You have made a great
contribution to our
city!*

THE WHITE HOUSE
WASHINGTON

94 NOV 7 P4:01

November 7, 1994

MEMORANDUM

TO: John Podesta

FROM: Marcia Hale
Keith Mason

SUBJECT: Video tribute to Governor Barbara Roberts (D-OR)

Our office has submitted a scheduling request for the President to tape a video message to be shown at a dinner honoring Governor Roberts on December 15 in Portland, Oregon. The groups organizing the dinner, the Portland State University Foundation and the Senator Frank Roberts Scholarship Fund would like to note on the invitation that a video message from the President will be shown. Please let me know if it is permissible for them to use the President's name in this manner. Thank you.

sent to
Kristen
it is OK with me
it Counsel clears
JLP
11-7-94
cc - Marcia

94 NOV 7 P 3: 02

DEPARTMENT OF STATE
WASHINGTON

November 3, 1994

Dear Mr. President:

This past June, when you asked me to concentrate full time on foreign policy, we agreed upon a six-month assignment. The end of that period is now approaching, so that I am herewith submitting my formal resignation as Special Adviser to the President and Secretary of State, effective December 31, 1994.

When you took office, America stood supreme in the world, its strength and its values in the ascendancy, but it faced mounting troubles here at home. Millions of our people suffered from stagnant incomes stretching back over two decades, fears were growing of social and moral decline, and divisions of race and class were dangerously widening. You have not only focused our attention on our most urgent needs but put us on the road toward meeting them. From cutting the federal budget deficit to investing in life-long learning, from calling for an acceptance of greater personal responsibility to seeking racial reconciliation, you have launched us on a long process of renewal. Certainly we have far to go; courage and fortitude will continue to be in enormous demand at the White House. But we have begun.

In America's relationships overseas, it has been especially pleasing to see that many of the initiatives you undertook early in your presidency -- encouraging democracy and market reforms to take deeper root in the former Soviet republics, advancing peace in the Middle East, keeping the Korean peninsula safe from a nuclear threat, restoring democracy in Haiti, and of course, pressing free trade in our own hemisphere and beyond -- are now reaching fruition. And the world is much the better for it. Through your efforts, not only our own country but peoples everywhere are coming to understand that active United States leadership remains vital to international peace. Appreciation is growing as well for the fine team of advisers you have assembled, and it has been a privilege to be one among them these past few months. May I also add how much of a personal pleasure it has been to work as well for Secretary of State Christopher: he brings a quality of judgment, decency and integrity that are greatly serving the interests of the nation.

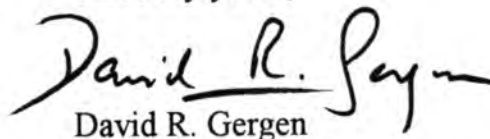
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copy to
Graham
per J.P.
S-

You may recall that on the May morning in 1993 when you announced my original appointment as Counselor to the President, I emphasized how important it was that we move beyond the scorching partisanship of the past and, in a related vein, how important it was that our Presidents govern effectively. The very fact that you asked someone who had proudly served in three Republican White Houses to join you in a Democratic White House was, I believe, an important signal that you also valued bipartisanship. There have indeed been moments since then, especially during the struggle over the NAFTA treaty and the passage of the National Service Act, when bipartisanship flourished. But there have been many, many other times when the acrimony and anger have reached new lows in Washington; I know how much those times have pained you. I deeply hope that in the years ahead, you will succeed in your efforts to create a new climate of goodwill in the country, just as you move forward in convincing Americans once again that the Presidency can effectively summon us to scale new heights.

If I may, I would like to add a couple of personal notes. During this past year and a half, there have been inevitable occasions when I have raised a dissenting voice to the advice you were receiving. I want to thank you for the way you welcomed a clash of ideas and philosophies. Your support -- and that of Vice President Gore, Counselor McLarty and many others -- made me feel that whatever differences existed within the ranks, we were engaged in a common effort of public service. I also want to thank you for the continuing kindness that you have shown to my wife Anne, as well as to our children, Christopher and Katherine. You always made them feel a part of a larger family.

Mr. President, you continue to embody the hopes of tens of millions of Americans. Anne joins me in wishing you and Hillary, as well as the rest of your administration, every success in the years ahead. I have been honored to serve you.

Sincerely yours,


David R. Gergen