

Send copy
to who?

Galtston

~~Reed~~

~~Spending~~

~~Dimond~~

Billy Webster

THE WHITE HOUSE
WASHINGTON

DATE: 11/30

NOTE FOR: Bill Galtston; Billy Webster

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

Information

☐

Action

☒

Bill Galtston — will
you let others know
decision & set up
a meeting for you & (P)
with Webster Thanks

Thank you.

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

cc:

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

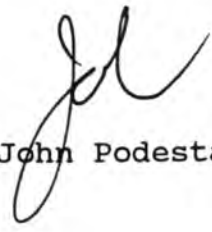
November 30, 1994

MR. PRESIDENT:

Attached is a memo recommending the formation of a privately funded non-profit corporation to deal with teen pregnancy, modeled on the Partnership for a Drug-Free America. This was originally proposed last summer, but after consultation with Leon was held to marry it more with the welfare reform debate. Bill Galston would like your approval to proceed. It's been signed off on by Counsel and Leon.

[☒] Approve [☐] Reject [☒] Discuss

*Send
to Leon
to talk to him
about this
1/11/95*


John Podesta

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

July 8, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: BILL GALSTON *WAG*
BRUCE REED *BR*
GENE SPERLING *GS*
PAUL DIMOND *PD*

SUBJECT: TEEN PREGNANCY PREVENTION CAMPAIGN--
A Private, Non-Profit Entity to Assist in Mobilizing Private Sector

CC: ALEXIS HERMAN
CAROL RASCO
BOB RUBIN

Background. As a major component of the Welfare Reform proposal, you announced the need for a national campaign to prevent teen pregnancy. You noted that this is an American challenge -- one that can be met only if families, businesses, churches, youth groups and civic organizations, and peers join together in a parallel effort with your legislative proposals and Presidential leadership to provide a guiding hand to youth in communities all across the country. Due to the substantial press coverage, many prominent leaders of business, churches, youth and civic groups, foundations, entertainment, sports and the media have expressed a willingness to support a privately funded, non-profit organization ("private entity") to assist in mobilizing such a concerted national campaign.

Recommendation. With the full support of the Welfare Reform Working Group, including the National Service Corporation, we recommend that you bless such a welcome response to your call once such a private entity is properly formed as set forth below.

Form of Private Entity. Pursuant to our consultation with the White House Counsel's office (memorandum attached), we strongly support the recommendation of the Working Group that this entity take the form of a privately funded, non-profit corporation with an independent board of directors modelled after the Lawyers' Committee for Civil Rights under Law or the Partnership for a Drug-Free America, rather than a federal advisory commission modelled after the President's Council on Physical Fitness with a board appointed by the President and funding from appropriations. The greater flexibility, independence and proven effectiveness of the independent private entity model better meets the need for mobilizing the media and all parts of the private sector in communities all across the country than the more cumbersome and restrictive federal advisory committee model.

Mission of Private Entity. Such a private entity can assist in leading a teen pregnancy prevention campaign, focussed on youth ages 10-18, by: (1) proposing national youth goals to complement the National Education Goals, starting with teen pregnancy prevention; (2) leading an on-going campaign in the media, schools, churches, and youth centers to inform youth of the real risks and severe damage to life chances of teen pregnancy, violence, and dropping out of school and the real opportunities and rewards for learning, advancing from school to work and college, and supporting your own family; and (3) engaging all segments of the private sector in sustained, local efforts to establish on-going partnerships with youth by providing continuing coaching, mentoring, parent-youth and peer-group participation in community service, learning, recreation, apprenticeship, internship, and work opportunities.

Next Steps. To proceed to recognize such a private entity, it is important that we exercise care in contacting persons who have expressed an interest in assisting in leading a national campaign against teen pregnancy.

The first step is to explore how a small group of independent volunteers -- a steering committee if you will -- wishes to form, define, and govern such a private entity. A second step is exploring whether there should be honorary chairs: for example, can one or more former First Families serve in such a capacity? Finally, assuming the private entity forms in a manner and pursuant to a mission that will help to answer your call on the private sector, you may recognize the directors of the newly formed entity at an appropriate ceremony in the White House, much as President Kennedy did in 1963 in recognizing the formation of the Lawyers' Committee.

We recommend that Alexis Herman lead these exploratory discussions, assisted by DPC and NEC staff, with the advice of the White House Counsel. We believe that the necessary preparatory work can be completed so that you can recognize such a newly formed private entity within 45 days.

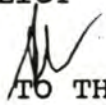
☒ APPROVE
☐ DISAPPROVE
☐ DISCUSS FURTHER

THE WHITE HOUSE

WASHINGTON

June 14, 1994

MEMORANDUM FOR PAUL DIMOND
SPECIAL ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY

FROM: STEPHEN NEUWIRTH 
ASSOCIATE COUNSEL TO THE PRESIDENT

KATHLEEN M. WHALEN 
ASSISTANT COUNSEL TO THE PRESIDENT

SUBJECT: Teen Pregnancy Prevention Private Sector Initiative

We understand that the President will be introducing his welfare reform proposal and will be addressing, among other things, teen pregnancy prevention. This memorandum sets forth two options for private sector involvement in an initiative to prevent teen pregnancy.

This memorandum concludes with suggestions for the type of Presidential statement that would be appropriate depending on the option selected.

Option One: Presidential Council

The President may establish by Executive Order, or ask Congress to establish by statute, a committee of private citizens to render advice to the President on, and participate in, efforts to reduce teen pregnancy.

Because the council would be composed of private sector individuals, and would be rendering advice to the government, it would be subject to the Federal Advisory Committee Act (FACA). The Act requires, among other things, advance notice of meetings, public meetings, and public availability of documents. Unless Congress specifically granted the council gift acceptance authority, the council would not be entitled to accept gifts.

In addition, members of the council could be considered special government employees depending on the method of selection and scope of duties. Individuals appointed to the council to represent views of outside organizations or a particular industry or sector would not be considered special government employees. Persons selected for their individual expertise but not as representatives of a particular organization, industry or sector would be considered special government employees.

We understand that, as presently contemplated, such a council would include a number of individuals who would be representatives of particular industries or sectors (e.g., educators, public health officials, or social workers), but that not all members would necessarily represent a sector. Some would be selected for their name recognition or because of personal interest in the subjects to be addressed. Such individuals would be considered special government employees.

Special government employees are subject to the Federal conflict of interest statutes and financial disclosure reporting requirements. Prominent, visible individuals are often unwilling to complete financial disclosure reports or comply with conflict statutes.

This option is restrictive and complex. Funding would be limited. Compliance with the conflict statutes and the financial disclosure reporting requirements could be burdensome and an obstacle to service for many otherwise qualified private sector individuals.

Option Two: Private Sector Initiative

Individuals outside the government could establish a private sector initiative directed at reducing or eliminating teen pregnancy. The group would not be subject to the FACA. It also would not be restricted from raising money from private sources, from seeking and obtaining Federal grants, or from spending the funds it obtains as it deems appropriate. The members of the private sector initiative would not be special government employees and would not be subject to Federal conflict of interest statutes or the financial disclosure requirements.

While the President may propose such a private sector initiative, the initiative must indeed be private. Individuals rather than government employees would need to initiate, and exercise complete control over the affairs of such an entity.

Suggestions Regarding Statements

If Option One is selected, it would be appropriate for the President to announce that he is planning to create -- or to ask Congress to create -- a council to address the issue of teen pregnancy prevention.

If Option Two is selected, it would be appropriate for the President to encourage the private sector to become actively involved in efforts to prevent teen pregnancy. The President could publicly ask that a private entity be created to sponsor such efforts. If appropriate, the President could identify individuals who have indicated a willingness to lead a private sector initiative.

THE WHITE HOUSE
WASHINGTON

Heu
cc [unclear] [unclear] OK
(Don Bacon) to Don Bacon
Sum N: M

November 30, 1994

'see me re this'

Jack Butler
Director of Creative Writing
The College of Santa Fe
1600 St. Michael's Drive
Santa Fe, New Mexico 87501

Dear Jack:

Thanks for your wonderful, thoughtful letter of November 20. It was great to hear from you and to know that my approval rating there is high. The prospect of being able to fit into the schedule a visit to the College of Santa Fe is looking more and more promising! Seriously, I hope there will be a chance sometime for me to accept your kind invitation.

I do appreciate your perspective on the recent mid-term elections. The American people are clearly frustrated with the pace of change and with the way Washington goes about its business. We have a great deal of work to do in the next two years.

Thanks, as always, for continued support and encouragement. See you soon.

Sincerely,

Bill

/ agree about space

Rec'd by 11/29

The College of Santa Fe * 1600 St. Michael's Drive * Santa Fe, New Mexico

Jack Butler
Director of Creative Writing

20 November 1994

Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500-2000

Dear Mr. President:

Once more a note from your Little Rock West fan club. Jayme and I have appreciated your letters in the past, and want you to know that your support continues strongly here. In fact, after the recent Republican mudslip (I think *landslide* is the wrong word, don't you?) the two states I am proudest of are our mutual home, Arkansas, and our adopted home, New Mexico.

I am sorry we were not able to arrange for you to present our commencement address at the College of Santa Fe last year. I know that the press of your responsibilities make such an eventuality unlikely in the extreme, but we will continue to petition you, and hope that even this blind pig will come up with its acorn.

The college is a small college and a struggling one, but has recently been selected in both *Money* and *U.S. News and World Report* as one of the top colleges west of the Mississippi. In many ways, it is an interesting match for you: unusual, democratic rather than elitist, and very very good at what it does. It is the college of the underdog, the Comeback College, if you will. It has a remarkable film program (*Earth2* is produced here), a remarkable art program, a remarkable music program. And of course it has me and Jayme.

And not incidentally, your approval rating on campus is extremely high--in the ninety percent range, I'd estimate. It is an *intelligent* college.

As I say, the college will continue to invite you for its commencement. I am writing today, however, in a personal vein.

I realize how many letters you must receive, and how difficult it must be for you to give any great degree of attention to very many of them. Still, there behind the Presidency, under the layers and layers of protocol and bureaucracy, inside the office, there must still exist the man. And just now it is impossible to resist saying something to that man, to express my absolutely unwavering support and admiration. As I wrote recently in an article for John Grisham's new magazine, *The Oxford American*, "Jimmy Carter aside, [you're] the first president with a conscience since 1963."

The Republicans, the Republicans. What can anyone say? They slandered you, blocked the passage of some of your best efforts on behalf of the country, and then managed to turn the resentment created by their own intransigence into an offensive weapon. It's a neat stunt: Pull

every lowdown dirty trick you can think of on your opponents--use outright lies--and then blame the opponents for the nasty political climate and the governmental gridlock.

It's a neat strategy. The good news is, that sort of thing is the only sort of thing they're good at. They certainly aren't good at *government*. The way I see it, you've got them where you want them. They're fat and sassy, feeling like they're on top of the heap. And that is usually when they achieve their most stunning stupidity, that is usually when they accomplish the heights of their incompetence and venality. Look at what happened as soon as Bush got that fantastic approval rating during the Gulf War. It was the beginning of the end. It was, I promise you, when I began writing my friends and telling them you were going to be the next President.

So now they have two years to display the depths of their statesmanship, the oiliness of their integrity. Republican morality, I have always felt, has all the freshness and perfume of a truckload of three-day-old salmon broken down in a New York alley in July. Orrin Hatch, Arlen Specter, Jesse Helms, Alphonse Damato, Bob Pineapple, Newt Gingivitis--my, what a crowd, what a *host* of philosophical and moral exemplars. These guys have all the sincerity of a television preacher who sells used cars from the parking lot of his church. As one of my friends puts it, their so-called contract with America ought to be called their contract *on* America.

There *will* be major screw-ups. There *will* be scandals. I can hardly wait. And I have a hunch that the media, that sorry crew who can't seem to get the message that they aren't the message, are beginning to realize what they've done in their viciously slanted coverage of your office. I have a hunch they're going to be watching the Republicans very closely.

There are things I might hope for in the next couple of years. I hope for a strong space program. I'm pretty much liberal on a lot of issues, but I think backing off the space program is a major mistake. John Kennedy was exactly right in promoting it as the image of our leadership. It is. Unless a nation can forge ahead in such completely new realms, it loses its moral fiber. Humans are going to space. The only question is who will lead the way.

And I hope for some help on taxes. I'm not asking for a reduction in the amount of money I pay the federal government, though that would be nice. What I would hope for instead is that somehow, someday, somebody will get the blasted IRS off our backs. The tax laws have transformed us into a nation of nervous bookkeepers, and a nation of people looking for loopholes--and naturally the ones with the most money can manipulate the loopholes most successfully. This may be the one issue with regard to which I can find some common ground with Newt the Overinflated. I have always heard that a sales tax is most unfair to middle and lower income groups, but I would be strongly in favor of replacing the current income tax with a national sales tax, if there were some way of redressing that inequity that would not set up a bureaucracy worse than the one we have.

Perhaps credit for lower-income earners toward affordable housing, medical care--another angle on universal medical care?--and the like would be a way of approaching the question. Such an approach would avoid the sure-to-be-abused policy of refunding money directly to individuals, and would also target those families and individuals who were genuinely motivated to help themselves, as opposed to those who simply wanted to scam another payment from the feds.

I cannot imagine anything that would get the whole populace behind you faster and more enthusiastically than a crusade to make a genuine difference in the sick tax structure of this nation. Even if you couldn't succeed, if you took it on, you would be a hero.

I am sure you get enormous quantities of mail like this, mail that urges you toward this or that position. I am sure you get unreadable mountains of such mail.

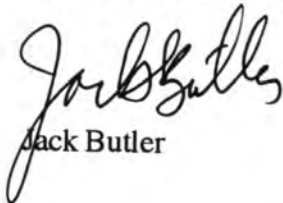
And so, putting aside purely personal wishes, I will say that if there is one thing I hope you will do, of there is one response to all of this that I hope you will make, it is the one that every single Clinton supporter I know has been saying: Come out with both guns firing. Call it like it is. The hell with 1996. Quit being *nice* to these bozos. You are a genius at compromise and consensus, and in normal times you would be hailed as a great statesman for your abilities in this regard. But these turkeys see concession and compromise as weakness, and worse, successfully *portray* it as weakness. It would be different if any of them had the country's interests at heart, but I find it extremely difficult to believe that they do.

We voted for you for one single reason: You have greatness in you, and we could see it. Nobody else on the scene even came close. It has been a very long time since I have seen a man I thought could make not only a good president, but a great president. And greatness doesn't count the cost. Greatness doesn't watch the polls. Greatness just *does* it, by God.

You have FDR in you, and you have Harry Truman in you. I think the American people will respond to some straight-up, no-holds-barred, truth-telling personal authority.

And you have it. With all best wishes, I am, as always,

Your Passionate Partisan,

A handwritten signature in cursive script, appearing to read "Jack Butler". The signature is fluid and stylized, with the first name "Jack" being more prominent than the last name "Butler".

Jack Butler

P.S. It has been a long bad summer without baseball. But it won't be long now till things get better. November the 25th. Big Nasty and crew versus Massachusetts. This season ought to be fun. It's nice to know you'll be watching, along with every other Arkie in the country.

where do you think of this?

(End optional trim)

Myths continue to fuel Haiti's AIDS stigma, which has attached itself for more than a decade now to this fiercely independent nation. Haitians see the disease as an American phenomenon and, for some, an American conspiracy to taint Haiti's image.

In the '70s, a brochure advertised the now-abandoned Port-au-Prince resort called Habitation Leclerc: "Luxury in an exotic garden" and "Eleven hidden pools and your destiny." Color photographs promoted a 33-acre secluded estate where men and women struck intimate, half-naked poses.

AIDS researchers here now cite the exclusive resort as one of many oases for sex tourism in Haiti an industry that drew thousands of vacationing American homosexuals to Haiti's pristine and secluded beaches.

Experts now say that this most likely was how HIV made its way into this Caribbean nation.

"Haiti was a tourist resort for the neat, hip people of the '70s," said an American official, citing resorts as sex magnets that "catered to gays from the U.S."

... You had a lot of Haitian men and boys driven by economics into working as homosexual prostitutes. They then returned to the girlfriends or wives, and the rest was history. I think it's safe to say that the entire health community working with AIDS here is convinced the disease was brought here by Americans."

The irony was twofold: When the disease was discovered in Haitians living in America during the earliest phase of HIV testing, many scientists speculated that it originated in Haiti a conclusion that still embitters Haitians. That erroneous speculation destroyed the valuable tourist industry almost overnight, perpetuating the nation's poverty.

The stigma is only part of a broader problem rooted in the patterns of sexual relationships in a society as deep and complex as Haiti's, where the spread of AIDS in most recent years has become a distinctly heterosexual phenomenon.

In Haiti's native Creole, there are three words that describe formal relationships between men and women: There is "maryaj," the traditional legal union of a couple. But there is also "plase," an accepted sexual partnership outside of marriage, in which the woman does not live with the man but agrees contractually to exchange sex for long-term financial support. And "vive avec" describes a union more permanent than "plase" but one that may or may not involve living together.

The common thread through all three types of relationships they often exist simultaneously, with most men and women involved in more than one.

"This business of partners is cultural, it's anthropological and it's economic," an American aid official said. "It's not at all prostitution. It's a way of life. And most of the women will say that if she asks her partner to use a condom, he'll leave her. These are women who survive on these business relationships, usually with several men at the same time."

"Here, it's not homosexuality. It's not needles," said Bob Clark, whose company, Washington-based Population Services International, has sold more than 8 million condoms since it began three years ago. "This is sex. Straight heterosexual transmission. There's a lot of serial monogamy here. There's more promiscuity."

Looking to the future fight against AIDS under Aristide, Clark and other experts see the potential for more struggles.

"We don't know what's going to happen with this government on all issues of family planning," one U.S. health official said.

But echoing the words of most AIDS workers in Haiti, Clark simply concluded, "I can't imagine any government

not realizing this is an epidemic that is killing its people."

A Brave New World of Research Is Hatched

Weigel is the president of the Ethics and Public Policy Center in Washington.

By George Weigel=

Special to the Los Angeles Times=

At the beginning of Aldous Huxley's classic novel, as at the entrance to the brave new world it depicts, there is the "Central London Hatchery and Conditioning Centre." In a "squat gray building," 300 technicians bend over their microscopes, managing the process of human reproduction. The technicians inspect human eggs, then immerse them in a "warm bouillon containing free-swimming spermatozoa." The fertilized eggs human embryos are then incubated until they are ripe for bottling and development.

The suburban campus of the National Institutes of Health, just outside Washington, is a handsome park; there are no ugly, squat, gray buildings to mar the sylvan landscape. But what the NIH proposes to undertake is nothing less than the creation of a real-life American analogue to Huxley's Central London Hatchery. For, later this week, the advisory committee to the director of NIH will consider and almost certainly adopt the recommendation of the NIH Human Embryo Research Panel that the federal government sponsor and fund the laboratory creation of human embryos as research materials for experimentation.

This research, the panel alleges, will have all sorts of benefits: reversing infertility, enabling us to make more perfect babies, even contributing to the fight against cancer. Other scientists disagree that the potential payoff is that considerable. But even if the scientific benefits were as great as the NIH panel claims, the burning question would remain: Is it ever morally acceptable to create human lives for research experimentation that will, inevitably, destroy them?

Most people instinctively recoil in shock and disgust, even horror, from such a proposal. That reaction should be encouraged, not deplored. It bespeaks not scientific illiteracy but moral common sense. High school English students find Huxley's fictional future frightening because, in it, men and women have been thoroughly instrumentalized, made into means for someone else's ends. Yet that is precisely what the NIH proposes to sponsor, using taxpayer funds to pay the freight.

The NIH panel acknowledges that, should its recommendations be followed, scientists will be creating, manipulating and then destroying "developing human life" that deserves "serious moral consideration."

But evidently not too much consideration, for this human life, the panel argues, lacks "personhood." Personhood, according to panel member Ronald Green of Dartmouth, is not a set of "qualities existing out there" but something that "we" bestow on a human creature. Whether someone is too old, too young, too burdensome or too useless to be afforded the protections given to persons is something that "we" decide, on the basis of enlightened self-interest. "Personhood" is not an inherent quality of human beings; "personhood," on Green's analysis, is a "social construct."

We have been down this grim road before. The 20th century is replete with examples of what happens when one group (or caste or race or party) declares itself to be the vanguard to whose superior purposes others must bend, even to the point of their extermination.

The great slaughters of our era of Jews, Gypsies, Polish intellectuals, Ukrainian kulaks, Armenians,

bourgeois Chinese, Hutus, Tutsis all took place when the humanity of indisputably human beings was denied by powerful others, who were acting, so they thought, on sound scientific or philosophical or eugenic or theological or political principle.

There are some things that should never be done by anyone, under any circumstances, for any reason, in aid of any possible benefit. One would have thought that, in the wake of Nazi quackery, the exploitation of human beings as research material would be understood as one of those things. But now the NIH Human Embryo Research Panel proposes to go a step further by deliberately creating human lives whose only prospect is to serve as disposable research material.

In so doing, the panel endorses a direct violation of the Nuremberg Code, which, inspired by Dr. Josef Mengele, unambiguously declared that "no experiment should be conducted where there is ... reason to believe that death or disabling injury will occur."

The use of human beings for experiments that will harm them and to which they have not consented should be prohibited by law. So should the technological production of innocent human beings as research materials. Congress must act; the NIH, alas, seems incapable of recognizing either scientific hubris or crude utilitarianism masquerading as moral reason.

Why Worry About Government? We're on Automatic Fast Forward

FM-2030 (his legal name) is the author of "Are You a Transhuman?" (Warner Books, 1989) and a consultant in long-range planning to industry. He lives in Los Angeles.

By FM-2030= Special to the Los Angeles Times=

An ideological battle has been raging between conservatives and liberals in the United States and Western Europe a battle that would be comical, if not for its ferocity and for the millions of dollars dissipated on political campaigns. Implicit in this conflict is the assumption that whoever controls Congress or occupies the White House will determine the direction the country takes on such fundamental issues as immigration, crime, "traditional values," the future of the family, the work ethic, welfare reform and the size of government.

On these issues, it hardly makes a difference who is president or controls Congress. These tracks are propelled by long-term irreversible forces such as decentralization, diversification, technologization, globalization and are hardly affected by ideology or partisan politics. Here are some examples:

Millions of legal and illegal immigrants will continue to cross national borders no matter what policies are adopted or how massive the barricades. It is absurd to think that in our global age, when a mounting avalanche of information and goods and dollars pours across borders every single day, that somehow people would stay and marinate in their ancestral homelands.

If it no longer matters how many Portuguese or Belgians translocate freely across Europe, or how many Indonesians and Thais work in Malaysia, why does it matter how many Mexicans work in the United States or how many U.S. citizens work in Canada? In our burgeoning global economy, there are no "illegal immigrants" only irrelevant borders. In our global age, territoriality is hopelessly anachronistic.

It is ridiculous to continue emphasizing such traditional values as "hard work" and the "work ethic" (and by the same token, disdain welfare), yet invest billions of dollars every year on automation and ever smarter machines that permanently jettison millions of

jobs and disassemble the old labor-intensive economics. Hard work was a precondition to survival at one time and therefore glorified. In our times of global surpluses and smart self-replicating machines, hard work is dumb economics. Hard work is a deterrent to greater prosperity. We can now produce more while working less. We are like the Japanese who overdose on hard work not because there is any longer the need, but simply because of workaholic programming.

In postindustrial societies, tens of millions of people are now on light-work schedules temporary jobs, part-time jobs, telecommuting, shared jobs, flex time, etc. These are steps in the right direction. Rather than insist that everyone work simply to satisfy puritanical, workaholic traditions, why not deploy our smart machines to create greater prosperity for everyone so that people can work less and coast more?

The persistent emphasis on family values is yet another dead issue that sets off people's alarms. Even if every federal and state office in the United States were occupied by the Christian right, the nuclear family would still continue its downward slide. Nothing can reverse this trend.

Since the 1950s, the traditional nuclear family has dropped from representing around 85 percent of American homes to less than 10 percent. How illogical to think that profound changes could unfold in all areas of society but not in our homes.

Many of the people attached to the nuclear family invest in the thriving genetics industry and in new reproductive technologies, perhaps unaware that their investments are eroding age-old patterns of procreation and parenthood. Rather than attempt to salvage a 20th-century lifestyle that is in an irreversible tailspin, why not encourage new lifestyles to ensure intimacy and continuity in our new environments?

Government will continue to have less and less impact on people's lives. The trend everywhere is away from traditional concentrations of power. The more centralized the sources of information were, the more powerful the centers of authority (family, church, government). As information decentralizes, the relative power of government declines. This is particularly evident in postindustrial societies like ours. Since the 1960s, the most profound transformations in the United States have been spearheaded by forces and people outside government the women's movement, the biological revolution, the globalization of life. Government no longer routinely sets the pace and is less able to decelerate the profound recontextings going on everywhere.

No matter who occupies the White House or Congress, trends that started decades ago are now on automatic fast forward. No one can derail them. An administration may call itself conservative or liberal, but the environment in which it operates and which propels it is revolutionary.

In the postindustrial world, elections are no longer an accurate gauge of a society's direction. This is as misleading as assessing the popularity of the Vatican by the size of crowds that greet the Pope in the streets and not paying attention to the fact that these crowds then go on to ignore church teachings on divorce, abortion and women's rights.

It is absurd to want better technologies and a growing economy, yet still call for "traditional values." Technology and values are part of the same continuum you cannot decouple the two. If you want advances in one area, you have to accept advances in the other.

Rather than dissipate millions of dollars on nasty campaigns that attempt to freeze-frame the past, we should encourage new values and lifestyles and policies which will bring us greater cohesion, abundance, leisure and growth as we prepare to lift off to a new century.

80 VP / Leon / 65
What do you think
of the 2 articles?

~~By~~

THE PRESIDENT HAS SEEN
11.30.24

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

11-30-94

November 29, 1994

94 NOV 30 A10:30

MEMORANDUM FOR THE PRESIDENT

FROM:

SUSAN BROPHY *SB*

SUBJECT:

LETTERS FROM MEMBERS OF CONGRESS

Attached are letters from members of Congress that I thought you might like to see:

- 1) Mark Hatfield (R-OR),
- 2) Tom Sawyer (D-OH),
- 3) Charlie Rangel (D-NY).

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in 3 days of their
convinced in delay
too long
B*

THE PRESIDENT HAS SEEN
11 30 94

THE WHITE HOUSE
WASHINGTON

November 29, 1994 NOV 29 P5:45

RECOMMENDED TELEPHONE CALL

TO: ✓ Senator Jeff Bingaman (D-NM)
Senator Tom Harkin (D-IA)

DATE: As soon as possible

RECOMMENDED BY: Patrick Griffin
Susan Brophy

PURPOSE: To ask them for their vote on the budget waiver and on final passage for GATT.

BACKGROUND: Both Senator Bingaman and Senator Harkin are undecided on these votes. They both voted for Fast Track Authority and NAFTA.

Senator Bingaman is concerned about sovereignty and how our environmental and labor standards would fare if challenged under the World Trade Organization.

Senator Harkin is struggling with the benefits of expanded trade and its effect on labor. He has been a long time advocate of legislation that would bar importation of manufactured products made by child labor and is worried that such legislation would be challenged by the WTO.

An assurance that the Administration wants to work with him to address the issue of child labor would be helpful. In addition, you should emphasize that killing the Uruguay Round will not advance his concerns.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

Senator Bingaman 224-5521
Senator Harkin 224-3254

DATE OF SUBMISSION:

November 29, 1994

ACTION:

MAYER KANTER

ATTORNEY AT LAW

232 DAVIDSON BLDG.

SIOUX CITY, IOWA 51101

TELEPHONE 255-0189
AREA CODE 712

94 NOV 29 P5:12

FACSIMILE TRANSMITTAL FORM

DATE:

11-29-94

TO:

John Podesta

FAX NO.: 202-456-2215

FROM:

Mayer Kanter
FAX NO. (712) 255-1113

The number of pages being transmitted, including this cover sheet are _____.

If you have any problems with this fax trasmission, please call the above number.

COMMENTS:

Nice talking to you and
Thank you for all your help
in this matter

Mayer

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TO HAROLD
ICKES
FROM
TO THE
Podesta

DONALD E. O'BRIEN
Senior United States District Judge
Northern District of Iowa

Office Address:
320 Sixth Street, Room 313
P.O. Box 267
Sioux City, Iowa 51102
(712) 252-4238

Home Address:
500 - 46th Street,
No. A-3
Sioux City, Iowa 51104
(712) 239-3482

FAMILY:

Spouse: Ruth Mahon
Children: Teresa, Brien, John, Shiuvaun

EDUCATION:

CREIGHTON UNIVERSITY SCHOOL OF LAW, Omaha,
Nebraska, L.L.B., 1948

TRINITY COLLEGE, Sioux City, Iowa
Pre-Law

MILITARY SERVICE:

U.S. AIR FORCE, 1943-1945
Honorable discharge as 1st Lieutenant
Lead Bombardier in the 8th Air Force's B-17
Squadron during W.W.II. Flew 30 missions
over Germany.
Honors: Distinguished Flying Cross; Air Medal
(four clusters)

EXPERIENCE:

1978 to present	UNITED STATES DISTRICT JUDGE Member of Budget Committee of Judicial Conference 1985 to present; elected as Eighth Circuit; district judge representative to Judicial Conference of the United States, January 1991; re-elected to a three-year term July 1992. Appointed by President Carter.
1968- 1977	O'BRIEN, GALVIN & O'BRIEN Private law practice; engaged primarily in trial practice.

GOVERNMENT SERVICE

Chief Counsel of the Investigations Sub-Committee
to the Small Business Committee of the Congress
under Chairman Neal Smith.

1961- UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT
1967 OF IOWA
Appointed by President Kennedy; served under
Robert Kennedy.

1959- MUNICIPAL JUDGE
1960 City of Sioux City, Iowa

1955- COUNTY ATTORNEY
1958 Woodbury County, Iowa; prosecuted all state
felony charges; First Democrat elected in 16
years. Re-elected with over 60% of the vote.

1949- ASSISTANT CITY ATTORNEY
1954 City of Sioux City, Iowa; prosecuted all city
criminal charges.

1948- PRIVATE PRACTICE
1949

POLITICAL BACKGROUND - EXPERIENCE:

1968 Delegate to Democratic National
Convention.

1970 Elected to Iowa Central Committee which ran
Iowa Democratic party.

1972 Elected as a delegate to the National
Convention.

1972 Elected to Democratic National Committee as
representative of Iowa - served 1972 to 1977.

POLITICAL BACKGROUND - ORGANIZATIONAL:

1958 Candidate for Congress, old Iowa 8th District.
Lost to 26-year incumbent in a tight race.

1968 Co-ordinated Nebraska and South Dakota primaries
and Iowa caucus for Robert Kennedy - He won
them all. For verification, contact former
Governor Pat Lucey, Wisconsin.

1968 Set up and ran Senator McGovern's Chicago
Convention Headquarters (Contact George McGovern).

1968 At the request of Larry O'Brien, I spent 10 weeks
in Los Angeles as Southern California
co-ordinator. We went from 20 points behind to
where Nixon won California 50.1 to 49.9.

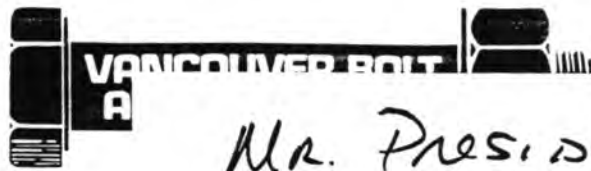
1970 Spent 60 days in Massachusetts for Ted Kennedy.
Contact Jim King, Boston, or Ted Kennedy.

1972 Co-ordinated Wisconsin primary for Senator McGovern for 70 days - Contact Gov. Pat Lucey.

Co-ordinated Southern California primary for Senator McGovern for 60 days - contact Senator McGovern. McGovern was big winner in both of these primaries.

1972 (Fall) Co-ordinated Texas for McGovern for 70 days - contact President Clinton.

1976 Worked Iowa for Carter - Attended National Democratic Convention in New York. Spent 70 days co-ordinating Michigan for Carter. Went from 15 points down to Ford - 50.5 to Carter's 49.5 - Contact President Carter.



THE PRESIDENT HAS SEEN

11/30

I N D U S T R I A L F

October 20, 1994

Mr. Erskine Bowles
Deputy Chief of Staff to the President
The White House
Washington, D.C. 20500

Dear Erskine:

First I hope that this letter some how finds you in the tons of mail that reaches the White House. Because I wanted to personally thank you and President Clinton for your success in solving the SBA 503 nightmare. I can't express enough my complete joy and gratitude in this victory.

On behalf of all of those who stuck with me and kept up the fight and even those who gave up we wish to let you know that we will be eternally grateful for your caring attitude and leadership. Without your leadership I surely would have given up. This will help so many people and save many from bankruptcy, to say nothing about creating new jobs.

You truly represent what democracy is all about by taking care of something that should have been fixed along time ago. I thank God that I had that moment in history when under your leadership we had a voice. As I have said many times I learned more about politics than I ever wanted to know. However, my faith has been restored that inspite of the gridlock and bureaucracy in Washington D.C. we as citizens still have a voice through leaders like you.

I thought I really knew how much you had helped us but now in talking with the new staff at the SBA office, it has been made very clear to me that without your leadership it would have fallen on deaf ears and drowned in the bureaucracy.

I only wished that it would have been possible to publicly thank President Clinton who was the driving engine behind this onerous problem. Many 503 Borrowers have volunteered to meet with him but I know that he has more pressing issues. However, if he changes his mind, please let us know. Because I think "you may see him occasionally", please express our sincere deep appreciation for what he has done and congratulate him on breaking through the "Old Washington Game" of "sticking it to the average citizen".

Last but not least I want to Congratulate you on your promotion. I sleep better at night knowing that our President is surrounding himself with outstanding citizens like yourself. I hope that your family is able to cope with the stress of not having Dad home every night. I pray that your family can appreciate how important your contribution is to our future and theirs. Best wishes always!

Sincerely,

Doris M. Johnson, President, Vancouver Bolt & Supply, Inc. &
Coordinator for the SBA 503 Coaliton

Mr. President — *Handwritten note: This should make you very proud —*

Handwritten note: I wish there were some way to get some good men on this right wing media network

Handwritten initials: ESL

Mack
1 Think
Erskine Bowles
Should do
ASAP

THE PRESIDENT HAS SEEN



Mack -
I think
Erskine
Bowles
Should do
ASAP.
Let's
discuss.

TUESDAY, AUGUST 3, 1983 R1

CLOSE
HOLD

THE WALL STREET JOURNAL

MARKETPLACE

ENTERPRISE

Government's 503 Loan Plan Draws Critics

By EUGENE CARLSON
Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Is Uncle Sam an avaricious loan shark bleeding thousands of small businesses dry? Or is the government simply being a responsible lender by enforcing a lawful contract, while also trying to keep the budget deficit under control?

There isn't much middle ground in the debate swirling around a federal small-business loan program that has more than 3,000 small companies locked into long-term, double-digit-interest-rate loans with no realistic way to refinance. Some members of Congress are arguing that the small businesses deserve relief, even if taxpayers have to foot the bill.

The controversy, which has intensified as interest rates have dropped to 20-year lows, involves the Small Business Administration's now-defunct 503 loan program. Introduced in 1979 as a way of encouraging small firms to expand their facilities and to create more jobs, the program offered fixed-rate loans of 20 to 25 years at rates ranging from 11% to 15.7%. The loans financed 40% of an approved project's cost, with commercial lenders and the small company itself contributing the rest.

Following a time when the prime rate had hovered close to 20%, the SBA-guaranteed loans with significantly lower rates looked like a good deal. A total of 4,927 small companies signed up and received 503 loans totaling \$392 million.

One of them was Travers Mayhew, president of Davis Boat Works Inc., Newport News, Va. In 1983, he borrowed \$500,000 at about 13% to relocate his shipyard, which had been gobbled up by interstate highway construction.

Ten years later, falling rates prompted 503 borrowers to look into refinancing their loans. And Mr. Mayhew and other company owners say they were dumbfounded to discover a prepayment clause in the fine print that imposes a huge penalty if the loan is paid off before its due date.

After nine years of paying down his 20-year loan, Mr. Mayhew figures he'd have to come up with at least \$522,000 to clear his 503 debt. That figure includes a loan balance of \$422,000 and an estimated penalty of more than \$100,000.

"It may be legally binding, but none of us knew this was the case," Mr. Mayhew

Please Turn to Page B2, Column 3

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBE

Today's Date: November 29, 1994

John- 11/29/94
They would
like to go to
print this week.
Jessica

94 NOV 29 15:39

Date of Request: 11/09/1994

Request for: POTUS

Type of Request: Honorary Chairman

Requestor Name: Mr. Joseph Shenker

Title:

Organization: The Bank Street College of Education
610 West 112th Street
New York, New York 10025-1120

Contact Tel. #: 212/875-4400

Event Date: 1/23/1995

Event Description: President's Medal Dinner

Notes: The dinner is in honor of Dennis Weatherstone, Chairman and CEO of J.P. Morgan & Co., Inc. The "annual dinner is a celebration of public education in New York City." The Co-Chairs are Henry Kravis, William Louis-Dreyfus, Jon Madonna, and Robert Steinberg.

Recommendations:

JP ND

EB _____

THE PRESIDENT HAS SEEN

11 29 94

THE WHITE HOUSE

WASHINGTON

94 NOV 28 A 9:47

PRIVILEGED AND ~~CONFIDENTIAL~~

November 21, 1994

MEMORANDUM FOR THE PRESIDENT
THROUGH LEON PANETTA

FROM: ABNER J. MIKVA

RE: Edwin Quinones

A federal bankruptcy judge in Puerto Rico recently issued a court opinion finding that Mr. Quinones, a Presidential appointee to the President's Commission on Educational Excellence for Hispanic Americans, and his wife "knowingly and fraudulently made a false oath by filing their Statements and Schedules, signed under penalty of perjury, containing incomplete information and falsehoods regarding their financial condition."

The plaintiff in the bankruptcy action was a client of Quinones, an attorney. Quinones owed the plaintiff approximately \$385,000 for breach of contract, tort and collection of monies. The plaintiff was convicted in 1990

of a federal drug conspiracy charge and was sentenced to eleven years in prison. In 1990, Quinones and his wife filed for bankruptcy and the plaintiff challenged that filing.

The Department of Justice has informed us that the judge is supposed to refer possible fraudulent activities to the United States Attorney's Office for any investigation or action, but has not done so. The United States Attorney's Office will not act unless it receives a referral.

Our office cleared this appointee in May 1994, pursuant to our policy of requiring only a limited background check for appointees to part-time boards and commissions. We would not have cleared this appointee if this court finding were in effect at the time.

RECOMMENDATION: Given the potential for embarrassment and the considerable publicity this matter has received in Puerto Rico, I strongly recommend that Quinones be asked to tender his resignation.

☒ AGREE

☐ DISAGREE

☐ LET'S DISCUSS

*But we need to check
our friends in Puerto Rico
1st as a courtesy*

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

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

Get this letter
to Don Baker
as my speediest
original back to
him -



THE PRESIDENT

11-25-94

Dear Bonnie

Thanks for your letter of
Oct 26 - I'm working on your advice,
trying to do better -

--Burt,

Burt Clinton

Bonnie N. Raphael
American Repertory Theatre Company, Inc.
Loeb Drama Center
64 Brattle Street
Cambridge, Massachusetts 02138

American Repertory Theatre

and Institute for Advanced Theatre Training

Robert Brustein
Artistic Director

THE PRESIDENT HAS SEEN
11/27/94

Robert J. Orchard
Managing Director

Ron Daniels
Associate Artistic Director

October 26, 1994

President Bill Clinton
The White House
Washington, DC

Dear Mr. President,

After watching the speech you gave at the signing of the latest Middle East peace treaty, I had to dash to my computer to congratulate you on a speaking job excellently done--bravo! The tone of your voice was excellent--it was authoritative and confident and exuded a sense of command that was contagious and read wonderfully on camera. I can't help observing that you seem to do your best public speaking outdoors. I'm guessing that you're hearing ambient noise (wind, crowd, etc.) and instinctively "topping" the competition. This takes your voice up a bit in pitch out of the basement, and the tone and quality of sound are immediately improved as a result. May I suggest that you keep this "pitch neighborhood" in mind any time you speak, so you can take advantage of the excellent resonance which you are able to achieve in the middle part of your range.

The speech itself was very well written and moving--quite effective. I was delighted that you kept it short and to the point-- this gives you an eloquence which, on some former occasions, I felt got lost in the length of your presentations. I encourage you to pursue this speaking strategy--it's excellent.

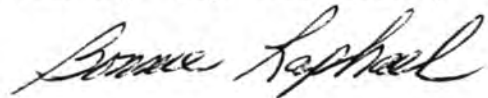
Raphael correspondence--2

I also wish to encourage you to continue working on connecting your phrases together into longer arcs of thought. I feel that you're still chopping your thoughts into too many shorter phrases, pausing briefly in between. This makes the larger thoughts harder to keep track of--we see individual trees but lose the impression of a mighty forest (if you will permit me the analogy).

And finally, I encourage you, especially when having to speak on a windy day with no teleprompter, to use one finger to trace down the page as you speak to help you keep your place on a script. You can gesture with your free hand, and this tracing will enable you to maintain more significant and longer lasting eye contact with your audience because your tracing finger will help you keep track of where you are in your speech when your eyes leave the script.

Again, congratulations! I suspect the feedback on this particular appearance will be excellent and wanted to let you know that it is shared--enthusiastically--by this particular coach.

With my very best wishes,

A handwritten signature in cursive script, reading "Bonnie Raphael". The signature is fluid and elegant, with a large, stylized 'B' and 'R'.

Bonnie N. Raphael

THE WHITE HOUSE
WASHINGTON

Bob Linder

-- very impressive
we should have
been down to our
of our gathering

BC



THE PRESIDENT

11-25-64

Dear Rev. Ahlberg -

I read your summons with
feeling of reassurance and relief - They
came to me at an important time, and
I thank you for the gift - Please send
more as you can.

Sincerely
Bill Clinton

Rev. Ralph E. Ahlberg
Round Hill Community Church
395 Round Hill Road
Greenwich, Connecticut 06831

THE PRESIDENT HAS SEEN

11/27/94



October 19, 1994

Dear President Clinton,

Round Hill
Community Church
395 Round Hill Road
Greenwich,
Connecticut 06831
203-869-1091
Fax 869-6927
Pastor:
Ralph E. Ahlberg

Our prayers go with you
as you prepare for your
conversation in the Middle
East. I'm continually
appreciative of the prayer service
at the beginning of your presidency
which included Bill Moyers and
which expressed the faith and
ethic which must sustain you.

I hope these sermons
continue in that spirit. You
have friends in Greenwich!

Sincerely yours.

Ralph Ahlberg

THE WHITE HOUSE
WASHINGTON

DATE: 11/28/94

NOTE FOR: JIM DORSKIND

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

Information ☐

Action ☒

(see President's note regarding doing letters)

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 11/27

THE WHITE HOUSE
WASHINGTON

04 NOV 23 07:28

November 23, 1994

RECOMMENDED TELEPHONE CALL

TO: MRS. WANDA MILLER

DATE: NOVEMBER 23, 1994

RECOMMENDED BY: PATRICK J. GRIFFIN

PURPOSE: Call to express condolence on death of her husband, FBI Agent Michael Miller.

BACKGROUND: Agent Miller was killed yesterday in the line of duty at D.C. police headquarters.

CONTACT PERSON AND
TELEPHONE NUMBER(S): White House Operator
(202) 324-4515 (FBI Operator)

DATE OF SUBMISSION: November 23, 1994

ACTION: _____

*She said her husband
was a FBI supervisor
to get her call to son
to get her call to son*

THE PRESIDENT HAS SEEN 11/27

THE WHITE HOUSE
WASHINGTON

94 NOV 23 P7:28

November 23, 1994

RECOMMENDED TELEPHONE CALL

TO: MR. JORGE MARTINEZ

DATE: NOVEMBER 23, 1994

RECOMMENDED BY: PATRICK J. GRIFFIN *PJG*

PURPOSE: Call to express condolence on death of his wife, FBI Agent Martha Martinez.

BACKGROUND: Agent Martinez was killed yesterday in the line of duty at D.C. police headquarters.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

White House Operator
(202) 324-4515 (FBI Operator)

DATE OF SUBMISSION:

November 23, 1994

ACTION: _____

THE PRESIDENT HAS SEEN 11/27

THE WHITE HOUSE
WASHINGTON

94 NOV 23 P7:49

November 23, 1994

RECOMMENDED TELEPHONE CALL

TO: MRS. MARY ANN DALY

DATE: NOVEMBER 23, 1994

RECOMMENDED BY: PATRICK J. GRIFFIN

PURPOSE: Call to express condolence on death of her husband, Sgt. Henry Joseph "Hank" Daly.
This call should be made as soon as possible.

BACKGROUND: Sgt. Daly was killed yesterday in the line of duty at D.C. police headquarters. You are doing a waiver so that he can be buried at Arlington National Cemetery.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

White House Operator
(703) 532-2406

DATE OF SUBMISSION:

November 23, 1994

ACTION:

THE PRESIDENT HAS SEEN 11/27

THE WHITE HOUSE

WASHINGTON

November 22, 1994

Mr. President:

You brought to the presidency a distinctive outlook toward government rooted in your extensive experience as a governor working both in Arkansas and nationally with other governors on a bipartisan basis. One of the quiet successes of your administration has been the revitalization of our federal system, including the devolution of power and authority to states and localities. There's much more to be done, of course, but you've made a strong start.

A few months ago, the editors of **Publius**, the leading national journal of federalism, asked whether we might be willing to contribute a piece on the Clinton/Gore administration's accomplishments in this area. A young Domestic Policy Council and I got to work on it. The product is the attached article, hot off the press.

Many of us hope that the next two years of your administration will feature an even stronger emphasis on shifting power away from Washington whenever states and localities can do the job better.

Sincerely,

Bill Galston
Bill Galston

To

Agm → This must be a
big part of our ~~next~~ next
initiative.

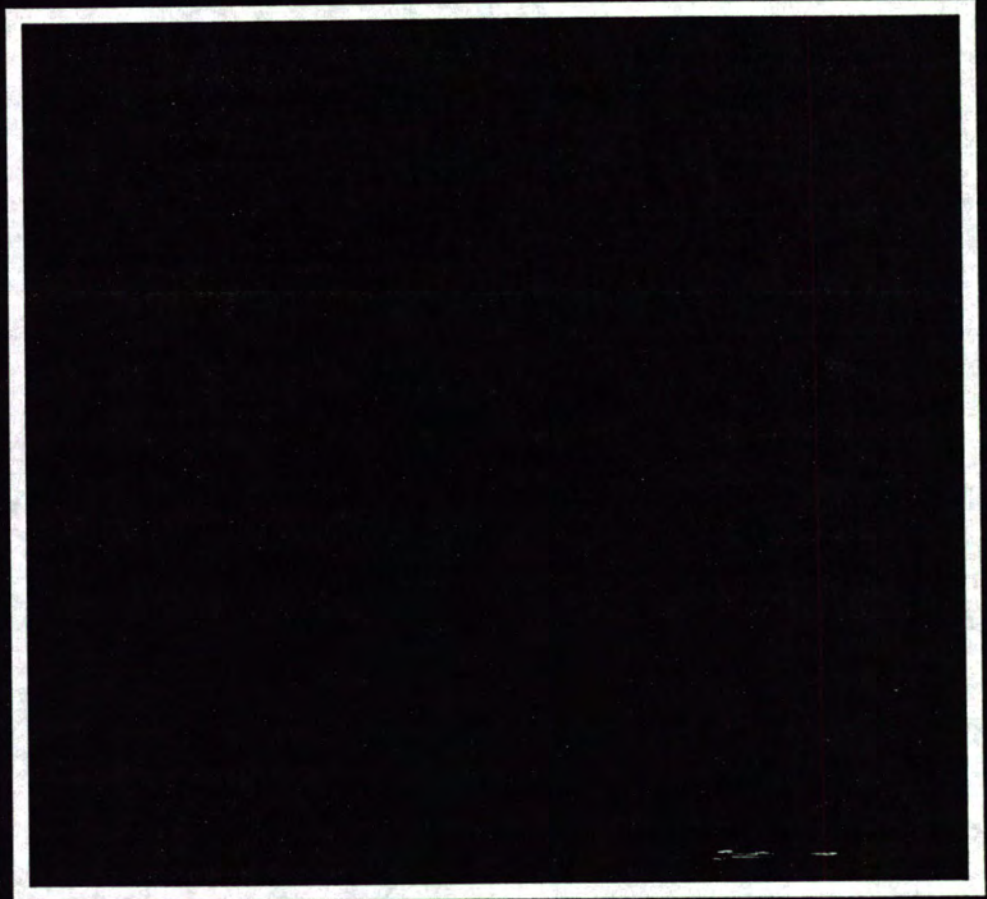
This is an impressive
article but we need a more
popularized summary → Michael
Sun UP sites.

B

ISSN 0048-5950

PUBLIUS

The Journal of Federalism



Summer 1994
Volume 24, Number 3
Center for the Study of Federalism
and
University of North Texas

The State of Texas, F. L. 1003, 1007

Volume 24, Number 3

PUBLIUS was the pen name used by Alexander Hamilton, John Jay, and James Madison in 1787-1788 when they published 85 articles entitled *The Federalist* in defense of the federal republic created by the new American Constitution. Accordingly, it is an appropriate name for a journal devoted to the increase and diffusion of knowledge about federalism and intergovernmental relations.

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	John Kincaid <i>University of North Texas</i>
Annual Review Editors:	Ann O'M. Bowman, <i>University of South Carolina</i> Michael A. Pagano, <i>Miami University</i>
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THE CENTER FOR THE STUDY OF FEDERALISM is an interdisciplinary research and educational institute dedicated to the study of federal principles, institutions and processes as practical means of organizing political power in free societies. By initiating, sponsoring, or conducting research projects and educational programs related to them, the Center seeks to increase and disseminate knowledge of the American and other federal systems, and federalism in general, and to train students as specialists in the growing field of intergovernmental relations. The Center is located in Temple University's College of Liberal Arts and is associated with the Department of Political Science.

Reinventing Federalism: The Clinton/Gore Program for a New Partnership Among the Federal, State, Local, and Tribal Governments

William A. Galston and Geoffrey L. Tibbetts
Domestic Policy Council

This article presents the Clinton/Gore administration's philosophy on federalism and details specific improvements for services to citizens through strengthened intergovernmental partnerships among the federal, state, tribal, and local governments. The article defines accomplishments toward achieving the National Performance Review recommendations for new intergovernmental partnerships in delivering services to the public, and it provides a direction for federalism in the 104th Congress and beyond.

As we approach the twenty-first century, the United States must reconsider not only its domestic and foreign policies but also its processes of governance. Government at every level must be reinvented in light of the profound changes in technology, information, and public expectations that have occurred since the New Deal. Relations among different levels of the federal system must be restructured to reflect new fiscal realities as well as the shifting competencies of national, state, and local governments.

Reinventing government is nothing new. The American founders also wrestled with the appropriate division of responsibilities for governance. James Madison elaborated on the demanding challenges of the founders in the *Federalist Papers*:

Not less arduous must have been the task of marking the proper line of partition between the authority of the general and that of the State governments. Every [individual] will be sensible of this difficulty in proportion as he has been accustomed to contemplate and discriminate objects extensive and complicated in their nature.¹

Elsewhere, Madison noted that the founders, looking to the future, did not

¹James Madison, *The Federalist Papers*, No. 37 (New York: New American Library, 1961), p. 227.

deceive themselves that they were creating a finished nation. Rather, they "formed the design of a great [nation], which it is incumbent on their successors to improve and perpetuate."²

Throughout U.S. history, the problems associated with federalism have been the problems of sorting out, through the political and judicial processes, as well as through the national experience, the boundaries of the federal-state-local powers created by the U.S. Constitution.³ In the 1787 Philadelphia Convention, the framers examined how power and responsibility can be equitably shared between the federal, state, and local governments. As a consequence, the framers envisioned a document with strong guiding principles that, by design, would adapt to change without rendering the Constitution obsolete. Indeed, James Madison, one of the authors of *The Federalist*, after remarking on the "numerous innovations" of the Constitution, declared that the framers "accomplished a Revolution which has no parallel in the annals of human society."

From the beginning of their administration, President Bill Clinton and Vice President Al Gore have brought a wealth of knowledge, experience, and commitment to bear on these vital governance issues. President Clinton served as governor of Arkansas for more than a decade, learning firsthand about relations in the federal system and working at the grass roots through organizations, such as the National Governors' Association, to shape national policy. While serving in the Congress for more than a decade as a representative and senator, Vice President Gore became a leader on such issues as technology, advanced information systems, and organizational change. On this basis, the president and vice president have provided leadership on a range of legislative and regulatory initiatives that have begun to reshape federalism.

Underlying the administration's initiatives to restructure government is a broad set of principles for a reinvigorated federal-state-local partnership:

1. The federal government should lead by establishing national goals, allowing states and localities maximum feasible flexibility in selecting the means to achieve these goals.
2. Within existing legislation and regulation, the federal government should make aggressive use of waiver authority and related legislation to enable states and communities to design their own approaches for meeting key national goals.
3. In return for federal support, the federal government should craft and enforce rigorous performance standards that measure state and local progress toward national goals—standards that replace bureaucratic micro-management of inputs and process.
4. The federal government should throw its support behind improved coordination and collaboration among categorical programs and, where appropriate, their amalgamation into broader, more flexible programs.

²Madison, *The Federalist Papers*, No. 14, pp. 104-105.

³Theodore B. Olson, "Federalism From the Standpoint of the Department of Justice," *Harvard Journal of Law and Public Policy* 6 (Winter 1982): 10.

5. The federal government should move in an orderly and sustainable fashion to assume a greater share of fiscal responsibility for problems that are clearly within its legal or constitutional responsibility.
6. While continuing to discharge its constitutional responsibility to ensure equal citizenship and opportunity for all, the federal government should reduce the uncompensated fiscal impact of national legislation on state and local government.
7. The classic role of states and localities as laboratories of democracy should be enhanced by a federal government willing to learn from subnational successes, to collect, evaluate, and disseminate information about these successes, and—in general—to make it easier for different locales to learn from one another. As the president has so often said, there is no problem in America that hasn't already been solved by someone, somewhere in America.

REINVENTING GOVERNMENT

In their book, *Putting People First*, published during the 1992 campaign, President Clinton and Vice President Gore declared: "We can no longer afford to pay more for—and get less from—our government. The answer for every problem cannot always be another program or more money. It is time to radically change the way the government operates—to shift from top-down bureaucracy to entrepreneurial government that empowers citizens and communities to change our country from the bottom up."⁴

On 3 March 1993, President Clinton announced his "Reinventing Government" initiative and charged Vice President Gore to move it forward. The president stated the administration's objective: "Our goal is to make the entire Federal government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate the entire national government."⁵

On 7 September 1993, the vice president released a blueprint for reinventing government, entitled the *National Performance Review*, which was the collective effort of experts and experienced employees from across the governmental spectrum. Vice President Gore declared that:

This report represents the beginning of what will be—what must be—an ongoing commitment to change. It includes actions that will be taken now, by directive of the president; actions that will be taken by the cabinet secretaries and agency heads; and recommendations for congressional action. The *National Performance Review* focused primarily on *how* government should work, not on *what* it should do.⁶

The *National Performance Review* embodies a workable and realistic philosophy of federalism that can empower federal, state, and local governments and

⁴Bill Clinton and Al Gore, *Putting People First* (New York: Times Books, 1992), pp. 23-24.

⁵*Weekly Compilation of Presidential Documents*, vol. 29, no. 9, pp. 350-351.

⁶National Performance Review, *Creating a Government that Works Better and Costs Less: Report of the National Performance Review* (Washington, D.C.: U.S. Government Printing Office, 1993), Preface, p. ii.

enhance the partnership in intergovernmental service delivery. The federalism component of the *National Performance Review* is summarized in its accompanying report, "Strengthening the Partnership in Intergovernmental Service Delivery."⁷ We turn now to examine the implementation of this National Performance Review federalism proposal, summarized under eight principal headings.

I. WE MUST ISSUE A REGULATORY EXECUTIVE ORDER ADDRESSING THE PROBLEMS OF UNFUNDED FEDERAL MANDATES AND REGULATORY RELIEF

Of all the issues concerning intergovernmental relations today, few are more contentious than mandates.⁸ Mandates go to the heart of what governance is all about: responsibility, autonomy, accountability, and money.⁹ Mandates have been an especially hot issue if they are unfunded.¹⁰ For example, last year, 172 pieces of federal legislation imposed mandates on state, local, or tribal governments. Many of them were partially or wholly unfunded.¹¹ While legitimate arguments can be offered to support most of these mandates, more effective mechanisms for review and evaluation are clearly needed.¹²

Actions Taken by the Administration to Address Unfunded Mandates and Regulatory Relief

1. On 30 September 1993, the president signed the executive order on "Regulatory Planning and Review" (E.O. 12866). The preamble of the order declares that the American people are entitled to regulatory measures that respect the role of state, local, and tribal governments. With this executive order, the federal government begins a program to reform and streamline the regulatory process. Section (1) of E.O. 12866 declares that federal agencies should "promulgate only such regulations as are required by law, or are made necessary by compelling public need, such as material failures of private markets to protect or improve the health and safety of the public, the environment, or the well-being of the American people."¹³ In further deciding whether to authorize regulations, agencies should assess all costs and

⁷Accompanying Report of the National Performance Review, "Strengthening the Partnership in Intergovernmental Service Delivery" (Washington, D.C.: U.S. Government Printing Office, 1993). We also wish to thank the National Performance Review, Office for Research and Oversight of Intergovernmental Activities, specifically Bob Stone, John Kamensky, Beverly Godwin, Kristen Kracke, and Elaine Kamarck from the Vice President's Office, for their outstanding contributions.

⁸For a review of federal mandates, see Timothy J. Conlan and David R. Beam, "Federal Mandates: The Record of Reform and Future Prospects," *Intergovernmental Perspective* 18 (Fall 1992): 7-11.

⁹National Performance Review, *National Performance Review*, p. 23.

¹⁰Bruce McDowell, director of Government Policy Research of the U.S. Advisory Commission on Intergovernmental Relations, stated: "Of all the tax money collected in this country, the federal government gets 66 percent, the state governments get 20 percent, and the local governments the remaining 14 percent. That makes it particularly inappropriate for the federal and state governments to mandate that local governments bear more of the costs." See William Tucker, "Cities Aim to Stop Federal Buck Passing," *Insight*, 6 September 1993, p. 22.

¹¹National Conference of State Legislatures, "The Mandate Monitor," December 1992.

¹²For additional information, see Michael Fix and Daphne A. Kenyon, eds., *Coping with Mandates: What Are the Alternatives?* (Washington, D.C.: Urban Institute Press, 1990).

¹³*Weekly Compilation of Presidential Documents*, vol. 29, no. 39, pp. 1925-1933.

benefits of available regulatory alternatives, including the alternative of not regulating. These costs and benefits shall be understood to include quantitative measures (to the extent they can be measured) and qualitative measures (difficult to quantify, but essential to consider).¹⁴ Unless a statute requires another regulatory approach, all federal agencies should select regulatory approaches that maximize net benefits—economic, environmental, public health and safety—including benefits in distributive impact and equity.¹⁵

To ensure that the agencies' regulatory programs are consistent with the administration's philosophy, agencies should adhere to the following four principles, to the fullest extent permitted by law:

1. Each agency shall examine whether existing regulations (or other law) have created, or contributed to, the problem that a new regulation is intended to correct and whether those regulations (or other law) should be modified to achieve the intended goal of regulation more effectively.
2. Each agency shall identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public.
3. In setting regulatory priorities, each agency shall consider, to the extent reasonable, the degree and nature of the risks posed by various substances or activities within its jurisdiction.
4. Wherever feasible, agencies shall seek views of appropriate state, local, and tribal officials before imposing regulatory requirements that might significantly or uniquely affect those governmental entities. Each agency shall assess the effects of Federal regulations on state, local, and tribal governments, including specifically the availability of resources to carry out those mandates, and seek to minimize those burdens that uniquely or significantly affect such governmental entities, consistent with achieving regulatory objectives. In addition, as appropriate, agencies shall seek to harmonize federal regulatory actions with related state, local, and tribal regulatory and other governmental functions.¹⁶

The objectives of E.O. 12866, therefore, are to enhance planning and coordination with new and existing regulations, provide for coordination of regulations, and maximize consultation and resolution of potential conflicts at an early stage by involving the public and state, local, and tribal officials in the regulatory planning.¹⁷ In short, E.O. 12866 will restore the integrity and legitimacy of regulatory review and oversight, and make the process more accessible and open to the public.

2. On 26 October 1993, the president signed a second executive order entitled, "Enhancing the Intergovernmental Partnership" (E.O. 12875). This order finds that the cumulative effect of unfunded mandates has strained state, local, and tribal budgets, and complex waiver processes have hindered flexibility. Accordingly,

¹⁴Ibid.

¹⁵Ibid.

¹⁶Ibid.

¹⁷Ibid.

E.O. 12875 states that each agency shall review and streamline its waiver application process. To the extent permitted by law, agencies shall "consider any application by a state, local, or tribal government for a waiver of statutory or regulatory requirements in connection with any program administered by that agency with a general view toward increasing opportunities for utilizing flexible policy approaches at the state, local, and tribal levels in cases in which the proposed waiver is consistent with the applicable Federal policy objectives and is otherwise appropriate."¹⁸

Furthermore, E.O. 12875 declares that no agency shall promulgate any regulation not required by statute or impose a mandate on a state, local, or tribal government, unless: (1) funds necessary to pay the direct costs incurred by the state, local, or tribal government for complying with the mandate are provided by the federal government, and (2) the agency provides, before the formal promulgation of regulations, a description of consultations with state, tribal, and local representatives, the nature of their concerns, and the agency's position supporting the need to issue the regulation containing the mandate.¹⁹ To the fullest extent practicable, E.O. 12875 declares that decisions for waivers should be rendered within 120 days of receipt of waiver application.

We have begun to see positive results from Executive Orders 12866 and 12875. There is evidence of increased flexibility accorded to state and local governments with waivers and a reduction in the problems associated with unfunded mandates. For example:

- The U.S. Department of Health and Human Services (HHS) has approved waivers in health reform that have allowed five states to conduct major statewide experiments, namely Oregon, Hawaii, Rhode Island, Tennessee, and Kentucky.
- Additionally, Medicaid waivers for Home and Community Based Services (HCBS) will permit states to extend noninstitutional long-term care services to Medicaid recipients. Freedom of Choice (FOC) program waivers will enhance states' abilities to implement managed-care programs. Special efforts have been made to assist states that lack substantial experience with managed care. HHS has approved numerous welfare waiver packages that provide considerable flexibility to states in designing welfare demonstration projects. HHS is also working with the National Governors' Association (NGA) to strengthen these waiver processes.
- The Environmental Protection Agency (EPA) has awarded two multi-year pilot projects for the water quality program in which states receive waivers from the regulatory requirement to submit annual grant applications. The intent is to streamline the grants process and reduce the administrative burden on the states. As part of this pilot, EPA prepares a two-year program for guidance, and federal and state managers can have face-to-face negotiations and establish a conflict-resolution process.
- The Food Stamp Program (FSP) at the U.S. Department of Agriculture (USDA) approved 153 waiver requests in FY 1993 to provide state agencies with greater flexibility in administering FSP. Waivers were approved in such areas as

¹⁸Executive Order 12875, Enhancing the Intergovernmental Partnership, signed 26 October 1993.

¹⁹Ibid..

recertification, length of certification periods, interview requirements, issuance, quality-control procedures, and application requirements. In addition, FSP approved waivers for the New York, Oregon, and Arkansas state agencies, allowing them to implement a new type of reporting system known as quarterly reporting, which will lighten agencies' workloads while ensuring that they have accurate information about their caseloads.

- In 1993, USDA also approved FSP waivers as part of welfare reform demonstrations in thirteen states. These waivers enabled states to coordinate their experiments with both Aid to Families with Dependent Children (AFDC) and Food Stamps. The approved waivers affected income disregards, resource exclusion, and the cashing out of Food Stamp benefits.

- The Department of Education (DoED) has three acts—Goals 2000: Educate America, Improving America's Schools, and School-to-Work—that contain provisions permitting states and localities to obtain waivers from statutory and regulatory requirements where they can either show the requirements would impede the educational reform process or where they have another plan for achieving better education outcomes for all students.

3. The Clinton administration supports a revised version of the Federal Mandate Relief Bill (S. 993/H.R. 140), introduced by two former mayors, Senator Dirk Kempthorne (R-ID) and Representative Gary Condit (D-CA). The administration worked closely with Senator John Glenn (D-OH) on the legislation, and the Senate Governmental Affairs Committee adopted the bill on 16 June 1994. This bill received strong support from the National Association of Counties, U.S. Conference of Mayors, and National Governors' Association. The administration believes that signing S. 993/H.R. 140 into law would help improve intergovernmental relations by allowing any member of the Congress to raise a simple-majority point of order on any legislation that does not provide federal funds to implement the requirements of the bill.²⁰ In short, the law would reduce unintended financial burdens on state, local, and tribal governments.

On 13 June 1994, President Clinton declared to the annual meeting of the U.S. Conference of Mayors that there was a "good chance" of approving this bill before the end of 1994.²¹ Chief of Staff Leon Panetta recently sent a letter to the Senate indicating the administration's support of S. 993/H.R. 140. The president said to the mayors:

As a former governor who faced the burdens of Federal mandates for 12 long years, I know how questions over funding concern everything else [mayors] do—from putting more police on the streets to providing clean water for people in your cities. Resolving this issue of unfunded mandates should not mean that we abandon our

²⁰If the following three requirements are not met, a senator could raise a point of order on the Senate floor and delay action on the bill: (1) the Congressional Budget Office would be required to prepare a fiscal impact statement for any new federal mandate that costs state and local governments in excess of \$50 million in any one year; (2) a congressional committee would be required to authorize funding to cover the entire state and local costs of any new mandate that is in excess of the \$50 million threshold; and (3) a congressional committee would be required to identify a funding source for the new federal mandate.

²¹*Weekly Compilation of Presidential Documents*, vol. 30, no. 24.

responsibility to govern, but I do believe that we must proceed in a more realistic way, providing greater flexibility about the constraints facing our state and local governments.²²

4. The administration has increased flexibility in legislative proposals that affect the environment and health. EPA Administrator Carol Browner has declared: "We believe we can protect our environment and health without overburdening the states. We believe we can get better environmental results by providing more funding and more flexibility on the state and local level. And we've proposed to change environmental laws to do just that."²³

Two examples from EPA illustrate the administration's initiatives to increase state and local flexibility on key environmental issues:

In 1993, millions of residents in Milwaukee, New York, and Washington, D.C. got sick from tap water. Some people died, and the cities were ordered to boil water for sanitary purposes. To help prevent these types of public disasters, in September 1993, Browner presented to the Congress the administration's comprehensive Safe Drinking Water Act—with reforms. Of the 200,000 water systems in the United States, most systems do not meet the federal government's complex regulations. The administration's proposal would give states greater flexibility in complying with the law and greater protection of public health. For example, many localities lack the financial capability to provide safe drinking water. The proposal would allow for hundreds of millions of dollars over several years to help localities pay for required improvements.²⁴ Additionally, under the administration's proposal: (1) small systems would be allowed greater flexibility in standards necessary to protect public health; (2) systems that need extra time to comply with new regulations could apply for extensions; and (3) before expanding the list of contaminants suppliers must test for, EPA would make certain the new regulations were necessary to protect public health.²⁵

The administration's Superfund package provides states with access to the Superfund trust fund. The extent of their access is dependent on the extent and nature of their involvement in implementing Superfund. States can elect to assume responsibility and authority for all, a few, or none of the toxic-waste sites within their boundaries, depending on their interest and the capabilities. Additionally, local governments may participate in community working groups at the Superfund sites and may provide EPA with their community views on remedy selection issues, including the

²²Ibid.

²³Carol M. Browner, "Partners in Protecting the Public," *The Washington Post*, 30 May 1994, p. A15.

²⁴The State Revolving Loan Fund (SRLF) programs make low-cost loans for water infrastructure, particularly wastewater treatment. The administration proposes providing sufficient federal seed funds over the next ten years, which, in conjunction with state matching contributions, leveraging, and repayments, would enable SRLF to continue, be self-sustaining, and provide \$2 billion in loans annually. The proposal would enable states to target resources more efficiently, flexibly, and effectively for high-risk problems by (1) providing special funding for disadvantaged communities at the state's discretion, (2) expanding eligibilities to give states greater flexibility in addressing high-priority needs, and (3) exempting small communities from several project requirements. The proposed State Revolving Fund will also provide \$1.6 billion for construction of clean water infrastructure—creating nearly 300,000 jobs.

²⁵Environmental Protection Agency, "Safe Drinking Water Act Factsheet" (Washington, D.C.: EPA, Office of Communications, Education and Public Affairs, 1994).

future land use of the sites. Moreover, EPA's Center for Environmental Research and Information (CERI) is developing a protocol for comprehensive environmental planning for small communities. It is intended to help local officials set priorities and make critical decisions about environmental issues.

5. The Office of Management and Budget (OMB) has held quarterly meetings with intergovernmental partners on regulations and waiver processes that affect state, local, and tribal governments. Three meetings with intergovernmental partners have been held to date: on 6 December 1993, 23 March 1994, and 6 July 1994. The 23 March meeting discussed the impact of the Federal Advisory Committee Act (FACA) and guidelines on unfunded mandates. The remaining meetings discussed how we can improve our understanding of the effect of federal regulations on state, local, and tribal governments.

Thus, the Clinton administration seeks to improve federal-state-local relations by (1) ensuring that future federal mandates and mandate adoption processes reflect the concerns and capacities of state and local governments; (2) ensuring that state and local governments are not just special interests but are respected as public partners in the overall domestic agenda; and (3) involving state and local officials in the legislative and regulatory development processes that affect their domestic agendas.

II. WE MUST CREATE FLEXIBILITY AND ENCOURAGE INNOVATION BY DESIGNING A BOTTOM-UP SOLUTION TO THE PROBLEM OF GRANT PROLIFERATION AND ITS ACCOMPANYING RED TAPE

For decades, top-down proposals to solve the problems associated with federal grant administration have suffered for several reasons: special-interest politics, the absence of effective interdepartmental planning and decisionmaking at the federal level, and competing needs and priorities among different layers of the intergovernmental system.²⁶

The red tape and bureaucracy that accompany the 606 federal grant programs have contributed significantly to the frustrations experienced by individuals and families who depend on federal assistance.²⁷ Government needs to stop dividing families' needs into health, education, welfare and shelter—each with its own agencies, programs, and rules, many of which contradict one another and work at cross purposes.²⁸ National Performance Review notes there are more than 140 federal programs assisting children and their families, while funding is administered by ten federal departments and two independent agencies.²⁹ Instead, we need collaborative, community-based, customer-driven approaches through which an

²⁶Ibid., p. 9.

²⁷Ibid.

²⁸National Performance Review, *Creating a Government that Works Better and Costs Less*, p. 50.

²⁹See, for example, Congressional Research Service, "Federal Programs for Children and Their Families" (Washington, D.C.: Library of Congress, 1992).

enhanced intergovernmental partnership can integrate into the network of domestic services.³⁰

Actions Taken by the Administration to Reduce the Problems Associated with Red Tape

In accordance with the National Performance Review's recommendations, the administration has decreased the red tape in agencies and increased intergovernmental efforts in a number of service-delivery areas. Specific examples are as follows:

- HHS has taken steps to simplify its waiver-approval process, which include: providing concurrent review of state waiver applications by different components of federal agencies, increasing technical assistance, measuring budget neutrality over the life of the waiver instead of annually, and considering alternative evaluation designs.
- The Department of Commerce initiated a variety of efforts to streamline the internal grants process. This has resulted in reduced paperwork and faster processing of applications for financial assistance.
- The Employment and Training Administration (ETA) of the Department of Labor has streamlined its internal procurement process to ensure a more responsive system for the solicitation, selection, and award of grants to state, local, and tribal recipients.
- The Department of Transportation (DOT) is working to streamline the processing of grant applications and reporting forms. Electronic submission of grant forms and reductions in the number and frequency of certifications should reduce red tape in the grants process. DOT is also making the single-audit process more effective to reduce oversight demands on federal managers and grantees.
- The Alamo Federal Executive Board (FEB) Reinvention Lab in San Antonio, Texas, has been designated as a reinvention lab to highlight and assist efforts to facilitate cooperation among federal, state, and local government agencies. The Alamo FEB is working to remove unnecessary regulations and red tape and to improve internal operations so that intergovernmental employees may work together as partners to create flexibility and to solve problems in the community.
- The Atlanta Federal Executive Board in cooperation with the regional Social Security Office, the National Treasury Employees Union, Georgia Department of HHS, Georgia State University, and the Atlanta Project, is implementing a pilot project for a common-access application for AFDC; Food Stamps; Women, Infants and Children (WIC); Medicaid; Supplemental Security Income (SSI); and Housing Assistance. The application will eliminate unnecessary information collection and

³⁰The National Performance Review provides examples of this grant proliferation and red tape: "We spend about \$60 billion a year on the well-being of children. But we have created at least 340 separate programs for families and children, administered by 11 different federal agencies and departments. Thus, a poor family may need to seek help from several departments—Agriculture for Food Stamps, Housing and Urban Development for rental support, Health and Human Services for health care and chasing down dead-beat parents. For each program, they will have to visit different offices, learn about services, fill out forms for eligibility—and wait." See National Performance Review, *Creating a Government that Works Better and Costs Less*, p. 51.

allow the "intake" worker to make the eligibility determination without additional interviews. This initiative will provide one-stop customer service and reduce the paper application from more than fifty pages to eight. There are plans to make this common-access application available in all community centers.

- The Forest Service of USDA has authorized its State and Private Programs area to allow state agencies to consolidate annual programs into one cooperative agreement to reduce paperwork and to receive consolidated payments. USDA's Rural Development Administration (RDA) has undertaken several efforts to be more flexible and responsive to rural communities across the United States. Specific examples are:
- Noting that rural entrepreneurs seeking federal and state assistance for small businesses faced numerous forms asking for similar information, the Kansas State Rural Development Council of the National Rural Development Partnership (NRDP) worked together with federal and state agencies to create a single loan application.
- Frustrated by local development officials' complaints that the audit costs for modest sized loans received from RDA's Community Facility were too high, the South Dakota State Development Council asked RDA for relief. RDA responded and waived audit requirements on smaller loans, saving rural communities \$400 million nationwide.

The administration also has encouraged bottom-up solutions for grant proliferation.

1. On 16 March 1994, the Senate passed the National Competitiveness Act, also known as the "Local Empowerment and Flexibility Act of 1994." This law establishes a pilot program (a maximum of thirty communities in a maximum of six states) to provide communities the flexibility to integrate programs and program funds across federal assistance categories. Included are programs for economic development, employment training, health, housing, nutrition, rural development, and other social services. Localities must develop flexibility plans that include, among other things, specific goals and measurable performances and a system for comprehensive evaluation of the impact of the plan on the participants and the community and program costs. It provides the Community Enterprise Board (discussed below) authority to waive any requirements applicable under federal law or any regulation necessary for implementing local flexibility.

2. The administration's community empowerment initiative is designed to solicit bottom-up proposals on ideas for revitalization. Applications for empowerment zone/enterprise community designation require communitywide, comprehensive plans that address the economic and human development needs of a community as well as provide tools and resources needed to carry out development strategies. Community Development Block Grants (CDBGs) remain the most flexible community-building tool. The president's Empowerment Zone Initiative will provide grants for a range of activities at local discretion. The Neighborhood Leveraged Investment for Tomorrow (LIFT) Initiative is a new project-based grant-loan program to promote and leverage private investment in retail, commercial, or mixed-use development projects in distressed areas. The Community Viability Fund is a new flexible fund designed to build the organizational capacity of

community-based groups and institutions to conduct strategic planning and support the design and development of public amenities.

Examples of state-initiated bottom-up grant consolidations are provided by West Virginia and Indiana. Both states recently submitted Consolidated State Plans that combine 199 federal programs serving children and families. These state "consolidations," as proposed, do not require legislative change or waivers. They will be accomplished through administrative processes such as cost allocations. President Clinton wrote the following to Governor Evan Bayh of Indiana:

I congratulate you on the creative, innovative and practical approach of the Indiana Consolidated State Plan on Service to Children and Families. This plan should enhance collaboration among Federal, state and local programs as well as between the public and private sectors. Through the Indiana Policy Council on Children and Families and the Step Ahead Councils, you have created a mechanism which encourages community based planning and management working together to transform the state, Federal and local response to children and families. Vice President Gore joins me in the belief that the reinvented relationship of all levels of government to the delivery of services is essential to the process of community empowerment. . . . We also encourage you to establish clear benchmarks of progress, evaluating and measuring success.³¹

3. The Goals 2000: Educate America Act establishes a national framework for systemic education reform, using both top-down and bottom-up strategies, and initiates six flexibility demonstration projects under the Education Flexibility Partnership Demonstration Act. States can apply for designation as one of the six "Ed-Flex Partnership States," which would enable these states to waive certain statutory or regulatory requirements without seeking DoED approval. States will be eligible for designation if they have prepared an improvement plan, waived state statutory and regulatory requirements for the local authorities within the demonstration area, and established performance measures for ensuring accountability to outcomes in the improvement plans. This flexibility is fundamental to the Clinton administration's approach to education. Secretary of Education Richard W. Riley recently wrote:

In America, education has been and remains primarily a state and local function. Chief responsibility for its improvement lies with state and local education agencies and with schools, teachers, parents, and students. Nevertheless, the federal government has a vital and meaningful role to play as a partner and as a source of information, technical and financial assistance, encouragement, and leadership.³²

4. The administration's Improving America's Schools Act provides DoEd the opportunity to weigh the benefits of continuing its elementary and secondary programs and to propose consolidation and termination where appropriate. The act proposes to:

³¹Letter from President William Clinton to Governor Evan Bayh, 5 January 1994.

³²Richard W. Riley, "The Federal Role in Education Revisited: Toward a Framework for Higher Standards, Improved Schools, Broader Opportunities and New Responsibilities for All," *Journal of Law and Education* 23 (Fall 1994).

1. consolidate the National Diffusion Network and the various technical assistance centers in elementary and secondary education into a single network of ten regional centers;
2. consolidate the Eisenhower Mathematics and Science Education program and the Chapter 2 State Grants program into the Eisenhower Professional Development program;
3. consolidate the Drug-Free Schools and Communities Act and the Safe Schools Act into a Safe and Drug-Free Schools program; and
4. consolidate the Immigrant Education program into the Bilingual Education authority, which would create a targeted discretionary grant program for school districts heavily affected by immigration instead of the current formula grant program.

The reauthorization of the Improving America's Schools Act also calls for discontinuing a list of the elementary and secondary programs mentioned in the National Performance Review report. These include Education for Native Hawaiians, Foreign Languages Assistance, Territorial Teacher Training, Ellender fellowships, the Fund for the Improvement and Reform of School and Teaching (FIRST) program, Educational Partnerships, General Assistance to the Virgin Islands, Law-Related Education, Dropout Prevention Demonstrations, Civics Education, and the payments made under sections 2, 3(b), and 3(e) of P.L. 81-874, the Impact Aid Maintenance and Operations Statute. A number of other funded and unfunded program authorizations would be terminated as well.

The bill also would allow consolidated activities. For example, it would allow both state and local education agencies to submit consolidated plans, rather than a separate plan for each program, in order to present a single, comprehensive strategy for moving the state or community toward achieving the National Education Goals.

The bill would also permit Title I schoolwide programs to incorporate funding from other programs, so that children attending high-poverty schools can benefit from a cohesive education program rather than receiving separate, often disconnected, categorical services.

All of these programs encourage state and local innovation to design bottom-up solutions to the fragmentation of federal grant assistance.³³ Other good examples include the Job Training Partnership Act (JTPA), which allows both extensive local public-private partnership and autonomy, and the Intermodal Surface Transportation Efficiency Act (ISTEA), which provides for greater discretion and flexibility by cities and states.³⁴ These bottom-up initiatives should be enacted wherever there are conflicting or competing priorities among governmental levels.

III. WE MUST SUPPORT PROPOSALS FOR FEDERAL, STATE, LOCAL, AND TRIBAL FLEXIBILITY IN GRANT PROGRAMS

President Clinton has stated that he is seeking "a new relationship, a new partnership, based on an understanding that [mayors and governors] ought to have more

³³National Performance Review, *Creating a Government that Works Better and Costs Less*, p. 9.

³⁴*Ibid.*

flexibility to do your work without so much micro-management and regulation from the federal government."³⁵ The administration is following a two-part strategy to strengthen this partnership: (1) flexibility through bottom-up initiatives, and (2) more flexibility in federal grant programs through design changes.

*Actions Taken by the Administration to Support
Greater Flexibility in Grant Programs*

Numerous proposals, at various stages in the legislative process, are being developed by the administration and cabinet agencies to build greater flexibility and consolidation into the domestic delivery systems. Notable examples include:

- The president's FY 1995 budget for HHS proposes to consolidate a number of small discretionary grants. For example, it will consolidate three similar runaway and homeless youth programs into one larger, more flexible program. Several research and demonstration projects, including two that target homeless individuals, are proposed for consolidation. Three small child-care programs—child development associate scholarships, child care and crisis nurseries, and dependent-care planning and development grants—will be consolidated into the more flexible Child Care and Development Block Grant.
- The Reemployment Act of 1994 (H.R. 4040/S. 1951) proposes to consolidate six benefit and training grants for workers who lose their jobs due to government policy decisions related to the Trade Adjustment Assistance, the Clean Air Act, the North American Free Trade Agreement bridge programs, or the defense conversion and defense diversification programs.
- HOPE 6, of HUD's Urban Revitalization Demonstration program (URD), has been created to revitalize severely distressed or obsolete public housing developments in the forty most populous cities. The program allows flexibility to provide complex packages of physical improvements and supportive services. Grant resources will be available for job training, literacy training, day care, youth activities, health services, community policing, and drug treatment. Participating housing authorities must establish a community service program (e.g., youth conservation corps) or a school-based service program (e.g., literacy training). Housing authorities are given the greatest degree of flexibility to redesign distressed developments by seeking participation from state and local governments, neighborhood organizations, businesses, nonprofits, social service providers, and residents.
- In FY 1994, the Department of Justice will initiate a comprehensive crime control and community mobilization program in five or six cities that will involve comprehensive planning and improved intergovernmental relations. Under the "Comprehensive Cities Program," cities faced with high rates of drug and violent crime will develop a comprehensive strategy for crime and drug control, which requires the police and other city agencies to work in partnership with the community to address crime and violence-related problems and the environment that fosters them. Each strategy must include a jurisdictionwide commitment to community policing, coordination among public and private agencies, and efforts to encourage citizens to take an active role in problem-solving.

³⁵Tucker, "Cities Aim to Stop Federal Buck Passing," p. 23.

- USDA's Rural Electrification Administration (REA) has proposed two grant programs. One program, the Distance Learning and Medical Link project, brings medical and education services to rural areas through telecommunications. The other program, Economic Development Grants, provides revolving funds for local, rural, economic development projects. Both programs encourage applicants to combine these grants with other funding programs by giving priority consideration points for such combining.
- For FY 1995, the Department of Labor has proposed a new Workforce Security Act (WSA) that will combine and expand six grant programs for dislocated workers. The expansion dollars are based on savings from the elimination of several ineffective programs. WSA proposes that states have the discretion to designate the number of Worker Adjustment Career Centers (WACCs) and One-Stop Career Centers and the geographic areas they cover in the state. In the case of One-Stop Career Centers, states can determine what programs in addition to JTPA will be included under the one-stop umbrella. States also will have the option of providing dislocated worker services through WACCs or One-Stop Career Centers.
- In November 1993, the Federal Emergency Management Agency (FEMA) reorganized from a programmatic structure to a functionally based structure. This restructuring was intended to streamline the process for FEMA's goal of increasing customer-oriented services to the states. The FY 1995 budget for FEMA has been revised to correspond to this functional structure. For example, FEMA restructured the Civil Defense program to emphasize an all-hazards and integrated emergency management approach. Several line items in the program were integrated to provide states greater flexibility in using FEMA resource grants and to develop this all-hazards emergency management capability.
- FEMA also is restructuring its Comprehensive Cooperative Agreement (CCA) from a programmatic approach to a functional approach for FY 1995. This more closely will reflect the states' annual program planning and will eliminate duplicative work activities and reduce associated reporting burdens. It also will provide a more flexible basis for federal-state negotiations, provide greater flexibility in the use of federal funds to develop emergency management capabilities, and integrate and functionally organize work activities. The restructuring of CCA was established through a collaborative, intergovernmental partnership between FEMA and the National Emergency Management Association (NEMA) state representatives.
- The administration has considered consolidation proposals developed by NGA and the National Conference of State Legislatures (NCSL). One proposal recommends consolidating "approximately 55 existing programs, with a funding level of approximately \$12.9 billion in fiscal 1993, into flexibility grants in six broad areas: education reform, workforce quality, air and land environmental management, water quality, defense conversion, and housing."³⁶

The Clinton administration supports flexibility in grants as the first step toward broader, more ambitious intergovernmental reforms. Consolidated grants will (1)

³⁶This proposal, received from NGA and NCSL, shows some of the numerous examples of federal-state flexibility grants that meet the spirit of the National Performance Review's recommendation to consolidate grants in order to increase flexibilities to states and localities. The National Performance Review does not necessarily endorse all of these specifics printed in "Strengthening the Partnership in Intergovernmental Service Delivery," Appendix B, pp. 31-42.

allow state legislatures and governors to integrate funding from different sources; (2) encourage state and local governments to design their own strategies to address domestic issues; and (3) allow state leaders to focus on the domestic problems at hand, rather than processing stacks of federal paperwork that accompany grants.

IV. WE MUST ESTABLISH A CABINET-LEVEL ENTERPRISE BOARD TO OVERSEE NEW INITIATIVES IN COMMUNITY EMPOWERMENT

The president established the Community Enterprise Board (CEB) by Presidential Memorandum on 8 September 1993. CEB will lead the federal government in an effort to improve the coordination and integration of major domestic service-delivery initiatives.³⁷ The board is chaired by the vice president, with the president's assistants for economic and domestic policy serving as vice chairs. Heads from fifteen federal departments and agencies serve as members. CEB endorses solutions based on bottom-up initiatives and reviews cross-agency grant consolidation proposals generated by state and local agencies. Finally, CEB coordinates the administration's empowerment agenda, beginning with the nine empowerment zones and ninety-five enterprise communities under the community empowerment initiative that the Congress established as part of the president's economic plan.³⁸

V. WE MUST REINVENT THE U.S. ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS (ACIR) AND CHARGE IT WITH RESPONSIBILITY FOR CONTINUOUS IMPROVEMENT IN INTERGOVERNMENTAL DOMESTIC SERVICE DELIVERY

Over the past two decades, a decline of intergovernmental institutional support has fueled the perception among state and local officials that the federal government is unconcerned about the far-reaching intergovernmental effects of its legislation and executive decisions. In 1986, for example, the House Appropriations Committee slashed ACIR's budget by more than 53 percent.³⁹

Actions Taken by the Administration to Reinvent ACIR

1. On 20 October 1993, the president appointed former governor William F. Winter of Mississippi as ACIR chairman, and nine new commissioners. This brought ACIR to its full complement of twenty-six members. The president attended the first meeting with Winter as chair on 1 December 1993. ACIR selected a new executive director and developed a work plan that includes action items recommended by the National Performance Review and directed to ACIR.

³⁷President Clinton stated this board will be committed "to achieving community empowerment and to providing our local communities with a single Federal forum, where we will be able to assist distressed communities and American families all across urban and rural America in obtaining economic self-sufficiency." *Weekly Compilation of Presidential Documents*, vol. 29, no. 36, pp. 1714-1715.

³⁸Public Law 103-66, Omnibus Budget Reconciliation Act, 1993.

³⁹National Performance Review, *Creating a Government that Works Better and Costs Less*, p. 23.

2. ACIR's enabling law is directly relevant for addressing the complicated cross-cutting problems in our domestic agenda as well as strengthening the partnership between the federal, state, and local governments. Full implementation of the charter would:

- a. Bring together representatives of the federal, state, and local governments for consideration of common problems;
- b. Provide a forum for discussing the administration and coordination of federal grant and other programs requiring intergovernmental cooperation;
- c. Give critical attention to the conditions and controls in the administration of federal grant programs;
- d. Make available technical assistance to the federal and state governments in the review of legislation to determine its overall impact on our governmental system;
- e. Encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation; and
- f. Recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more effective fiscal relationship between the various governments, as well as reduce the burden of compliance on taxpayers.

3. On 14 April 1994, Leon Panetta asked ACIR to conduct a six-month study of mandates through a \$200,000 grant from HUD. On 12 July, Winter responded that ACIR would direct its research at three specific goals: (1) defining the meaning of unfunded mandates as it pertains to legislation being considered by the Congress; (2) recommending methods for estimating the costs of unfunded mandates; and (3) recommending the best way that ACIR might monitor the implementation of such legislation as may be enacted shortly, including a structure for better coordinating legislative and executive branches in complying with the intent of legislation. The specific work plan that ACIR will follow over the next six months will involve extensive consultations with intergovernmental partners, research on specific issues, and ACIR recommendations for action.

VI. WE MUST DEVELOP APPROPRIATE BENCHMARKS AND PERFORMANCE MEASURES TO IMPROVE THE UNDERSTANDING OF PUBLIC SERVICE AND PROVIDE LEADERSHIP IN DEVELOPING A SYSTEMIC PROCESS FOR DEFINING AND MEASURING NATIONAL BENCHMARKS

Development of national economic and social benchmarks will provide all governments a clear framework for policy development and priority-setting.⁴⁰ By focusing on citizens and customers of federal programs, the government will be able to develop more effective intergovernmental solutions.⁴¹ Thus, establishing bench-

⁴⁰See Accompanying Report of the National Performance Review, "Strengthening the Partnership in Intergovernmental Service Delivery," p. 25.

⁴¹Ibid.

marks and performance measures for budget planning and implementation will significantly enhance intergovernmental collaboration.

Actions Taken by the Administration to Develop

Benchmarks and Performance Measures

1. As part of a nationwide, consensus-building initiative to strengthen the intergovernmental system, ACIR is planning to organize five task forces to address five intergovernmental issues. One task force will specifically focus on "Benchmarking Intergovernmental Service Provisions."

2. The HHS Child Support Enforcement Program will collaborate with state, local, and tribal governments in developing performance measures related to the establishment of paternity, court orders, and cases in payment and collections compared to targets.

3. The Goals 2000: Educate America Act calls for establishing benchmarks in State Improvement Plans to specify measurable national goals for improved student performance, progress in implementing the state improvement plan, and timeliness for charting the plans.

4. The administration is considering incorporating benchmarking into the reauthorization of the Clean Water Act (CWA). States would prepare an integrated plan to use the multipurpose grant. The administration's goals will include comprehensive recommendations to accelerate progress toward achieving clean water by (1) strengthening environmental protection; (2) reducing costs and improving efficiency for overall net savings; (3) improving flexibility; and (4) building state and local government capacity.

5. USDA has entered into cooperative agreements with five state agencies to test improved conformance between the Food Stamp Employment and Training (E&T) program and the Job Opportunities and Basic Skills Program for AFDC participants. This project will establish performance benchmarks, improve cooperation among employment and training programs, reduce costs, eliminate barriers to appropriate services, and enhance E&T activities.

6. The National Performance Review and the Alliance for Redesigning Government are encouraging state benchmarking efforts, such as those developed by Oregon, Utah, and Minnesota. OMB has designated a Government Performance and Results Act intergovernmental pilot in the area of child-support enforcement.

**VII. WE MUST CONVENE MEETINGS THAT DRAW
TOGETHER LEADERS FROM FEDERAL, STATE, AND
LOCAL GOVERNMENTS TO REVIEW, REFINE, AND
ADVANCE INTERGOVERNMENTAL RECOMMENDATIONS
OF THE NATIONAL PERFORMANCE REVIEW**

The National Performance Review envisions a transformation of federal and intergovernmental service delivery and makes recommendations that will implement the concepts outlined here through a concerted decade-long bipartisan effort.⁴²

⁴²Ibid.

This increased collaboration will not happen without an understanding of, and commitment to, systemic reform by federal, state, and local civic leaders as well as support by the American public.

Vice President Gore presented a preliminary version of the National Performance Review's recommendations to state and local leaders at the 1993 NGA conference in Tulsa, Oklahoma. NGA expressed great interest in the recommendations and suggested that the president convene a meeting to review the *National Performance Review* concepts and implement the steps to increase partnership between the federal, state, local, and tribal governments as quickly as possible.⁴³

Actions Taken by the Administration to Convene Meetings Between Federal, State, and Local Governments to Review and Advance Intergovernmental Recommendations of the National Performance Review

1. The White House Office of Intergovernmental Affairs and the federal agencies have several efforts under way to strengthen intergovernmental partnerships. EPA, for example, has developed an intergovernmental steering committee to guide efforts toward an agency/state environmental partnership. It also has established several committees to improve intergovernmental communication, including the Local Government Advisory Committee, Small Town Task Force Advisory Committee, and Tribal Operations Committee. Finally, EPA is committed to creating a Tribal Office, and state and local representatives continue to participate in EPA's negotiation processes on major new regulatory activities.

2. Outreach to state, local, and tribal officials also has been a central component of the administration's welfare reform process. The White House Working Group on Welfare Reform, Family Support and Independence, established by the president in May 1993, sought and received considerable input from state and local leaders in welfare reform.

3. ACIR has proposed a nationwide initiative of research, consultation, and consensus-building among federal, state, and local officials and private citizens, culminating in a "Federal-State-Local Leadership Roundtable," during the fall of 1995, to seek common ground for fundamental intergovernmental reform.

4. EPA, USDA, Department of the Interior (DOI), and several other federal agencies are working together to develop ecosystem management projects in regions throughout the country. This project will involve extensive intergovernmental collaboration and partnership.

5. HUD is developing a strategy to consolidate seven community planning and development plans that state and local jurisdictions are required to prepare. The development process is highly inclusive of federal, state, and local partners and involves citizen participation from around the nation.

6. The Department of Energy's Office of Energy Efficiency and Renewable Energy project on "Reinventing Federal, State, and Local Partnerships" is working to involve stakeholders earlier and more completely in the strategic, multi-year annual operating and budget planning. Three activities are the focus of this

⁴³Ibid

reinvention lab: 1) involves stakeholders earlier and more completely in strategic operating and budget planning; 2) invents more effective and flexible ways to implement state and local provisions of the Energy Policy Act of 1992; and 3) builds stronger public and private collaborations to deploy new energy efficiency and renewable technologies in the marketplace.

7. The Rural Development Administration (RDA) at USDA played a major role in preparing the Pacific Northwest Economic Adjustment and Community Assistance Response, a step that became necessary as a result of federal action to curtail harvesting of old-growth timber in certain areas of the Pacific Northwest. Eleven federal departments and agencies, including the White House, are involved in the public/private effort to develop a financial plan to respond to the region's economic diversification needs.

8. The National Performance Review has entered into partnerships with the Alliance for Redesigning Government, the Institute for Educational Leadership, the National Rural Development Partnership, Interchange '94, the Federal Quality Institute, the Indiana and West Virginia consolidated state plans for children and family services, Partnership Minnesota, the Atlanta Project, and others to convene intergovernmental and interagency forums focused on improving public services to families and communities throughout the country.

VIII. WE MUST SIMPLIFY AND STREAMLINE REIMBURSEMENT PROCEDURES FOR STATE AND LOCAL GOVERNMENTAL ADMINISTRATIVE COSTS

In 1993, government studies revealed that nearly \$19 billion in federal grant funds were used to reimburse state and local governments for administrative costs. These costs included, but were not limited to, the federal portion of expenses that states incur in administering public assistance programs, such as AFDC, Medicaid, and Food Stamps.⁴⁴ These reimbursements are mostly associated with grant programs.

The National Performance Review recommends a revolutionary modification of the accounting system—a fee-for-service option in lieu of cost reimbursement. An administratively fixed fee system would reduce expenses by eliminating costly preparation and submission of allocation plans. It also would decrease the applicability of federal, state, and local requirements for maintaining cost records and annual reports. This system would provide incentives for cost efficiency in administering domestic programs across the board. This modification would save the federal and state governments more than \$3.3 billion over five years.⁴⁵ The

⁴⁴The National Performance Review reports that state and local governments account to the federal government for such administrative costs under OMB Circular A-87, "Cost Principles for State and Local Governments," a system established by OMB in 1969. Circular A-87 requires each state to develop cost allocation plans that will be approved by HHS. These plans must include: the dollar amount of central services for administering domestic programs (e.g., purchasing, personnel management, and financial management) as allocated to state and local government department levels; and the methodology for determining the amount of charges for central services that are funded. See National Performance Review, *Creating a Government that Works Better and Costs Less*, p. 15.

⁴⁵*Ibid.*, p. 17.

result would be an enhanced ability to deliver and disburse state and local funds, in a way that enhances the quality of intergovernmental service delivery.

Actions Taken by the Administration to Simplify Reimbursements for Administrative Costs

To accomplish this simplification, numerous departments have reduced regulations and processing times that have improved customer service to grantees, reduced costs, and simplified reimbursement procedures.

1. DOT's Federal Highway Administration has successfully tested the use of an electronic signature to speed part of its grant delivery process. The program is being expanded to additional phases of grant delivery to eliminate and modify other cost requirements.

2. In July 1993, the Animal and Plant Health Inspection Service (APHIS) at USDA amended regulations to provide an alternative method of calculating the fees states may charge when they issue federal phytosanitary certificates. Now states may calculate fees on a "cost-per-certificate" or "cost-per-hour" basis.

3. The Food Stamp Program (FSP) at USDA has drafted two proposed rules to simplify regulations and increase state agency flexibility. The first rule, "Simplification of Program Rules," proposes changes in recertification, standard utility allowances, residency, length of certification periods, and notice requirements. Many of the changes also promote conformance with procedures in the AFDC program. The second rule, "Provisions on General Assistance Vendor Payments Requirements for Anticipating Income and Reporting Changes," includes simplified procedures for handling reported changes in household circumstances. Both rules are currently in the process of clearance at USDA.

4. The Rural Development Administration (RDA) at USDA has proposed, subject to final clearance, to relax the requirements for business and industry borrowers to furnish annual, audited financial statements. Current regulations require audited statements from all borrowers—except those obtaining seasoned loans—with a balance of \$100,000 or less. The proposal would allow RDA to accept unaudited annual statements from new borrowers receiving loans up to \$500,000. The proposal also would allow unaudited annual statements from all borrowers who have provided audits for three years, are current with payments, and have a loan balance not exceeding \$1,000,000. This action will make the program more attractive to, and effective for, small businesses.

5. Recognizing the critical role state agencies play, EPA proposes implementing fee systems which would cover the costs of point-source control permitting, enforcement, monitoring, and related surface-water programs. Such fees move us closer to a system where polluters, not the public, pay the costs of programs that enable polluters to discharge in an environmentally unsafe manner.⁴⁶

6. OMB has initiated the following measures to implement two additional National Performance Review recommendations: changing the small purchase threshold for purchases under grants, and simplifying certifications under grants.

⁴⁶Brian Burke, "Environmental Activities that Reflect the Administration's Commitment to Building a New Partnership with State and Local Governments," White House memorandum, 5 July 1994.

Because a regulatory change is not necessary, OMB plans to write the agencies to minimize the number of required signatures, relating to all specified and applicable crosscutting requirements.

BUILDING FLEXIBILITY INTO MAJOR ADMINISTRATION INITIATIVES: 1993 LEGISLATIVE ACCOMPLISHMENTS THAT HAVE HELPED REINVENT FEDERALISM

During the first year of the Clinton/Gore administration, a number of specific legislative achievements directly enhanced the partnership between federal, state, local, and tribal governments.

1. "Empowerment Zones and Enterprise Communities—The Omnibus Reconciliation Act of 1993" (P.L. 103-66) includes a new program that establishes empowerment zones and enterprise communities in high-priority areas. The initiative is designed to revitalize communities through both economic and human development using bottom-up comprehensive and collaborative strategic planning. The program provides \$1 billion in grants under Title XX of the Social Security Act and tax incentives to 104 communities (nine empowerment zones and ninety-five enterprise communities) in urban and rural areas that demonstrate economic distress. These communities also will be given expedited treatment of waiver requests, and will receive special consideration in competition for grants from certain other agencies. The Community Enterprise Board will oversee this initiative. Communities will be given broad flexibility and assistance in coordinating and integrating domestic services in the target areas.

2. "The Goals 2000: Educate America Act—Goals 2000," (P.L. 103-227) was enacted to improve learning and teaching by providing a national framework for systemic education reform. The act also promotes the research, consensus-building, and systemic changes needed to (a) ensure equitable education opportunities and high levels of education opportunities for all students, (b) provide a framework for reauthorization of all federal education programs, and (c) promote the development and adoption of a voluntary national system of skill standards and certifications. Goals 2000 offers top-down support for bottom-up reform. State and local education agencies are encouraged to develop comprehensive improvement plans to provide a coherent framework to implement a reauthorized Elementary and Secondary Education Act and related programs in an integrated fashion. States also may receive funds for systemic improvement efforts and must submit a State Improvement Plan after the first year of funding. The secretary of education has been given authority to waive federal statutory and regulatory requirements to enhance flexibility in the implementation of these plans.

3. The "Resource Conservation and Recovery Act Strategic Management Framework" (RCRA), (P.L. 94-580/H.R. 599/103rd Congress), governs the disposal of solid waste. In 1992, the RCRA program established a flexible process for allocating RCRA permitting funds. EPA and the states establish priorities among the facilities for which they want permits, using the Priority Ranking System. If certain facilities of concern to the state or local governments do not fall within the high-priority ranking, states can "bump them up" by demonstrating a new technol-

ogy, cross-media approach or waste-minimization method. An additional 15 percent of all state facilities may be moved into the high-priority rank if they are of particular concern to the public or state. The RCRA enforcement program uses a flexible regulatory program called RIP FLEX (RCRA Implementation Plan Flexibility).

4. The "Job Training Partnership Act (JTPA) Amendments" (P.L. 97-300/S.1500; S.251; H.R. 2230; H.R. 1760/103rd Congress) give states discretion to establish State Human Resource Investment Councils (HRICs) in order to coordinate federal human resource assistance programs. These amendments create a new youth-focused title (Title IIC) that enhances state flexibility and encourages states to find innovative ways of increasing youth employment and earnings.

5. "Childhood Immunization" (P.L. 103-66), enacted in 1993, the president's Vaccines for Children program, guarantees low-income children access to free immunizations against preventable diseases. The act also gives states the flexibility and responsibility for managing vaccine purchases and distribution, recruits providers, enhances the immunization infrastructure, and implements outreach strategies.

6. Through the "Family Preservation and Support Act" (FPSA) (P.L. 103-66), the Family Preservation and Support Program will provide approximately \$1 billion to states over the next five years for services to help keep families intact. HHS is implementing the program, which offers maximum flexibility to states and local communities in designing and carrying out family preservation activities. HHS has been collaborating with state officials on federal guidance for this program.

7. "The HUD Demonstration Act" (HDA) (P.L. 103-120) authorized three program initiatives that will test new ways of providing affordable housing and of rebuilding communities. They are the National Community Development Initiative, the Innovative Homeless Fund and Pension Fund Leveraging.

8. In the "Innovative Homeless Fund" (IHF) (P.L. 103-120), the Congress appropriated \$100 million for IHF. This flexible fund will permit HUD to undertake comprehensive initiatives with cities that address the full continuum of care required by the homeless.

9. The NAFTA-related "Unemployment Insurance Flexibility Act" (UIF, P.L. 103-120) gives states the option to establish self-employment assistance programs as part of the state unemployment insurance system.

10. The "Rural Business Enterprise Grant" (RBEG) (P.L. 103-111) recognizes that small rural businesses require technical assistance as well as capital. The USDA Rural Development Administration responded to changing regulations in RBEG by allowing recipients to use a large portion of the grant for technical assistance.

11. Under the "Changes to Women, Infants and Children" (WIC) (H.R. 8/103rd Congress) regulations, the Food and Nutrition Service (FNS) at USDA has given additional flexibility to states in mailing food instruments to WIC participants; permitted recipients of Medicaid, Food Stamps, and AFDC to be deemed automatically income eligible for WIC; and provided additional flexibility to states in documenting nutrition education contacts to participants.

12. "The Food Stamp Program Management Evaluation System" (FSPMES, P.L. 103-205; P.L. 103-11) enabled the USDA Food and Nutrition Service (FNS) to change FSPMES significantly in 1993 to give greater flexibility to state agencies. Previously, the national office established priority areas for the Food Stamp Program and mandated that these areas be included in the states' reviews of local office operations. The FNS regional office selects those areas that are appropriate for review in each state.

REINVENTING FEDERALISM THROUGH THE HEALTH SECURITY ACT

As the Clinton administration reinvents government and improves the intergovernmental delivery system, it seeks to incorporate the basic principles of federalism into its major legislative proposals. The administration's Health Security Act (HSA), introduced on 22 September 1993, provides an excellent example of recent legislation that incorporates state flexibility in implementation.

The Health Security Act was introduced specifically "to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health of all Americans."⁴⁷

Recognizing that states have been innovators and leaders in expanding access to health care and containing costs, the administration took great pains to include representatives from each arena of government in the Health Care Task Force working groups to formulate the policy. This consultation included representation from the National Governors' Association, U.S. Conference of Mayors, National Association of Attorneys General (NAAG), the National Association of Counties (NACo), National Conference of State Legislatures, National League of Cities, and Council of State of Governments. Their contributions helped shape these fundamental provisions of the Health Security Act:

1. Universal coverage that relieves burdens on many state and local programs.
2. The flexibility to adopt single-payer programs if states so choose.
3. Statutes that stand in the way of state experimentation—such as the Employee Retirement Income Security Act of 1974 (ERISA)—will be modified to enhance state flexibility.
4. New public-health initiatives that provide additional support to the states for vulnerable populations in rural and inner city areas.
5. Subsidies for early retirees that produce large savings for state employee health benefit programs. States will benefit further from a slowed rate of growth in health-care spending for current employees.
6. A new federal program that makes payments to hospitals with high numbers of low-

⁴⁷The Health Security Act, H.R. 3600, 103rd Cong., 1st sess.

income patients and to states with high numbers of undocumented persons.

7. A new federal program that provides wrap-around coverage for services not in the national benefits package for children under age 19 who are currently eligible for Medicaid.
8. A new home- and community-based long-term care program for the elderly and disabled that decreases state provider services to these populations.
9. Coverage for substance-abuse and mental-health services under an alliance with health plans that reduces program costs borne directly by state and local governments.

If enacted, HSA would grant states a large degree of flexibility to implement universal health care. Within a broad federal framework, states would play a crucial role in assuring quality health services for all Americans. For example, states would have substantial flexibility to design and implement their overall health-care strategy; establish health alliances; certify accountable health plans; monitor the quality of access to care; implement insurance and malpractice reforms; design and administer a home- and community-based long-term care program; and provide federal assistance to states in restructuring their public-health systems. In short, President Clinton's Health Security Act would write a new chapter in the history of federal-state relations.

THE UNFINISHED WORK OF FEDERALISM

"The proper relationship of the states to the nation is the cardinal question of our constitutional system," wrote Woodrow Wilson.⁴⁸ In every epoch, Americans have had to fashion a new answer to that question.

Beyond a doubt, public opinion is pushing toward the reinvention of federalism. We have entered an era of public ferment about improving the efficiency and effectiveness of our government. The "R" words—rebuild, reinvent, redesign, reconstitute, reinvigorate, revitalize, and reengineer—fill speeches, articles, and intergovernmental reports. A recent *Wall Street Journal* poll, for example, confirmed that over 60 percent of all Americans believe that government reform must be a priority for this administration. Similarly, an ACIR survey of public attitudes found that nearly half of all Americans feel that they get the least for their money from the federal government, 16 percent feel that way about state governments, and 18 percent believe that about local governments. It is not surprising, therefore, that overall trust in the federal government is significantly lower than for state and local governments.⁴⁹

The challenge of governance in a rapidly changing world also points toward a reinvented federalism. In a book written before she joined the administration, Alice M. Rivlin, director of OMB, propounded the need to better define the division of

⁴⁸Woodrow Wilson, *Constitutional Government in the United States* (New York: Columbia University Press, 1908), p. 173.

⁴⁹Michael A. Pagano and Ann O'M. Bowman, "The State of American Federalism, 1992-1993," *Publius: The Journal of Federalism* 23 (Summer 1993): 8.

federal and state responsibilities. She suggested that the federal government has little aptitude to "micro-manage" the delivery of the national domestic agenda with state and local governments. An increasingly complicated and interdependent world makes it necessary to clarify and reallocate intergovernmental responsibilities.⁵⁰

Similarly, during the presidential transition, David Osborne called for a "New Federal Compact" that sorts out responsibilities among the different levels of the federal system. According to Osborne, the national government must take the lead in four instances: (1) when the nature of the problem requires an interstate solution; (2) when uniform standards are needed; (3) when the absence of national leadership would produce "destructive competition" among the states; or (4) when redistribution across state lines is essential to solve local problems. Where none of these circumstances exist, the federal government ought to phase out programs and refrain from initiating new ones.⁵¹

The Clinton/Gore administration has just begun to address these broad "sorting-out" issues comprehensively. Considerations of cost, government effectiveness, and public opinion will continue to guide us in the direction of increased intergovernmental partnership during the 104th Congress and beyond. Determining anew the most appropriate division of responsibilities among the federal, state, local, and tribal governments is truly the unfinished work of federalism.

⁵⁰Alice M. Rivlin, *Reviving the American Dream: The Economy, the States, and the Federal Government* (Washington, D.C.: Brookings, 1992). See also Alice M. Rivlin, "A New Vision of American Federalism," *Public Administration Review* 52 (July/August 1992): 316.

⁵¹David Osborne, "A New Federal Compact: Sorting Out Washington's Proper Role," *Mandate for Change*, eds. Will Marshall and Martin Schram (New York: Berkley Books, 1993).

THE PRESIDENT HAS SEEN
11-28-94

THE WHITE HOUSE
WASHINGTON

November 8, 1994

Kurt F. Flexner
~~115 Montgomery Street~~
Rhinebeck, New York 12572

Dear Kurt:

My friend Marlin Jackson recently sent me your letter and your paper on the Russian economy, and I just want to thank you. It was thoughtful of you to share it with me, and I look forward to having an opportunity to read it.

Thanks.

Sincerely,

BILL CLINTON

941114

Tom
- Please review this
to have it done
Avin -
Bc

cc Marlin
Jackson

Kurt F. Flexner
115 Montgomery Street
Rhinebeck, New York 12572

July 9, 1994

President William Jefferson Clinton
The White House
Washington, D.C.

Dear President Clinton:

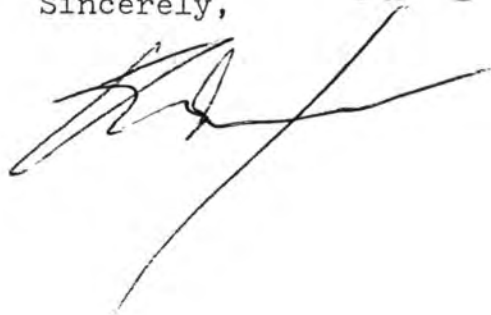
I recently returned from a trip to Moscow where my book, "The Enlightened Society - The Economy with a Human Face", was being discussed at a press conference, having just been published in Russian. While there I had meetings with top Russian officials and academicians including Nikolai Ribkin, chairman of the Duma.

Mr. Ribkin asked me to write a position paper for him on the failed economic reforms in Russia, adding my own recommendations for a new approach - which I have just completed and sent to him.

In a recent conversation with Marlin Jackson we decided that you may be interested in seeing a copy of this paper in view of your interest in helping to solve the problems of the former Soviet Union.

I hope you will find my paper of interest, and perhaps some use, and I continue to wish you every success in your courageous efforts to improve the human condition here and abroad.

Sincerely,

A handwritten signature in black ink, appearing to be 'KF Flexner', with a long horizontal stroke extending to the right.

POSITION PAPER ON THE STATE OF THE RUSSIAN ECONOMY
AND RECOMMENDATIONS FOR ECONOMIC REFORM
for Nikolai Ribkin, Chairman of the Duma

The most urgent challenge facing Russia today is to reverse the damage done by the so-called shock therapy 'reforms' and put in their place policies that lead to the kind of economic development which improves the human condition. To do this, policies that have been highly successful elsewhere under similar circumstances should be considered and compared to the policies adopted in Eastern Europe in 1989 and in Russia in 1992, which resulted in a collapse in output, intolerable levels of unemployment, and runaway inflation.

According to the United Nations' "Economic Survey of Europe", the Russian economy since the beginning of 1992, and the East European economies between 1989 and 1992, when they practiced shock therapy reforms, fared considerably worse than the countries hardest hit by the Great Depression of the 1930's.

Since then the East European economies have abandoned shock therapy and elected pro-socialist governments in Poland and Hungary, and the Russian economy has continued to decline. In the first quarter of this year output in Russia declined by twenty-five percent, and it is estimated that the figure for the first half of 1994 will be forty percent. This is unprecedented in the case of an industrialized nation. The runaway inflation in Russia since the beginning of 1992 has caused a rise in prices of 200,000 percent. That is to say, it takes 2000 rubles today to buy what one ruble bought three years ago.

Considering the political and economic circumstances in Russia at the end of the Cold War, the shock therapy policies adopted were based on an ideological obsession with privatization and an immature perception of the relationship between the individual and society. The nation had no experience with a market economy or with converting from a military to a consumer economy. It relied heavily on foreign advisors whose enthusiasm for converting from a socialist to a market economy exceeded their knowledge and experience pertinent to the problems they were asked to solve.

China's economic reform, which was in place by 1979 - after the cultural revolution - was more pragmatic, and foreign advisors had almost no part in it. Her primary objective was to convert an economy in which consumption had a



low priority to a consumer economy. In Russia the objectives of the reform were similar. Why did it fail?

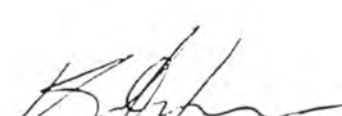
The structures of the Russian and Chinese economies are similar in one very important aspect so far as conversion to a market economy is concerned. They are both divided into two separate sectors - one, the heavy industry sector, which operates according to the laws of monopoly, and the other, the consumer goods and service sectors, which generally operate under the laws of market competition. Also, unlike the G7 countries, neither Russia nor China plays enough of a role in the global economy to allow global competition to have a competitive effect on their heavy industry monopoly sector.

Under these conditions the hurried privatization of the heavy industry monopoly sector in Russia and Eastern Europe made no sense at all. The purpose of private enterprise is to provide competition in a market economy. It was not the absence of private ownership that prevented competition in the heavy industry sector in Russia and China, but rather the structural and technical conditions of the industry and the absence of adequate global competition as a result of inadequate global trade. Much has been written about the absence of competition in the heavy industry sectors in countries where they are privately owned, and it has only been the emergence of global competition in some of these countries that has forced these industries to become competitive.

Why did China, which did not privatize its monopolistic heavy industries, experience a growth in its Gross Domestic Product of nearly 150 percent in the first ten years after it began its economic reform, while the Eastern European and Russian economies, which adopted a plan of privatization in all their industries, experienced drastic declines which forced them to abandon shock therapy?

In both the Soviet Union and China the consumer goods and services industries were deliberately underdeveloped as a result of the demands made by the Cold War, other wars, and the armaments race. This underdevelopment was more severe in the Soviet Union than in China. Whereas in the West about two thirds of GDP was in the form of consumer goods and services, in the Soviet Union it was less than fifty percent. In the West the portion of investment in housing averaged nearly a third of total investment, and in the Soviet Union it was about half of that.

In both China and Russia the problem was to make the consumer sector the driving force of the economy in place of



the military sector. This meant that on the demand side the proportion of national income going to consumers as personal income had to be significantly increased. On the supply side, relative prices had to be shifted in favor of the consumer industries which would increase output and create the demand for the heavy industries.

China did exactly that. Russia and the Eastern European countries did exactly the opposite. In China, heavy industries were not privatized and their prices were not allowed to rise, permitting the competitive consumer industries, which were partly private, partly cooperative, and partly collective, to enjoy a growing demand for their products, which was encouraged by the shift to personal incomes, financed in large part by a reduction in military expenditures. Increased demand allowed relative prices in the competitive consumer industries to rise moderately, encouraging production and output.

In Eastern Europe and Russia, indiscriminate and untimely privatization and the absence of a national economic policy allowed the monopoly industries to increase profits through shortages and higher prices, which turned relative prices against the competitive consumer industries. These, being already underdeveloped, were mercilessly squeezed. Added to this was the deplorable state of the infrastructure, with the result that output in the consumer industries not only declined, but what was produced met with obstacles in distribution.

Those who persuaded Eastern Europe and Russia to adopt shock therapy created the conditions for economic collapse - indiscriminate, ideologically motivated privatization, the rejection of a national economic and industrial policy, and an irresponsible monetary policy.

Poland became the first victim, in 1989. Prices were rising at a rate of fifty percent a month as a result of severe shortages caused by the shock therapy reform. The 'reformers' were told by foreign advisors to halt the increase in the money supply. Shortly thereafter the economy collapsed - and shock therapy came to an end the hard way. In short, in Russia and Eastern Europe the shock therapy ideologues ignored the economic laws of monopoly and competition, and privatization led to disaster.

To put the nation on a sound road of economic development, three major policies should be adopted in Russia.

First, the consumer sector must become the driving force of the economy, as the military sector had been during the Cold War.

Second, a national industrial policy, income policy, and fiscal policy should establish a framework for privatization and for the creation of a socially responsible market in accordance with the laws of monopoly and competition.

Third, trade being a vital part of economic development and an efficient market economy, the historical trade routes between the republics of the former Soviet Union should be recreated through a new economic union of these republics as the centerpiece of their global trade.

To make the consumer industries the major force in the creation of a market economy, the conditions of supply and demand must be favorable for such a development. Demand for the output of the consumer industries can be created through income policy - shifting a larger part of the Gross Domestic Product to personal income. This can be done by reducing government expenditures in the military and other sectors that can at least temporarily be given a lower priority. To achieve the necessary level of demand for stimulating the consumer industries, personal income will probably have to be increased considerably.

Industrial policy should be used to create the proper conditions of supply - that is, the consumer industries must be given the benefit of a relative shift in prices. This will now be more difficult, since the privatization which has already taken place in the heavy industries has, consistent with the law of monopoly, shifted prices in their favor. This has had a disastrous effect on the consumer industries, which are subject to the laws of competition. Even food is now imported from abroad with scarce foreign exchange.

The question now is, how can the privately owned firms in the monopolistic heavy industries be prevented from raising prices as a way of increasing profits? Further privatization in the monopolistic heavy industries should be temporarily suspended. Those already privatized should be regulated with the assurance that they will be allowed to earn fair returns on their investment. This will not be difficult if the demand for their products is increased by the shift in relative prices in the competitive consumer industries and by the shift to personal incomes from other parts of the GDP. Whatever method is used, a way must be found to stop the monopolistic industries from arbitrarily preventing



a shift in relative prices in favor of the competitive consumer industries that must furnish the drive for economic growth. It is too late to apply rational industrial policy, since a sizable part of the monopolistic industries have already been privatized. What must be done is a matter of politics. How can the heavy monopolistic industries best be regulated so as not to interfere with their output while preventing them from using the price mechanism as a source of greater profits?

In time, when the reforms have taken place and the Russian economy becomes sufficiently part of the global economy so that their heavy industries are exposed to global competition, the rest of them can then be privatized.

Fiscal policy - that is, the use of public funds for public purposes - should be used to reduce unemployment by putting people to work on that part of the infrastructure which is necessary for the production and distribution of consumer goods, and simultaneously for the heavy industry products involved in their production.

Finally, the republics of the former Soviet Union must be convinced by the use of rational and skillful diplomacy that their economic future depends to a considerable extent on their ability to rebuild the trade patterns that existed between them while they were part of the Soviet Union. This can be accomplished through an economic union along the lines existing in Western Europe now. In the future, trade will be organized along regional lines in a global economy where all components of production and distribution are mobile. Under such conditions the existence of regional economic unions will be a requirement for fair trade.

So far as global trade is concerned, the areas of greatest development in the next twenty-five years will be in Asia, especially China and the Pacific Rim countries. So far as the West is concerned, much will depend on whether the present condition of labor stagnation is allowed to continue or is brought to an end by adequate investment in the opportunities created by the high technology age. The national debts caused by the armaments race and the conflicts produced by the Cold War currently serve as an obstacle to public investment in the development of basic research and new industries evolving from it. Nuclear and space science are a testimony to what can be done when the public and private sectors cooperate in such endeavors.

Today, the policy in the West is "mean and lean" for the purpose of realizing greater profits. This has resulted in labor stagnation, which has created unacceptable levels



of concealed unemployment and underemployment. People either leave the labor force in their fifties or sixties, or they accept jobs at much lower wages in the low technology service industries where their skills go to waste.

Russia's trade pattern in regard to the rest of the world - or rather the overall trade pattern of the republics of the former Soviet Union - should evolve in response to the development of new markets in the East and West, as well as the South in both hemispheres. If the West accepts labor stagnation and a return to the conditions prior to the development of the mixed economies - or social democracies, as they are called in Europe - then the former Soviet Union must look eastward for its imports and exports. It would, of course, be in the interest of the whole world if the West ended labor stagnation with a revitalized policy of high technology investment.

Finally, when new industrial, income, and trade policies are in place, a new currency should replace the present ruble. This is important as a basis for the creation of a foreign exchange policy that will help to make trade become a major factor in economic development. In the case of South Korea in the 1960's, before its spectacular growth in the 1970's, scarce foreign currency could only be used for imports necessary for economic development. This policy had the blessings of the United States and the IMF, although the ultimate objective was trade without restrictions.

In conclusion, I should like to emphasize the fact that the opportunity to reverse the damage done by shock therapy and to create the conditions for a democratic, socially responsible market economy still exist.

Kurt F. Flexner
Professor Emeritus in Economics
115 Montgomery
Rhinebeck, New York 12572
Tel. 914-876-8286



THE WHITE HOUSE

WASHINGTON

November 8, 1994

Marlin D. Jackson
Chairman and Chief Executive Officer
Worthen National Bank of Conway
Post Office Box 729
Conway, Arkansas 72032

Dear Marlin:

Thanks for your letter of October 19 about your friend Kurt Flexner and his recent work on the Russian economy. I appreciate your sending his paper, and I look forward to having an opportunity to read it.

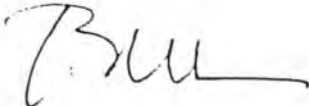
Thanks, too, for letting me know what your plans are for the immediate future. I really appreciate your willingness to serve the country, and I'll certainly keep you in mind.

I loved getting the update on your family and am glad to know everyone is well. Please give R.D. my best regards.

Finally, I appreciate your desire not to impose upon my time by writing frequently. If it's all the same to you, though, I'd rather hear from you more often. I've always valued your insight.

I've enclosed a piece by Thomas Patterson that I thought you might enjoy, as well as a list of the Administration's achievements. See you soon.

Sincerely,





MARLIN D. JACKSON
Chairman and Chief Executive Officer

October 19, 1994

Honorable William J. Clinton
President
United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-0200

Dear President Clinton:

A couple of years ago I shared with you a book that rapidly became a best seller written by one of the foremost economists in the United States, Dr. Kurt Flexner. The name of the book is "An Enlightened Society". Additionally, I shared with you a copy of Dr. Kurt Flexner's vita.

You will observe that he has held a variety of distinguished positions and has been an economic advisor to the American Bankers Association, various members of the presidential cabinets, and most recently he has served as a special economic advisor to the leaderships in Russia with regard to assisting them in making the transition from communism to a free market society. He has written extensively for President Yeltsin of Russia but most of his work has been providing economic advice; providing economic guidance to the cabinet levels in Russia and other of the more progressive states of what was once the USSR.

I am enclosing a recent document prepared by Dr. Kurt Flexner. I urge you to take a few moments to read this and share it with your economic advisors and policy makers, including those that are responsible for our relationship with Russia.

Both academically and in my professional work, I have well over a third of a century of study under various economists. Of all the economists I have ever known, of all the economists that I have ever read, Dr. Kurt Flexner continues to reflect the best understanding of the workings of the United States' economy as an integral part of a rapidly growing world economy.

On a personal note, I commend you, Hilary and Chelsea for the manner in which you have withstood the unrelenting piranha attacks of the press and others who appear to be dedicated to destruction rather to moving the country forward.

Your actions in connection with Haiti and the Persian Gulf have been very positively received by the rank and file citizen in the United States. They have substantially eliminated the image of lack of decisiveness.

Worthen's ✓ CC: Tracy
the portion
paper to
sent to
lake

Honorable William J. Clinton

October 19, 1994

Page 2

I hope, indeed I pray, for an earlier resolution of the greatly exaggerated and distorted "Whitewater affair" so that you, I and others can get on with our lives as opportunities present.

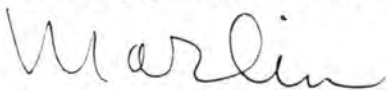
I have entered into a contract to sell the banks I own in Paragould and Pocahontas to the Union Planters Corporation on December 31, 1994. Upon the consummation of this and after a respite to recoup from 60 to 90 hours weeks with the Worthen Banking Corporation, I will be completely available to assist you in any way you might need. No doubt as you are aware, Worthen Banking Corporation has entered into a contract to sell to Boatman's Corporation of St. Louis. Unless I'm needed by you at the present time, my plans are to continue to serve as chairman and CEO here in Conway. The Boatman's transaction should actually improve both my workload and my compensation.

As you are aware, Conway is one of the "top quality" areas in which to live and raise a family. Three of our four children and three of our four grandchildren all live in Conway. R. D., our oldest son, who used to pilot for you on frequent occasion, and our grandson, Marlin T. Jackson, live in Pocahontas where R. D. is president of Farmers and Merchants Bank.

I apologize for the lengthiness of this letter. Though I am not chagrined over the length of the letter as I recall this is only the second letter that I have written since you have become president. I make a special effort to try not to impose on your time either in person or by letter.

I do cherish your and Hilary's friendship and I am enormously proud of the job both of you are doing. You are daily in my thoughts and prayers.

Warmest personal regards,



Marlin D. Jackson
Chairman and Chief Executive Officer

MDJ/co
Enclosure

Kurt F. Flexner
115 Montgomery Street
Rhinebeck, New York 12572

July 9, 1994

Mr. Marlin D. Jackson
Worthen National Bank
P.O. Box 729
Conway, Arkansas 72032

Dear Marlin:

I finally completed the position paper Nikolai Ribkin, the chairman of the Russian parliament (Duma), asked me to write on the Russian economy concerning the failed reforms and my recommendations for new reforms. In our recent telephone conversation you expressed the belief that President Clinton might be interested in seeing a copy of this paper, since his approach to foreign relations is positive in so far as he considers not only the problems between nations, but also the circumstances that produced them.

If you have a chance to read the paper before you give it to him, I would very much like to hear your comments.

I hope all is well with you and your family,

Sincerely,

A large, stylized handwritten signature in black ink, likely belonging to Kurt F. Flexner, written over a horizontal line.

▲
JUL 1994
RECEIVED



FAX TRANSMISSION
FROM

CONGRESSMAN GEORGE MILLER
(D-CALIFORNIA)

TO: Lee Satterfield

FR: Pete R

Re: President's Indonesia trip

TOTAL NUMBER OF PAGES INCLUDING THIS ONE: 5

DATE: 11/8 TIME: 1:20

MESSAGE: The following letter was mailed to

"The President" on 11/4. Congressman Miller
would greatly appreciate it if you could
see to it that the President gets an opportunity
to consider the request outlined in the letter.
Thank you very much.

Lee Miller
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was
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T. Miller
D
last
time with
in
for

GEORGE MILLER

7TH DISTRICT, CALIFORNIA

2205 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0507
(202) 225-2095DANIEL WEISS
ADMINISTRATIVE ASSISTANT

CHAIRMAN

COMMITTEE ON NATURAL RESOURCES

COMMITTEE ON EDUCATION AND LABOR

Congress of the United States
House of Representatives
Washington, DC 20515-0507

DISTRICT OFFICE:

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SUITE 281
RICHMOND, CA 94806
(510) 282-85001407 TENNESSEE ST.
VALLEJO, CA 94590
(707) 645-1888

TTY (202) 225-1904

November 4, 1994

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

Dear President Clinton:

I am glad to hear that you will be attending the Asian Pacific Economic Coordination meeting in Jakarta, Indonesia. I would like to ask you to consider making time to visit the operations of a small-business constituent of mine while you are in Jakarta.

As you know, Indonesia has the largest GDP in Southeast Asia, growing 6.5% in real terms last year. With a population of over 188 million people, it is the fourth most populous nation in the world, and the market potential is enormous. In fact, our trade with Indonesia has more than doubled since 1988.

On a cloudy note, however, the World Bank estimated in its 1993 report that air and water pollution in Jakarta costs 6,000 lives a year and \$1 billion in economic losses. In order to stem this tide of human and economic losses, the Jakarta government has been importing nearly \$1 billion worth of pollution abatement equipment.

Aquatics Unlimited, a small-business manufacturer/exporter of environmental technologies and equipment based in Martinez, California, has been working through the United States-Asia Environmental Partnership (US-AEP) Program in delivering equipment and technology for the Indonesian Department of Public Works' Clean Rivers Program. As this is an on-going project, Aquatics is hoping that the contract will reach \$100 million.

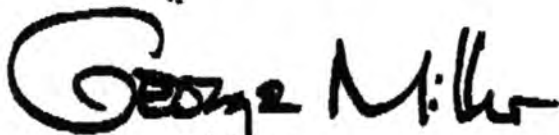
I know that, during your short two-day stay your schedule will be very full. However, I would like to respectfully suggest that you visit the operations of Aquatics Unlimited, one of which is located near the Hilton Hotel where you will be staying, to highlight our trade ties with Indonesia and the region. Mr. Thomas J. McNabb, president of Aquatics Unlimited will be in Jakarta during the period of your stay, and would be delighted to show you the sight. Also, Mr. Michael Hand, with the Foreign Commercial Services of the U.S. Embassy in Jakarta, has been working with Mr. McNabb, and he can provide you with further details as well.

Your public support in this manner would not only provide a tremendous boost to the project and our U.S. company, but would also acknowledge Indonesia's effort in environmentally-sound economic development and encourage other developing nations to pursue a similar course. Furthermore, one lesson from the technology fair at the Earth Summit 1990 in Rio was that the United States significantly lags behind other nations (particularly Japan and Germany) in the export of environmental technology. Highlighting a successful U.S. effort in this area can help improve our standing in this important growth sector.

Thank you for your consideration of my request. If you have any questions, please feel free to contact me or Pete Ro in my Washington, D.C. office. Mr. Tim Gahring, the operations manager of Aquatics at (510) 370-9175, would also be glad to provide you with any details on his company and its Indonesian contract.

I wish you a very productive trip to Southeast Asia.

Sincerely,

A handwritten signature in black ink that reads "George Miller". The signature is stylized, with the "G" being large and looping, and the "Miller" part written in a cursive-like script.

George Miller
Member of Congress, 7th District

THE PRESIDENT HAS SEEN

11.28.94

U.S. Fund Moves Cautiously in Russia, Leaving Most of Its \$340 Million Idle

By JOHN J. FIALKA

Staff Reporter of THE WALL STREET JOURNAL

Last year the U.S. Congress created a special investment fund to bankroll small private businesses across Russia, where Marxism hangs on tenaciously.

But 15 months into its three-year mandate, the Russian American Enterprise Fund, armed with \$340 million in U.S. tax dollars, has committed only 2.4% of its assets. It even took four months to select its first boss, A. Robert Towbin, a former managing director of Lehman Brothers, the Wall Street investment firm, and an expert on risky start-up ventures.

"They aren't visible," says Sergei Skatershikov, a Moscow business analyst. "They are studying the market but not making investments in the market." Andrei Volgin, a Russian who manages the Derzhava Investment Fund, also calls it too passive. "In this environment, managers should be more active," he says.

Money Isn't Cheap

Yet the fund is supposed to be innovative, and not just another cautious merchant bank, to help establish a market economy in Russia. Across the former Soviet bloc, businessmen too often can borrow only at extortionist rates when they can borrow at all. For example, the former Russian air force pilot who owns the small skirt factory that got the fund's first loan, for \$270,000, previously had to pay Russian bank interest of 222%. Mr. Towbin's fund replaced that ruble financing with a three-year dollar loan at 14%.

But finding sound businesses is hard in Russia, where the notion of private enterprise is, well, different. In 1992 a similar fund in Hungary invested \$4 million in EurAmerica, an investment services company that paid more than \$300,000 to two of its officers and left such a murky audit trail that its entire administrative staff resigned. Meanwhile, a Polish fund lost most of a \$3 million investment in a newspaper modeled after USA Today. It folded before publishing a single copy, the U.S. General Accounting Office says.

Thus Mr. Towbin takes a cautious approach toward borrowers. "If you don't do it right you're going to fail and end up with newspaper articles about how stupid you are," he says. "We're going to

make some terrible mistakes, but we're going to try and learn from our mistakes."

Last spring, the House majority and minority leaders called the fund's record part of the "yawning gap between America's good intentions and the actual performance" of aid programs. The fund's charter says it must return any capital not on loan after three years, and Congress, with skeptical Republicans now in charge, might not vote new money if the agency's impact is questionable.

Of 800 applications received so far, Mr. Towbin has rejected 500, many for not having coherent business plans or a sufficient grasp of business fundamentals. He says the fund might lend \$50 million over the next eight months, but then hesitates. "The more I work at this every day, the less sure I am of projections," he says.

Caution has its defenders. E. Gerald Corrigan, the fund chairman and former president of the Federal Reserve Bank of New York, says "I don't accept the hypothesis that there is a problem." He notes, "Every simple straightforward task that might take a couple of hours [in New York] would take a couple of days over there."

Only Two Others, So Far

But the biggest drags are due-diligence checks of borrowers. Aside from the skirt factory, the fund has made just two other loans: a \$55,000 purchase of deep-fat fryers to make pirogis, Russia's meat-filled pastries; and a \$1 million piece of a larger deal prepared by the European Bank for Reconstruction & Development for a wood mill in St. Petersburg. It has committed, but not paid out yet, \$7 million more.

Mr. Towbin says he hopes to speed business along by persuading Russia's 2,000 private banks to participate in his loans. He tells them that small entrepreneurs are destined to become Russia's economic "backbone" and offers to split interest payments and risk. Yet only eight have signed on.

This tortoise pace makes some of his 13 American and 10 Russian directors suspect some assets will never be lent. "There's no hope of disbursing \$340 million in three years," says one director. "If we had \$100 million out on the street by that time, the board would be ecstatic."

21

*Don't you say
Main of this? B*

Half a Policy on Iraq

There are two ways to contain Iraq. One, as the Clinton Administration recently demonstrated, is to deter war. The other, which it has neglected, is to encourage moves toward peace. Yet Washington refuses to acknowledge Iraq's progress on arms control — a serious and potentially dangerous mistake. It may be good domestic politics, but it poorly serves America's international interests. Refusing to recognize positive Iraqi moves discourages further cooperation and drives a wedge between America and other members of the U.N. Security Council.

Baghdad seriously damaged its credibility last month by staging menacing military maneuvers near Kuwait. After that ploy backfired, Iraq reversed course and recognized Kuwait's sovereignty and borders. But its earlier threats devalued that concession; Iraq must now firm up its assurances that it will never again engage in such provocative conduct toward its neighbors by agreeing to restrict its troop movements, give advance notice of future exercises and admit outside observers.

Still, three and a half years after the end of the Persian Gulf war, it is time to acknowledge that Washington is not about to overthrow Saddam Hussein. Besides, no better successor is in sight. If Iraq is to be influenced, the U.S. needs to talk to the present regime.

Instead, the Clinton Administration labels Iraq a "rogue state," responsive only to brute force. Iraq is surely an aggressor state; but it can also respond rationally to diplomatic incentives. For two years it has cooperated with U.N. arms inspectors, and its motive for this cooperation is clear. The resolution ending the Persian Gulf war stated that by complying with arms control requirements alone, even if it ignored other United Nations resolutions, Iraq could

reclaim the right to sell oil on the world market.

That language, promoted by the Bush Administration, was meant to focus Saddam Hussein's attention on the most dangerous postwar problem, Iraq's capacity to produce and use biological, chemical and, potentially, nuclear weapons. The resolution succeeded: Iraq began cooperating with arms inspectors late in 1992. While it has still not provided crucial information about past suppliers, it has maintained a high degree of cooperation ever since.

But the Bush Administration was not prepared to live up to America's side of the deal, and neither, it seems, is the Clinton Administration.

U.N. inspectors are now satisfied that Iraq's most dangerous weapons have been located and destroyed. They are ready to begin an aggressive long-term monitoring program to assure that Iraq builds no more such weapons. A majority of the Security Council's permanent members, eager to do business with Iraq, are prepared to lift oil sanctions after six months of successful monitoring, assuming problems like supplier information and accounting for missing Kuwaiti nationals can be resolved.

The U.S., supported only by Britain, will not agree. Washington, though it never says so directly, has made it plain that it will not consider relief so long as Saddam Hussein remains in power. That is no way to encourage Iraqi cooperation on arms control, or to encourage allies to maintain sanctions.

This is an awkward moment for the Clinton Administration to reconsider its hard line on Iraq. But if it does not, the U.S. may face even more awkward problems from Iraq down the road and a breakdown of the allied unity on which containment of Baghdad ultimately depends.

Britain's Civil Liberties Backslide

Britain, sometimes romanticized as the mother of some American liberties, is dismantling its own safeguards against compelled self-incrimination — at a time when "Miranda rights" seem to enjoy new respect in the United States.

For years British police have been warning arrested suspects: "You do not have to say anything unless you wish to do so, but what you say may be given in evidence." That seems fair enough, though not as informative as the U.S. version.

But Parliament has just changed the rules, prescribing a warning that seems certain to confuse and coerce suspects into forfeiting whatever right to silence they have. The new warning: "You do not have to say anything. But if you do not mention now something which you later use in your defense, the court may decide that your failure to mention it now strengthens the case against you. A record will be made of anything you say and it may be given in evidence if you are brought to trial."

Thus if an arrested person exercises the right to silence, he may suffer for it at trial. It could cost him the chance to offer a credible alibi in his own defense; the judge or jury would be free to discount the defense because it was originally withheld. That defies not only the safeguards against self-incrimination, but worse, the entire criminal justice tradition of demanding that government prove the case against a defendant presumed innocent.

Alas, the British have nothing to teach their former colonies on this subject. Nearly 30 years ago

— one year before the famous confession case of *Miranda v. Arizona* — the Supreme Court reversed a California murder conviction because the prosecutor and trial judge commented adversely on the defendant's failure to testify. That kind of comment, it said, "is a penalty imposed by courts for exercising a constitutional privilege. It cuts down on the privilege by making its assertion costly."

The "Miranda warnings" required under the high court's 1966 ruling compel police to tell suspects: "You have the right to remain silent and refuse to answer questions. Anything you do say may be used against you in a court of law. You have the right to consult an attorney before speaking to the police and to have an attorney present during any questioning now or in the future. If you cannot afford an attorney, one will be provided for you without cost. If you do not have an attorney available, you have the right to remain silent until you have had an opportunity to consult with one."

Senator Orrin Hatch of Utah, who is expected to head the Senate Judiciary Committee, has said that he sees no need to legislate in this area because the Miranda safeguards have worked. That is broadly true, thanks to the American constitutional order with its written charter of liberties, enforced by an independent judiciary. That enforcement has not been uniform, but law enforcement officers have responded well to Miranda's restraints because they are clear and fair.



SECRETARY OF THE ARMY
WASHINGTON

THE PRESIDENT HAS SEEN

11-28-94

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for [unclear]*

November 28, 1994

The Honorable William J. Clinton
The President
The White House
Washington, D. C. 20500

Dear Mr. President:

During the days leading up to and including the Thanksgiving holidays, I visited your Army troops in Panama, Haiti, Kuwait, and Saudi Arabia. In the course of those visits, several soldiers and officers spoke to me about the recent remarks by Senator Jesse Helms.

The tenor of their comments is best represented by a Sergeant Major, a grizzled 25-year Army veteran accompanied by two of his colleagues, who said: "Sir, what can we do about Senator Helms' comments? They do not represent our views. We can't let him talk like that about our Commander-in-Chief."

The bottom line is that your soldiers, their noncommissioned officers, and their officers respect and support you. They are loyal to you and committed to carry out your orders as their Commander-in-Chief and President whenever and wherever you call upon them. They always have been.

With respect,

Togo D. West, Jr.

11-28-94

THE WHITE HOUSE

WASHINGTON

November 28, 1994

94 NOV 28 P12 : 36

RECOMMENDED TELEPHONE CALL

TO:

Sen. Exon
Sen. Campbell
Sen. Conrad
Sen. Metzenbaum
Sen. Levin
Sen. Wellstone
Sen. Bumpers
Sen. Bryan
Sen. Reid
Sen. Grassley
Sen. Cohen

DATE:

November 28, 1994 (COB)

RECOMMENDED BY:

Patrick Griffin
Susan Brophy

PURPOSE:

GATT Calls to Senators

BACKGROUND:

See attached.

TOPICS OF DISCUSSION:

See attached.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

Sen. Exon	224-4224
Sen. Campbell	224-5852
Sen. Conrad	224-2043
Sen. Metzenbaum	224-2313
Sen. Levin	224-6221
Sen. Wellstone	224-5641
Sen. Bumpers	224-4843
Sen. Bryan	224-6244
Sen. Reid	224-3542
Sen. Grassley	224-3744
Sen. Cohen	224-2523

DATE OF SUBMISSION: November 28, 1994

ACTION: _____

FAX TRANSMITTAL

of pages **3**

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

NSN 7540-01-317-7368

5099-101

GENERAL SERVICES ADMINISTRATION

THE PRESIDENT HAS SEEN
11/27/94

L Lader
 We didn't do this
 but I'll tell to acknowledge
 him if he may be turn it
 up later
 P.



THE PRESIDENT HAS SEEN

11/27/94

11/21 CCNH

Willow Creek Community Church

November 21, 1994

President Clinton
c/o Nancy Herrnreich
White House
1600 Pennsylvania Avenue
Washington DC 20500-2000

Dear Bill:

Sorry I've been out of touch so long. I've been in Australia and the United Kingdom training church leaders, and I know you've been doing your own world hopping. I trust that the objectives of your trip were achieved.

X [I was saddened by the aftermath of the recent election. Rarely have I seen the far right so wrong in their pomp and arrogance. I don't know how you absorb hurt as often as you do--yet keep on going. I will be anxious to discuss this and other matters at our next get-together.

Along those lines, let me make a bold suggestion. Someone told me that you and the family might be going to Camp David for Thanksgiving. I don't have any idea what you have planned for a little spiritual encouragement while you're there, but that might be the perfect setting for what I had mentioned to you before. My bringing out a small team of musicians and vocalists who could lead us in a beautiful and soul-lifting time of worship and thanksgiving. We could be in-and-out in an hour. Hillary and Chelsea, and whomever else is with you, could attend, or not. But, please trust me on this one, friend, it would minister to your soul and build you up spiritually. (And about now you've got to need it!) Nancy Herrnreich and I could handle all the details. What do you think? I know it's short notice, but I hope you'll go for it. It's not even quite as crazy as meeting in Cleveland near midnight.

I'll await your response.

Bill Hybels

Dr. Paul & Jan Crouch
TBN
P.O. Box A
Santa Ana, CA 92711

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- millions of viewers

"Da... Prayer"
Bill Hybels
(708) 765-5000

THE PRESIDENT HAS SEEN
11/27/94

Leader
Sum
n: this
Box

cc: Leon, Esther
Hans, GS,
Maggie, WWS,

November 4, 1994

This is a real winner

94 NOV 11 AG: 14

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President:

Just a word of encouragement to you as the elections come and go. More than likely, you may hear words of disaster, failure, non-electability and so on. Pay no mind. I happen to believe that the future - re-election - can and will be all bright.

You have always been a winner and will continue. Thought you might find the following passage somewhat interesting. In his book -- "Father's Day", John Batchelor writes with Jack Longfellow speaking to the President and First Lady - "From the first day in office, you had to keep winning - and you didn't. You got off onto something called governing and policy making. You know, what I think is, to hell with your governing. Your job was to win and win and win. You are only one third of the government - you have to win every day to hold up your part."

I believe that you can look back and find truth in those thoughts. Jimmy Carter stopped winning - George Bush stopped winning - Ronald Reagan never once let governing interfere with his winning every day. You truly need a second term to implement the governing and policy parts. First, you have to get there. Carter and Bush didn't - Reagan did.

So just start back - which I believe you have - and keep on doing what you do best - winning.

My prayers are with you and your family.

Regards,



Bert Lance

P.S. You had just The "Right Touch"
as Lanny Kirk



THE WHITE HOUSE

WASHINGTON

11-26-94

Dear Bert—

Thanks for your letter and its insight — There is much wisdom in what you said, and we lost a lot of that — Now we have to get back on the job of winning. I appreciate any further ideas you have on how we should proceed — Our people have a lot riding on it.

Sincerely

Bill Clinton

The Honorable Bert Lance
Lance Company
Route 7, Lance Road
Calhoun, Georgia 30701



Hcher

Summ R:

There

B



THE PRESIDENT HAS SEEN 11/27

Shaheen, Cappiello, Stein & GordonProfessional Association
Attorneys at Law

William H. Shaheen
Daniel M. Cappiello
Eugene A. DiMariano, Jr.
D. Michael Noonan *
Karyn P. Forbes *
Christopher D. Hawkins
Dover Office

* also admitted in Maine

Robert A. Stein
Steven M. Gordon
Andru H. Volinsky
Michael J. Sheehan
Peter G. Callaghan
Paul A. Maggiorio

Of Counsel:

Arpiar G. Saunders, Jr.
Amy R. Goldstein
Diane Perin Hock
Concord Office

November 9, 1994

President Bill Clinton
White House
Washington, DC 20500

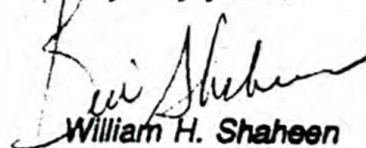
Dear President Clinton:

In addition to being a senior partner in this lawfirm I am a part-time District Court Judge in Durham, NH. We met many years ago for a brief moment in Memphis when I was the U.S. Attorney in New Hampshire and you were the Governor in Arkansas. I have followed your career with interest and supported you in the last election. I continue to support you. My belief is that you are on the right track and that your agenda must be completed. I have doubts that it will be completed in the two years that remain before your re-election becomes imminent.

My political experience is that I was Jimmy Carter's state chairman here in New Hampshire when he ran for President for the first time. I believe I understand the hopes and fears of our citizenry. My belief that your agenda must be completed is so strong that I am willing to resign from my Judicial appointment and work on your re-election campaign.

My family is a strong democratic family in New Hampshire. My late father was the Sheriff of Strafford County, William N. Shaheen, and my wife is presently the State Senator for this district, C. Jeanne Shaheen. She has just won her race with sixty percent (60%) of the vote. If you feel I can be of assistance please do not hesitate to contact me.

Very truly yours,



William H. Shaheen

WHS/pk

Mailing Address: P.O. Box 977 • Dover, New Hampshire 03821-0977
Trela House • One Waldron Court • Dover, New Hampshire 03820
Telephone: (603) 749-5000 • (800) 451-1002 • FAX: (603) 749-1838

① cc pantagaz
② President

November 11, 1994

Dear Ann,

Annexed is the letter I told you about from Bill Shaheen. There is a great need for the President to be involved in the coalition building efforts that are going to go on with the Democratic Party in New Hampshire. Bill and Jeanne Shaheen are two of the most knowledgeable political figures in the State.

I suggest the President meet with myself and the Shaheens when he can to discuss New Hampshire and how to forge a unified Democratic effort behind the President's core agenda and his person.

Thanks for your help.

Sincerely,
Joe Lewis

settles set this meeting up,
and soon —

THE PRESIDENT HAS SEEN

11/27

NH National & Community Service Executive Board

64 Old Suncook Road • Concord, New Hampshire 03301

Telephone: 603-228-9500

FAX: 603-228-8557

11-22-94



Chairs

Terry Shumaker
Gallagher, Callahan & Gartrell
Deborah Tasker
Dover Adult Learning Center

Members

Dr. Keith Bird
NH Technical Colleges/Institute
System
Kathleen Desmarais
Governor's Office on Volunteerism
Carol Dustin
Grafton County Senior Citizens
Council
Dr. Daniel Garvey
American Youth Foundation
Richard Leven
Productive Systems, Inc.
Paul Leather
NH Division of Vocational
Rehabilitation
Kathleen McQuade
The Workplace
Donald Mattise
United Way of Greater Nashua
Thomas Mattson
NH Division of Parks
and Recreation
Danielle Millette
Plymouth State College
James Milliken
Merrimack County Telephone
Robert Morneau
Teamsters Local #633
Rep. Donald Pageotte
Somersworth
Dr. Elizabeth Twomey
NH Department of Education
Raymond Trueman
United Brotherhood of Carpenters
Local #921
Tracy Weber
University of New Hampshire
Ex-officio
Peter Bender
Corporation for National Service
Ray Worden
NH Job Training Council



Mr. President —

As we all celebrate Thanksgiving,
I thought you'd want to see
the enclosed and that your presidency
and AmeriCorps are making a
difference for regular citizens here
in New Hampshire!

Last Tuesday can be turned around
(the Republicans are already helping), but
from our vantage point much needs to
be done.

As you asked, John and I are putting
together a N.H. plan in consultation with
others here you trust. We hope to be
able to discuss it with you soon and
have asked for a few minutes to do
that in December.

Until then, hang in there and have
a wonderful holiday with your family.
'Til the last dog dies —
Terry



T. Shumaker
GALLAGHER, CALLAHAN AND GARTRELL
PROFESSIONAL ASSOCIATION

Nancy -
Could you please give
this to the President -
before Thanksgiving
if possible?
Thanks, and Happy
Thanksgiving from N.M.
Terry

President Clinton
c/o Nancy Herrnreich



LOIS SHEA

AmeriCorps worker makes a difference

It's 8:30 a.m. and Nashua District Court is teeming with people who look like they just walked out of a Tom Waits song.

A handcuffed man with no shoelaces and dried blood on his face is led into Courtroom 1. A woman with black heels, a long black trench coat and a very, very short skirt roams the building. Lawyers wearing expensive ties and too much styling gel strut with exaggerated purpose.

Before the clock has a chance to strike 9, two women have already showed up to fill out petitions for temporary restraining orders against their abusive husbands or boyfriends. To greet them at the door is a 22-year-old woman who, unbeknownst to them, is about to make their day in court a whole lot easier.

Debbie is an AmeriCorps worker. She is stationed in Nashua District Court for the next 10 months to help women — and a few men — through the labyrinthine process of securing restraining orders against abusive partners.

She explains the legal process, answers questions, helps with paperwork, appears with victims before the judge. She is present at final hearings and is armed with a list of referrals for everything from food stamps to free health care and pro bono divorce lawyers.

Debbie, who uses just her first name for safety, has given a year of her life to public service. Through the AmeriCorps program, started by President Clinton last year, this aspiring law student will receive an educational stipend — and a priceless courthouse education.

The state AmeriCorps Victim Assistance Program has 30 workers stationed in district courts, prosecutor's offices and crisis centers. Nearly 200 more AmeriCorps workers take part in educational and environmental programs in New Hampshire.

Debbie is tall and blonde and well-spoken, a self-described "idealist." She contradicts every Generation X stereotype.

"I think I can get a lot accomplished by being idealistic," she says.

This morning at the courthouse, she is wasting no time. The two women who arrived before 9 looking tense and scared are relieved when she appears at their side to explain the process and help with the paperwork.

While Debbie waits for court to be called into session, she stands in the corner of the lobby with "Louise." Louise's troubles pour out like a waterfall — the history of abusive relationships, her husband's violent outbursts, the stalking, the struggle to care for her young child.

Debbie hears her out. Then she says, "But look how far you've come. You got out." Louise hadn't really looked at it that way. She brightens a bit. When it is time to go before the judge, Debbie walks alongside Louise down the center court aisle.

The temporary order is issued. When she leaves the courtroom, Louise thanks God out loud that she didn't have to go before the judge alone.

AmeriCorps was a natural for Debbie. A New Hampshire native, she graduated last spring from UNH with a major in political science and minors in

women's studies and justice studies. In college, she worked as a rape crisis counselor. In law, she wants to specialize in women's issues. She considered joining the Peace Corps, but decided AmeriCorps was better for her.

"I think the Peace Corps is great, but I think the United States has a lot of problems that it has to deal with. And I think domestic violence is a major problem on the agenda," she says.

Proof of that enters the courthouse in a steady stream. Shortly after 10 a.m., a woman Debbie helped last week rushes in. When Debbie last saw "Amy," her face was so black and blue that Debbie could not recognize her from her driver's license picture. Now Amy wants the restraining order against her boyfriend dropped.

Debbie asks why. "I love him and I want to get married."

Debbie and Amy confer in hushed tones. Amy says she provoked the beating. Debbie tries, to no avail, to convince Amy that it was not her fault. She tells Amy that she can come back and get another order if she wants to, and gives her referrals to social service agencies. Then she watches Amy walk out the door.

"I'm really upset right now," Debbie says, sitting down on a court bench. Amy will probably land back in court or in the back of an ambulance.

But when "Jill" walks into the courthouse, Debbie's upset momentarily vanishes. Jill had been in a violent relationship, dependent and down and out. Debbie helped her get a restraining order. Jill got out of the relationship, got a job, got herself some new clothes and came back to Debbie to say thanks.

Seeing women transform their lives makes Debbie's service worthwhile. Referring to Jill, Debbie says, "She's got a job, she's dressed up, she's... she's... happy."

Debbie walks the halls of the courthouse like a pro. The clerks page "Miss Debbie" if she is upstairs and a woman needs help. By guiding people through the process, Debbie makes judges' jobs easier. The bailiffs keep her posted on the court schedule, and, in return, she bakes cookies for the bailiffs.

Debbie got some of her inspiration to serve from the guy who started AmeriCorps.

"I think he's an important figure," Debbie says of Bill Clinton. "He's very idealistic, too... I think it's good that he's gotten this started. I hope it's given a chance."

Debbie could have gotten a job at an insurance agency, like some of her friends, and made a lot more money for law school. But that wasn't really the point.

"That wouldn't have meant as much to me," Debbie says. She doesn't have designs on becoming a high-priced lawyer. She chose law because she believes in the law's awesome power to do good.

The Nashua court breaks for a late lunch. Debbie eats her sandwich in her car, then stations herself back at the courthouse doors, waiting for women who need her help.

While a lot of people in her generation whine that there are no more heroes, Debbie is busy becoming one.

THE PRESIDENT HAS SEEN "/27



cc: UAF/Leon

Fig1 - what do you think of this idea

November 9, 1994

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

Dear Mr. President:

I appreciate and cherish your letter of October 21.

I am not sure how you are feeling on this - the day after, but I did want to write in hopes that those of us who are moderate-to-liberal religionists will now be more galvanized and vigilant. I have a feeling that the work of the Interfaith Alliance, now only in its 4th month, will take on added importance and will spread throughout the country.

* All the more reason to return to an earlier suggestion: A White House Conference on Values (in the Family). There could be some important, bi-partisan results, and Dr. Stephen Carter might be able to help us find our way through it. I would refer you to the 2 tapes which I hope Mark Middleton has given you. I frequently think of his message.

You are to be commended and praised for all your work in the Middle East; hopefully Syria will fall in line. I understand, however, that the State Department has recommended no funding for the Palestinian-Israeli Cooperation Program, as proposed by The Jewish Peace Lobby, even though the Senate Appropriations Committee recommended its funding.

How wonderful it would be if you could suggest to the State Department that this program be funded - as requested for Fiscal Years 1995 and 1996. I believe,

Congregation B'nai Israel

Rabbi Eugene Levy • Congregation B'nai Israel • 3700 Rodney Parham Road • Little Rock, AR 72212-2498
Ph. (501) 225-9700 • Fax (501) 225-6058



Page 2
President Clinton
November 9, 1994

according to a previous letter, that you were impressed with the philosophy of that program.

The Reform Jewish Community continues to believe in you and wish you success. Speaking on behalf of so many people who continue to love and support you, let me wish you well. The Gates of Prayer and Psalms can continue to provide words of healing and encouragement. We know you are doing the right thing and will continue to work with you and uphold you in every way possible.

Regards to the First Lady and Chelsea.

Sincerely and Shalom,

A handwritten signature in black ink, appearing to read "Dave", with a long horizontal stroke extending to the right.



~~Handwritten scribbles and crossed-out text~~

Ershim - Su Lu
M.T.C. B

THE PRESIDENT HAS SEEN
11-27-94



Donny Soter
5'2" tall - security law 87
- can register property
- legal perm. residence

Maister

Emil Cortez - LRP

Admiral
↳ New Side walk to
Belm Beach the 8th.

Robert Miller MD - com su m -





THE PRESIDENT HAS SEEN 11/27/94

top more...

John White - President
Dr. Haywood Davis
Laborer
K. C. City

Acetü - sumus
M. D. H. B.



THE WHITE HOUSE
WASHINGTON

November 21, 1994

94 NOV 21 P2:24

MEMORANDUM FOR JIM DORSKIND
SPECIAL ASSISTANT TO THE PRESIDENT AND DIRECTOR OF
CORRESPONDENCE AND PRESIDENTIAL MESSAGES

FROM: *And* DAN BURKHARDT
DIRECTOR, WHITE HOUSE GIFT UNIT

SUBJECT: LETTERS TO FOREIGN OFFICIALS

As you know, the NSC has taken over the writing of letters from the President to foreign officials arising out of his trip to the Philippines and Indonesia. This also happened after the Middle East trip. In both cases, it occurred after we followed established procedure and submitted drafts to the NSC for review and editing.

A decision should be made regarding whether we or the NSC will draft such letters in the future. We devote considerable time to collecting information and drafting and editing them; if they are not going to be used, I would like to redirect my office's resources into other areas.

We certainly should reach agreement on this matter prior to the Summit of the Americas, which begins December 9. I understand from the State Department that there will be a formal gift exchange between the President and 33 other heads of state. That will result in at least 33 letters for the President's signature (and possibly twice that many if foreign ministers also offer gifts, as expected).

I am available to meet to discuss this matter at your convenience.

cc: Nancy Hernreich
✓ John Podesta
John Ficklin

*Jim Dorskind
How do you
want to handle
John*

Marty Latz
4304 East Campbell - # 2021
Phoenix, Arizona 85018
(602) 954-8705

November 16, 1994

94 NOV 19 All : 46

Mr. John Podesta
Assistant to the President and Staff Secretary
The White House
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20500

Dear John:

Thanks for taking the time to discuss with me the possibility of my obtaining a position in the Administration. I sat down and spoke with Craig Smith at your suggestion and he is optimistic something will turn up in the next few months. He also suggested that I continue to ask folks I know to keep their ears open for possibilities in which I might be interested. Hence, this letter and my enclosed resume.

I have qualifications for a position in three areas:

- (1) communications/political affairs;
- (2) something law-related; and
- (3) scheduling/advance.

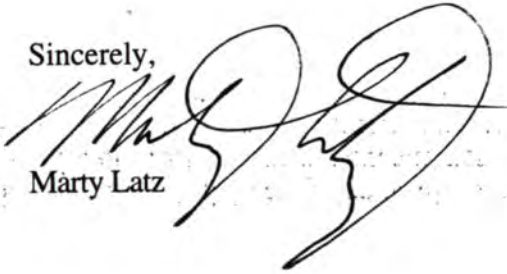
I just spent 6 months on Terry Goddard's gubernatorial campaign as his Deputy Campaign Manager for Communications. Despite our loss by a few thousand votes, I felt that we effectively communicated our message to Arizona voters. Unfortunately, it was not enough. (By the way, Basha outspent us by \$500,000, a very significant amount in Arizona.)

I also practiced law for about two years after graduating with honors from Harvard Law and would explore a legal position in the Administration. Of course, my background in scheduling/advance also qualifies me should something become available in that area.

I know how busy you are, but I would appreciate it if you could keep me in mind as the inevitable turnover occurs in the Administration in the next few months. I am also enclosing an article I wrote on the Arizona election that I thought you might be interested in reading.

Thanks again.

Sincerely,


Marty Latz

Encls.

Harold
takes
fyi
He worked
for
weedy
Sherman
in
the
188.
campaign
Tom

MARTIN E. LATZ

4304 East Campbell - # 2021
Phoenix, Arizona 85018
(602) 954-8705

GOVERNMENTAL/POLITICAL EXPERIENCE

Terry Goddard for Governor

April 1994 - September 1994

Deputy Campaign Manager - Communications

- Coordinated all campaign communications, including media relations and strategy, issues and opposition research, speech writing, and debate preparation. Daily responsibilities included drafting press releases and issue position papers and arranging all media events.

The White House

May 1993 - April 1994

Part-time Presidential Site Advance, Office of Scheduling and Advance

- Advanced sites for President Bill Clinton in Detroit, Los Angeles, Milwaukee, Minneapolis, New York, and Oakland.

Campaign '88/Democratic National Committee

July 1988 - November 1988

Assistant to Wendy Sherman, Director, Washington, D.C.

- Assisted Director in all aspects of the fall campaign, including congressional relations, scheduling/advance, constituent relations, communications, fundraising/finance, debate preparation, issues research, national field organization, and communications.

Mike Dukakis for President

October 1987 - July 1988

Assistant to Wendy Sherman, Director - Washington Operations

- Assisted Director and lead advance person for all Dukakis trips to Washington, D.C.

John F. Kennedy School of Government, Harvard University

1990 - 1992

Teaching Fellow

- *Public Opinion, Politics, and the Press*
- *First Amendment: Legal Doctrine and Political Practice*
- *Uses of History for Analysis and Management*

Congressman Bruce F. Vento (D-MN)

June 1987 - October 1987

Lyndon B. Johnson Intern, Washington, D.C.

- Researched legislative matters and responded to constituent requests.

OTHER EXPERIENCE

Lewis & Roca

May 1992 - March 1994

Associate Attorney, Phoenix, Arizona

- Experience included depositions, motion practice, government relations, and research.

Merlin International Properties (Aust) Pty Ltd

January 1989 - May 1989

Public Relations, Sydney, Australia

- Responsible for tenant relations at Harbourside Festival Marketplace.

EDUCATION

Harvard Law School

September 1989 - June 1992

J.D., cum laude

London School of Economics and Political Science

October 1985 - May 1986

Highly Commended Performance: Awarded to top 10 percent of class.

University of Wisconsin-Madison

August 1983 - May 1987

Bachelor of Arts with Honors in Political Science, GPA: 3.9 (4.0 scale), Phi Beta Kappa

PUBLICATIONS/HONORS

The Constitutionality of State-Passed Congressional Term Limits

- Akron Law Review, 1991; Shorter version - The Arizona Republic, Oct. 4, 1992.

Harry S. Truman Scholar, 1985: Awarded by U.S. Congress to 105 sophomores annually in recognition of academic performance and commitment to government service.

PERSONAL/ACTIVITIES

Big Brother/Big Sister Program, Big Brother, Boston, Massachusetts, 1990-92.

Opinions

Battle of the 'outsiders'

What voters need to ponder

By Marty Latz

Four years ago, Fife Symington ran as the outsider. The successful businessman. The candidate who would shake up government, run it like his business, and chart a new course for Arizona.

Four years later, Eddie Basha is running as the outsider. A successful businessman, Basha also wants to shake up government, make it more efficient, and chart a new course for Arizona.

Four years from now, we'll undoubtedly have yet another outsider running for governor.

Why? What is it about "outsiders" that appeals to voters, and how does this impact Arizona's gubernatorial race?

Two fundamental issues critical to outsiders' chances of victory are addressed in every election. One issue revolves around the strength of the forces for change, the outsider's mantra. The more voters desire change, the stronger the outsiders' chances of riding the wave of change to victory. The second issue depends upon the voters' knowledge of the outsider candidate and whether they believe he/she is a credible candidate who can bring about real change. (Ross Perot ultimately failed this second test in 1992).

This second issue presents outsiders like Symington and Basha with a formidable challenge. After all, voters by definition know very little about outsiders' stands on important public



The Associated Press

Gov. Fife Symington



The Associated Press

Challenger Eddie Basha

Coming Tuesday:

Gubernatorial candidates comment on education, crime, taxes, foster care and bureaucracy.

worked to maintain his combative outsider image. His chosen battles

conferences to define Eddie Basha as too radical for Arizona, a big spending liberal who supported the \$3 billion ACE Initiative in 1990.

With recent polls showing Basha leading, we can safely assume this "Basha is a radical big spending liberal" message will soon make its way onto the airwaves. Yes, the negative ads will come. And probably soon.

Dorskind

October 26, 1994

94 NOV 7 10:32

When the American people vote for a Democrat or Republican for office they are trying to vote in the best man or woman from each party. People are not voting in the Democrat to undermine the Republican Party, nor do we vote in a Republican to undermine the Democratic Party. A good Republican and a good Democrat can work together for the good of our nation. However, when you have the Democrat leaning toward the left like some of the Democrats were before Bill Clinton became President both the Democratic and Republican Parties are hard to work with. It is the same way when the Republican Party leans too far right, like now. Republican and Democratic Parties have trouble working with far right and for good reason, they are too one-sided and they are only for the wealthy. Any President, Democrat or Republican would have a difficult time getting a good Health Insurance plan through, because left-wing Democrats and right-wing Republicans lobbying. Big money would undermine any President, Democrat or Republican. Who would come up with a good Health Insurance plan? Some people in our government and big money, are trying to get the right to law in the United States. The right to work law means you do not have any right to work. Whoever you work for can lay you off for any reason. 29 states with right to work laws are working like a black hole in the universe. There are good paying jobs from other states going to the "right to work" states for cheap labor. At this time the "right to work" states are doing better than they did before because good paying jobs from other states are going to the "right to work" states for cheap labor. In the long run it is going to backfire. If all 50 states would go to right to work law, all people in the 50 states would be working for cheap labor like Mexico. People work for low salary, they pay less State and Federal Income Tax, so there would be a big lay off in Government. The worker would then make less money and would not buy expensive things like cars and homes, etc. So, state, city and county receives less in sales tax. We would then see a big lay off in branch government and manufacturing.

Yours Very Truly,



Ronald Carlson
A Concerned Citizen
10920 East Side Dr.
Oklahoma City, OK 73165

THE WHITE HOUSE
WASHINGTON

October 18, 1994

MEMORANDUM FOR SENIOR STAFF

FROM: J. VERONICA BIGGINS *JVB*
RE: PA/PAS PT BOARDS AND COMMISSIONS TIMETABLE

Following is an approximate schedule of completion dates for appointments to PA/PAS part-time boards and commissions submitted by the Associate Directors of Presidential Personnel. The number of vacancies appears after each board or commission. Please feel free to contact me with any questions or recommendations you might have. My assistant Dina Kaplan and I can be reached at 6-6502. Thank you for your attention.

Target Completion Date - October

Acid Precipitation Task Force (no limit)
Air and Space Museum, Board of Directors (1)
Arkansas River Compact Ad, CO-KS (1)
Broadcasting Board of Governors (8)
Columbia River Interstate Compact (1)
Community Development Advisory Board (NAD Bank) (9)
Defense Base Closure and Realignment Commission (7)
Endangered Species Committee (1)
Farm Credit Systems Insurance Corp. (3)
Federal Hospital Insurance Trust Fund (2)
Federal Retirement Thrift Investment Board (1)
Federal Supply Medical Insurance Trust Fund (2)
Historical Publications and Records Comm, National (1)
Interstate Commission on the Potomac River Basin (3)
Klamath River Compact (1)
KS-NE Big Blue River Compact (1)
KS-OK Arkansas River Compact (2)
Marine Mammal Commission (3)
National Bankruptcy Review Commission (3)
~~National Council on the Arts (8)~~
National Education Standards and Improvement Council (19)
National Institute of Building Sciences (2)
National Skills Standard Board (6)

*Veronica
Tom Shen
Is this done?
If not, I have
to re-evaluate
To the
President*

THE PRESIDENT HAS SEEN 11/27

THE WHITE HOUSE

11/26

President —

sent over from Shali. We'll
get it around quietly.

Sandy

Thawley

Chairman of the Joint Chiefs of Staff



Gen. Barger -

You might
wish to show this
to Pres Clinton...
a different view
on how some soldiers
view their Commander.
in Chief.

JCS

Helms under siege,

From the Fayetteville, NC paper:

pulls back

GIs: Clinton welcome

A staff report

✓ **SPRING LAKE** — Some Fort Bragg soldiers say that Sen. Jesse Helms' remark that President Clinton would need a bodyguard in North Carolina is "hogwash" and "just plain ridiculous."

✓ Spec. Damian Hayes said soldiers don't always agree with President Clinton's policies, but they respect him and his decisions.

"It's pure hogwash. Everybody respects President Clinton," Hayes said.

"And the way I see it, everything President Clinton does is not just him alone. The House and Senate must approve of what he does, too. I don't always agree with everything he does, but all in all, he's OK. It's our job and he is our commander in chief."

Spec. Frederick Fluchel agrees. He said he thinks troops will welcome Clinton to Fort Bragg any time.

"When President Clinton visited

See Soldiers. Page 4A



Helms: Soldiers call his comment about Clinton 'hogwash.'

Soldiers

From Page 1A

✓ after the plane crash on Pope, everybody wanted to go see him," Fluchel said. "I don't think anything has changed since then. That shows how much we respect him."

In March, the president visited soldiers in Womack Army Medical Center who were injured when an F-16 crashed on the tarmac at

Pope Air Force Base and a fireball swept over paratroopers waiting to board planes.

"It's ludicrous to think President Clinton would be in any danger here," Cpl. Lance Manning said. "He is our commander in chief and we respect him and would protect him at all cost."

Washington incompetent, voters think

Despite President Clinton's "new Democrat" policies, people are becoming convinced that the government in Washington creates as many problems for Americans as it solves.

Demosclerosis, it's called in the cover story of *The New Democrat*, magazine of the Democratic Leadership Council. The group was founded by then-Arkansas Gov. Bill Clinton and other Democrats six years ago to find new policies for the 1990s.



**GEORGE
EMBREY**

Jonathan Rauch writes in the magazine that *demosclerosis*, "government's

progressive loss of the ability to adapt ... what Bill Clinton is running up against," is not deadlock but "government that creates more problems than it solves."

"People aren't mad at Washington for not getting enough done; they're mad because what Washington gets done is failing to solve their problems," Rauch wrote.

Conversations in Columbus and Cleveland the past week with Republican leaders and private citizens of both parties produced a lot of agreement with the Democratic Leadership Council's analysis.

Rauch said pressure from special-interest groups is so powerful that not even Clinton and his majority Democratic allies in Congress seem to be able to kill any old federal programs to make way for new ones.

"The government is like the old Soviet economy, in which old enterprises never shut down, preventing new ones from springing up," Rauch wrote. "Enraged, the public turns against government and rails at politicians."

"People in Washington, they don't really care. They're looking out for themselves," said Paul Nettelhorst, a retired Air Force veteran who lives in Westerville. He filled a reporter's ears with his feelings

of utter disgust about the national government.

Mayor Greg Lashutka says he has to spend a lot of time and energy trying to undo the damage of increased regulation by the U.S. Environmental Protection Agency that impedes efforts to bring more factory jobs to Columbus.

Lashutka also is upset by what he believes are Clinton administration efforts to expand the role and power in the domestic scene of the central government.

"The tinkering his people are doing on major domestic-policy issues are pages from a bygone era. Europe is walking away from command economies. We've seen the problems they have with the welfare state in Germany," he said.

"It's happening everywhere. We're the only country that seems to be thinking that the federal government has all the answers to everything."

In Cleveland, Peter Holmes, executive director of the Historic Gateway Neighborhood, is trying to revitalize the rundown business district next to the gleaming new Jacobs Field baseball park and the basketball-hockey arena that soon will open.

Holmes said his group is steering clear of any of the traditional efforts to obtain federal funds. Instead, foundation money, City Hall street and sewer work and private investors are doing the job, he said.

"Mr. Holmes is right," Lashutka said. "Don't count on federal dollars. Do something to revitalize the neighborhoods and get the money from other sources, and you

don't have the federal red tape. It just won't work otherwise."

Democrats in local governments are more vocal than Republicans in criticizing federal sprawl, Lashutka said. "Mayor John Norquist of Milwaukee thinks the only purpose for the government in Washington is national defense."

"To President Clinton's credit, the North American Free Trade Agreement and the worldwide General Agreement on Tariffs and Trade signings are major accomplishments for the federal government," he added.

One way the national government creates the public backlash described in the *New Democrat* is that it "often holds out false hope of solving people's problems," Lashutka said. "We were going to have health care passed by May 1 or June 1, and nothing has progressed."

Paul Mifsud, chief of staff for Gov. George V. Voinovich, said working folks such as those at Benny's Pizza Parlor in Findlay, Ohio, are concerned about their jobs and families in a time of anxiety and uncertainty.

"What is Clinton focused on ... the big issues of the Clinton administration? Gays in the military, abortion in health care, Whitewater, Paula Jones, Kim Il Sung, Bosnia," Mifsud said.

"Bubba in Benny's is worrying about fundamentals, and these people up there in Washington are worrying about peripheral issues."

George Embrey is chief of The Dispatch Washington bureau.

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Lashutka
B

While Democrats are losing credibility as a national party, the GOP is making modest gains in reducing one of its central vulnerabilities: its failure to be a biracial party. The small increases in numbers of Republican black

Thomas Edsall is a political reporter for The Washington Post and author of "Chain Reaction: The Impact of Race, Rights and Taxes on American Politics."

The Rising Republican Centrists: Congress's New Power Brokers

By Norman J. Ornstein

IS THERE a middle in the new Congress? The answer is yes and, surprisingly, it may be found on the Republican side of the aisle. Since election day, the new center in Washington has received much less attention than the ideological polarities of the incoming Congress. But that is sure to change as the president and the Congress take up the tasks of governing.

On the surface there is no middle, only a polarized, partisan and ideologically split House, dominated by the victorious conservative Republicans. Surveying the 1994 Minnesota Senate race between a left-wing Democrat and a right-wing Republican, political scientist Steve Scheier said, "If you're standing in the middle, you need binoculars to see either candidate." The same thing might be said surveying the two parties' delegations in the new House of Representatives. Democrats are smaller in number but clearly more homogeneously liberal in viewpoint. More than 20 of the departing House Democrats were members of the Conservative Democratic Forum, the Boll Weevil caucus, removing prominent conservatives like Tim Penny, Roy Rowland and Dave McCurdy and cutting its ranks virtually in half.

At the same time, the new Republican class, 74 strong, is overwhelmingly composed of Gingrichite conservatives, who uniformly ran on the "Contract with America": less government, term limits and a balanced budget amendment to the Constitution. The specter is of a House that can pass partisan and sharply ideologically conservative legislation, only to see it stymied by filibuster or veto—a seeming sure-fire formula for gridlock.

But that scenario may be too rigid. Power in Congress is not just a process of adding and subtracting numbers and ideologies; it is much more complicated and variegated than that. The changes in both parties and the dynamics of the new Congress may well create a new set of power brokers who represent the opposite of what conventional wisdom suggests—pragmatic leadership interested in bipartisan compromise. This, in turn, could create an opportu-

Norman Ornstein is a resident scholar of the American Enterprise Institute.

the 1994 setbacks resulted from angry center-right Democratic voters.

Comparing 1992 to 1994 voting patterns, major losses for the Democrats occurred among white men, especially those with just high school degrees whose economic futures are highly uncertain. They also took place among white Protestants and among those who see their standard of living declining.

The loss of support from white men, only

THE PRESIDENT HAS SEEN

nity for real action, in the center, on a range of issues.

To be sure, there will be no opportunity for cooperation in the middle if the Republicans maintain the extraordinary party discipline they have demonstrated the past two years in the minority, this time to enact a bedrock conservative agenda. Indeed, the GOP has maintained a strikingly high level of party unity for decades, leaving the Democrats to deal with their own disunity. Through four decades in the minority, either stuck with a Democratic president or trying to find ways to build a bipartisan majority to promote a Republican president's agenda, Republicans in Congress had no alternative to party cohesion to achieve any of their goals.

But moving to the majority makes a difference. The larger numbers make unity, especially near-perfect unity, more difficult to achieve. A party with smaller numbers tends to have members who are predominantly from the safest districts, and who are more immune to immediate voter pressures and more willing to subordinate their own desires to the greater goals of the party. In any event, the peer pressures to conform are greater when the numbers are smaller and each marginal vote matters more. Unity to block the initiatives of the other side is always easier to achieve than unity to pass a program—especially a controversial one.

For all these reasons and more, the majority Democrats have been unable except on rare occasions over the decades of their congressional rule to match their counterparts' unity. In 20th century American politics this often meant that the key to legislative success was in the hands of a swing group of the more conservative and centrist Democrats—the so-called Boll Weevils. Democrats could not form partisan majorities without them; Republicans could stymie the majority of Democrats by luring the Boll Weevils to form a "conservative coalition" with them. More often than not, through the Roosevelt, Kennedy and Carter administrations and in the early Reagan years, the conservative coalition worked to block liberal social welfare legislation, support strong defense budgets and implement Reagan economic policies in 1981-82.

Since 1983, coalitional politics in Congress

have changed, more than once. After sizable Democratic party gains in the midterm election of 1982, a conservative coalition became problematic, even more so because the number of Boll Weevils began to decline both in relative and absolute terms in the Democratic caucus—thanks to the effects of redistricting shaped by the Voting Rights Act. For the final Reagan and the Bush years, finding a majority in the House often forced minority Republicans to capture more than Boll Weevils; indeed, the need to move further to the center and even to the left to get enough Democrats occasionally led to revolt on the Republican right, most notably as with the 1990 budget agreement.

With Bill Clinton in the White House, the coalition dynamics changed again. Republicans united, this time in opposition, leaving Clinton to find his majorities on key votes with Democrats alone, from Boll Weevils to liberals. That worked—by the barest of margins—on the budget in 1993, but it fell apart on health care and on the vote on the rule on the crime bill.

To be sure, other coalitions did form in the 103rd Congress. One came on NAFTA, where the president was able to withstand massive defections from his own party on the left and the right, including from key congressional leaders, but was able to win enough votes in the middle to combine with support from the bulk of Republicans to win a key victory. Another very different coalition emerged on final passage of the crime bill, where a small core group of centrist Republicans joined with the bulk of Democrats against the opposition of the vast majority of the GOP.

That kind of coalition in the center was what "New Democrats" like the Democratic Leadership Council had in mind as the rule, not the exception, in the Clinton years. It didn't turn out that way in the 103rd Congress, in part because of the strategy of the White House and congressional Democratic leaders. They tried to form their coalitions with Democrats alone, reaching out to Republicans only at the 11th hour if they fell short in their own ranks.

But even when the president tried to build a bipartisan bridge, Republicans usually resisted. Of course, 40 consecutive years of minority status made Republican opposition unity easier; even the most liberal Republican in the House had suffered from majority arrogance and con-

descension. There were still times when moderate Republicans considered joining with the president and more like-minded Democratic colleagues—but they faced intense pressure from their hard-line colleagues and leaders.

The second were relatively conservative districts in states where the Democratic incumbent stressed conservative themes while having liberal voting records: Sen. Jim Sasser (D-

Why then should the 104th Congress—populated with dozens more hard-line confrontationalists—be different? Ironically, it will be because of the overall level of GOP success, fueled by those same confrontational conservatives. With 230 seats, only a dozen more than needed for a majority, the Republicans have just a small cushion for a purely partisan success. To succeed, the Republican leadership will need the votes of a group of centrist Republicans who are not averse to making bipartisan policy in the middle.

They are the swing votes, the 104th Congress's version of the Boll Weevils. They may drive more confrontational Republican leaders and followers bananas, but the leaders can't afford to alienate or punish them any more than the liberal Democratic leaders could afford to punish apostate Boll Weevils when their partisan margins were slim.

Call them coalitional, as opposed to confrontational, Republicans. There are at least 40 candidates for this group in the House. This is no liberal bloc, ready to join forces with the minority Democrats. Indeed, it includes many whose voting records are staunchly conservative, like Henry Hyde of Illinois, John Kasich of Ohio, Jim Kolbe of Arizona and David Dreier of California. Some are close allies, going way back, of Newt Gingrich. But what distinguishes them is their attitude and approach to policy-making and the legislative process.

The coalitionist Republicans now have clout. The confrontationalists trash or purge them at their own peril—a reality that Gingrich, the presumptive next speaker, has long recognized. Over the years Gingrich has gone out of his way to cultivate and protect coalitionists like Nancy Johnson of Connecticut and Steve Gunderson of Wisconsin from his own right-wing radicals.

Moreover, and just as important, Democrats now ignore the coalitional Republicans at their own peril. If House Democrats and the president have learned anything from their election disaster, they will erase their fatal impulse to shut out centrist Republicans at the beginning of the policy process. That in turn will require

helped stave off crisis—Watergate, the 1982 recession, the incompetence and cultural dissonances of the Bush administration—may have run its course. If so, the Democratic Party, like the British Labour Party, will have to resolve internal polarizing conflicts over values, rights, race and taxes or face the prospect of internecine warfare, ignominious election day returns and further collapse.

the large liberal bloc to understand that making policy will require party unity in the center and swallowing some differences. Only then will Clinton and the Democrats have the opportunity to make a center coalition akin to the old Boll Weevil-driven conservative one.

These are big ifs, especially for a shelf-shocked White House and a Democratic Party inclined to form its firing squads in circles. And even if Democrats show discipline, it will take Republicans a while to loosen their tight reins. Every House Republican comes to the 104th Congress with a profound gratitude to Gingrich for having driven the strategy that led them out of the minority desert to the lush majority oasis. Few, if any, will be willing to buck their leader on key strategic votes on passage of the linchpins of the Contract with America.

But votes on amendments to bills in the contract are another story—and all the bills will be brought up under open rules. And, over time, many other issues and bills will emerge that will prove much less palatable to the less hard-line GOPers. Finding perfect party unity on a welfare reform provision to send children of teenage unwed mothers to orphanages, for example, is not going to be easy to maintain. Nor on a school prayer amendment, nor on provisions to eliminate arts and humanities funding, slash Medicaid or cut back on Head Start—all possible targets in the next GOP budget. And bipartisan coalitions on bills like Superfund, safe drinking water, mining reform and telecommunications reform remain tangible possibilities.

Remember too that any real centrist coalition on policy in the House will have a receptive audience in the Senate—a body with only 53 Republicans, including in their ranks such coalitionists as Mark Hatfield, Jim Jeffords, John Chafee, Bob Packwood, Bill Cohen, Olympia Snowe, Arlen Specter and Nancy Kassebaum.

The Democratic Party can somehow avoid its usual self-destructive and self-righteous impulses—no sure thing—it will likely have much greater opportunities to shape and direct policy-making in the 104th Congress than anyone imagines. And, irony of ironies, thanks to a conservative tide, for the first time since Eisenhower, mainstream Republicans are in a position to be both respected and heeded on both sides of the aisle.

Seen —
to reach out to them
Unusual strategy
been late

Wall Street Journal at Odds With Court on Whitewater Report

By STEPHEN LABATON

Special to The New York Times

WASHINGTON, Nov. 23 — A panel of Federal appeals judges has denied The Wall Street Journal's request for access to the secret final report of the former Whitewater independent counsel, Robert B. Fiske Jr., and at the same time has barred the newspaper from disclosing the details of the decision.

The decision, and the order barring its publication, were handed down a few weeks ago but were not made known until late Tuesday, when The Journal filed a petition

seeking relief from Chief Justice William H. Rehnquist. The petition, parts of which were filed under seal, asks Justice Rehnquist to lift the order, asserting that it is an improper prior restraint on the paper's First Amendment rights.

The appeals panel that imposed the order oversees the independent counsel's office, and its members are appointed by Justice Rehnquist. It consists of Judge David B. Sentelle of the United States Court of Appeals for the District of Columbia Circuit and Senior Judges John D. Butzner Jr. of the United States Court of Appeals for the Fourth Circuit, in

Richmond, and Joseph T. Sneed of the United States Court of Appeals for the Ninth Circuit, in San Francisco.

In January, after the expiration of the law that provided for judicial appointment of independent counsels to investigate the executive branch, Mr. Fiske was appointed by Attorney General Janet Reno to head the Whitewater investigation. In August, shortly after Congress re-enacted the law, the appeals panel rejected Ms. Reno's recommendation that Mr. Fiske be reappointed and instead replaced him with Kenneth W. Starr.

A Federal regulation required Mr. Fiske to file a final report with the court upon his departure. The regulation says the report must describe the disposition of the investigation and the reasons for not prosecuting any matter within the counsel's jurisdiction.

Lawyers following the case said they considered it routine for the court to have turned down The Journal's request for the report, because the Whitewater investigation is continuing and because much of the material obtained by Mr. Fiske's staff had come from grand jury proceedings, which are secret.

But, the lawyers said, it was highly unusual for the court to have extended the cloak of secrecy by ordering the paper not to publish the decision or write about it in detail.

In its petition with Justice Rehnquist, The Journal said it believed that Mr. Fiske and Mr. Starr might have responded to its motion to unseal Mr. Fiske's report but that those responses were also made under seal.

William S. Duffey Jr., one of Mr. Starr's deputies, said the counsel's office could not comment on The Journal's petition.

Mr. Fiske also declined to comment.

Guilty in Mother's Death

DALLAS, Nov. 23 (AP) — A man who said his wealthy socialite mother fell over a bannister as they grappled over a videocassette recorder has been convicted of beating her to death to preserve his inheritance.

Jurors deliberated more than 22 hours before reaching the verdict on Tuesday against the defendant, Baker Steven Lucas 3d. Mr. Lucas's first trial in 1991 ended with the jury deadlocked.

Mr. Lucas, 49, was convicted in the beating death of his 66-year-old mother, Bette Baker Lucas, at her home in Tyler on June 6, 1988. He faces a sentence that could range from probation to life in prison.

House Committee's Report Is Critical of F.B.I. in Ames Spy Case

By TIM WEINER

Special to The New York Times

WASHINGTON, Nov. 23 — A draft report by the House Intelligence Committee on the Aldrich Ames spy case criticizes the Federal Bureau of Investigation for taking a "wait-and-see attitude" on the executions in the Soviet Union in the mid-1980's of the bureau's best Soviet double agents, Government officials said today.

The report also suggests that officials of the Central Intelligence Agency may have been less than totally candid in their testimony to Congress about the deaths of the

C.I.A.'s leading Soviet sources in the 1980's, they said.

The House report generally agrees with reports by the agency's Inspector General and by the Senate Intelligence Committee, which earlier criticized top C.I.A. officials and investigators in its counterespionage and internal-security divisions for allowing Mr. Ames, a career C.I.A. officer, to go undetected during nearly nine years of spying for Moscow.

The House report differs from the earlier reports by also blaming the F.B.I., which has the primary responsibility for catching spies in the United States. The draft, scheduled

to be completed and issued publicly next week, was first described today in The Washington Post.

The criticism of the F.B.I. begins with the bureau's response to the disappearances and deaths of Valery F. Martinov and Sergey M. Motorin, who arrived in Washington as Soviet spies but became double agents. They both came to the Soviet Embassy in Washington in 1981 holding the innocuous rank of third secretary but were working for the K.G.B., the Soviet intelligence service. Mr. Martinov's job was to seek scientific and technical information; Mr. Motorin's was to gather political

intelligence to help Moscow understand Washington's plans for fighting the cold war.

Both were recruited by the F.B.I., which used a combination of friendly persuasion and blackmail to win them over. Both provided vital information about the workings of Soviet intelligence. And both were recalled to Moscow, arrested and executed after they were betrayed in 1985 by Mr. Ames, who sold the K.G.B. information on at least 10 other Soviet and Eastern European officials secretly working for the United States.

The draft report says the bureau did not diligently investigate the dis-

appearances of the two men. From 1987 to 1991, the report suggests, the bureau did not work closely enough on the case with the C.I.A. and its director, William F. Webster, though Mr. Webster had run the F.B.I. for a decade before taking over the intelligence agency. In those years, the report suggests, agents of the F.B.I. and C.I.A. did not keep their superiors fully informed about the course of their long investigation.

The report also suggests that top C.I.A. officials failed to tell the Congressional intelligence committees about the scope of the disaster that had destroyed the agency's network of informers in the Soviet Union in the mid-1980's. The agency is required to report significant "intelli-

gence failures" to the committees.

By 1986 it was clear to top C.I.A. officials that most of its Soviet double agents were being arrested and executed. The agency knew that the losses could not be ascribed to another C.I.A. defector, Edward Lee Howard, who was dismissed by the agency in 1983 after being trained to go to the C.I.A.'s Moscow station.

He fled the United States in 1965 after selling his knowledge to Soviet intelligence. In 1988, when the House Intelligence Committee inquired about the destruction of the C.I.A.'s Soviet sources, the agency responded with less-than-complete answers that pointed to Mr. Howard, said former members of the Congressional intelligence committees.

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What does this
mean?
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Richard Cohen

With Thanks and Wonder

Earlier this month in New York, I listened and watched as some foreign journalists received awards for heroism. They came from places where people are killed for writing the truth, where the switch is thrown on television stations to take them off the air or where newspaper buildings are simply blown up. I was in my tux, sipping wine and eating a fine dinner as the program progressed—and thinking over and over again how lucky I am to be an American. This is Thanksgiving and I am thankful.

Occasionally, after I have written this or that, someone says, "That was gutsy of you, Cohen. You'll get lots of letters on that one." Letters? Who's kidding whom? I sit at a word processor, buffeted by a billion-dollar corporation, not to mention a gaggle of lawyers who could depose a child until he succumbs to old age. I am not gutsy. I am merely lucky. Lucky to be an American.

Elsewhere in the world, there is un-

believable, unforgivable, poverty. Elsewhere in the world, girls are sexually mutilated in the name of tradition. Elsewhere in the world, hyperinflation and economic upheaval have robbed people of their savings and thrown them out of work. There is no school for the kids and no medicine for the sick and no mercy, either, if you happen to be of the wrong tribe. Think of Rwanda.

In Russia, an investigative reporter was blown to bits because he was on to a story about military corruption. In Colombia, reporters have been killed for writing about the drug wars. In Iraq, Syria, Iran and so many other places, journalists are jailed and sometimes tortured for merely doing their jobs. In America, we get to go to the black-tie dinners of the Committee to Protect Journalists and are praised for the most mundane of observations. We can only wonder how we would have the courage to do what these journalists have done. We

can only give thanks that we don't have to face that question.

I do not believe in American exceptionalism—not altogether, anyway. Other countries have their virtues and beauties and, increasingly, their respect for the rule of law. I recognize, too, that we have our imperfections. The tale of the American Indian is not a pretty one, and until yesterday, in historical terms, we were a nation that bought and sold human beings. We have a grave and abiding racial problem and we remain intolerant in other ways as well. Sometimes, in fact, I think we're a nation of gay-bashers. We do have our flaws.

But those flinty Pilgrims we memorialize this long weekend initiated a process that produced a wonder. At least I never stop wondering at it. I have been to my family's ancestral villages in Poland, pored over the record books—births, deaths and marriages—and seen in those pages the murder of every

relative who did not book passage to America. I am the son of an immigrant (my mother) and an American-born orphan (my father) and yet, somehow, my job is to tell the president, even Newt Gingrich, where to get off. It is a wonderful life and it is, when you think about it, nothing less than a miracle.

My family is here for the holiday. It includes my mother, who was born in Poland, and my niece, who was born in India, an orphan like my father, only more destitute. We are plump and prosperous, thoroughly educated and engaged in professions. For us, there is no other holiday quite like this one. It combines family and country—immediate family and extended family—if you will.

For many people, such an occasion is Christmas and for some I know, the Fourth of July. A friend's late father read the Declaration of Independence to

his family every Fourth. It is an amazing document, radically subversive, and a breathtaking exposition of the American canon. "All men are created equal." Government is supposed to serve the people, not the other way around. It is the people's "right, it is their duty," to rebel against oppression. This is our secular creed and it is a daring one indeed.

Thanksgiving itself is a wonder. It remains mostly unsullied by commercialism. It's as if we recognize how special this holiday is and have resolved to protect it. No Thanksgiving cards. No boozy parties. No last-minute rush to the florists. No frantic search for a gift. The grasping, greedy minds of American business have laid off this holiday. They sense, I think, that Thanksgiving is special or, better yet, that gifts this day would be superfluous. We already have our gift.

Kemal Kurspahic

Air Shows Won't Deter Serb Aggression

The NATO secretary general, Willy Claes, wanted that raid on an airfield Monday to be "a strong and clear message to the Serbs" that their attacks on civilians in the U.N.-proclaimed safe area around Bihac in Bosnia wouldn't be tolerated any longer. But the highest U.N. representative in the Balkans, Yasushi Akashi, described the action in which 39 warplanes from four countries bombed a Serbian airfield in Croatia as a "limited and symbolic" response to the Serbs' three air raids in the Bihac region in the previous 10 days.

Leon Leavies
He's only been
suffering
This is the problem
we have to
conquer

Headland

Lars-Erik Nelson

The Victims Of Free Trade



BY RANDY MACK BISHOP

For its next disaster, the Clinton administration is making another one of those blunders that make ordinary Americans wonder, "Whose side are these guys on?"

In blind devotion to a perpetually disappointing economic theory, President Clinton and his aides are fighting for swift passage of the GATT, the general agreement on tariffs and trade. Sure, free trade will cost us some jobs in the short run, its advocates admit. But Vice President Al Gore promises that the GATT will be the biggest tax cut in history and "will lower prices for consumers."

Has it not dawned on these folks that America's most burning problem is not that consumer prices are too high? It is that our cities—once the joy of human civilization—are ever more dangerous slums, filled with the unskilled and unemployable victims of what economists celebrate as "progress."

America has not yet solved the social upheaval of the Great Migration of southern farm workers to the North, yet it is ready to dislocate millions more of its workers in the name of economic efficiency.

"The economists never want to talk about the social costs of free trade," complains a Senate Democratic source. "Urban decay is by far the most important problem in the country."

It is particularly mindless for the Clinton administration to press for the GATT now. Its own welfare reform plan—and a far more Draconian one being pushed by Republicans—would force welfare recipients into the job market at the same time that GATT would kill the kind of low-wage, industrial jobs—in the garment industry, for example—that traditionally are the first step up the job ladder.

To the economists, these are "bad jobs," better shipped to low-wage countries. But if you're trying to end welfare, there is no such thing as a bad job. Any job is better than perpetuating welfare handouts, generation after generation.

Second, previous trade agreements have come with the promise of aid to workers who lose out. The new Republican-controlled Congress, however, regards such programs, especially those aimed at inner cities, as "pork-barrel spending." The Republicans would far sooner spend \$3 billion for prisons to hold the dislocated than \$3 billion for job training.

Resisting free trade is a tricky business. You find yourself on the same side as the paranoid yahoos

who opposed fluoridation of water 40 years ago—and for the same reason: They saw the whole thing as an international conspiracy to deprive Americans of their freedom.

But for millions of Americans, free trade has not lived up to its promise. We are the freest-trading country in the world, and our incomes have stagnated for the past 20 years. Once-secure employees live in dread of being laid off in the name of "global competition."

And the argument that free trade creates even better jobs for those who educate themselves is belied by the unending stream of middle-management layoffs and the spectacle of college graduates managing all-night grocery stores.

Yet the economists keep foisting their theory on the Clinton administration. "No proposition enjoys greater unanimity among economists than the idea that free-trade will, on net, be a win-win situation," says Rob Shapiro, a non-dogmatic economist at the Progressive Policy Institute.

"At the same time, we are seeing something we have never seen before—relatively backward countries producing advanced products, Koreans and Mexicans producing automobiles. We have figured out how to export our high-tech factories to low-wage countries—and we have not figured out how to deal with the consequences."

This is why, Shapiro says, economists close their eyes to the social costs of free trade. "They don't know how to deal with the problem—but they can't give up the economics of free trade," he says. "The fact is, there are significant social costs."

With the economists—and politicians—ducking the question, it has been left to a maverick Anglo-French businessman, Sir James Goldsmith, to raise the alarm about free trade's downside. In a current book, "The Trap," he makes this simple argument:

"The real cost to consumers of cheaper goods will be that they will lose their jobs, get paid less for their work and have to face higher taxes to cover the social cost of increased unemployment. . . . As unemployment rises and poverty increases, towns and cities will grow even more unstable. So the benefits of cheap imported products will be heavily outweighed by the social and economic costs. . . ."

Yes, I like my VCR. But it wasn't worth losing Brooklyn.

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And that difference, between a "strong and clear" message sought by NATO and a "limited and symbolic" one allowed by the U.N. authorities in former Yugoslavia is the best example of how the "double key" system works in Bosnia, with the United Nations controlling what NATO can do.

For two weeks Serbs persistently violated three Security Council resolutions without a single action being taken to stop their massacre of Bosnian civilians. They were the resolution on "safe areas" (three of them were being shelled on a daily basis), the one on an "exclusion zone" for heavy weapons around Sarajevo (even the hotel housing foreign diplomats and journalists was hit by fire from such weapons, and the one ordering a "no-fly zone" (Bihac and Cazvin were hit with napalm and cluster bombs).

Nothing symbolizes better the vicious nature of the Serbian attacks on Bosnian towns than that picture in last week's papers of a 7-year-old boy, Nermin Divovic, lying dead in a pool of his blood in the center of Sarajevo, hit in the head by a Serbian sniper. The boy wasn't just an accidental victim of the war, caught in some random shooting or crossfire: a sniper picks his victim. And that's the way hundreds of Sarajevo civilians have died—at the hands of snipers. Nor could a 7-year-old child be a part of the "centuries old hatreds" that some invoke as an excuse for portraying this conflict as something other than Serbian aggression.

It took the so-called international community too long to harmonize voices and instruments, to bring both the United Nations and NATO to the realization that something had to be done to match political will and military power.

And in the end what did it produce? An air show aimed at ruining the runway of that airport in Serb-controlled territory in Croatia—damage that can be repaired in a few days—followed by two raids on missile batteries yesterday. "Proportionate response," said the British general, Sir Michael Rose, in Sarajevo, speaking of Monday's attack. Proportionate to what? Obviously not to the long-lasting terror and cold-blooded killing of Bosnian civilians.

Nor was the message as strong and clear as NATO's secretary general wanted, because even after the raid at the airfield, Bosnian Serb forces bombed Sarajevo from a nearby hill, demonstrating how little respect they have for the Akashi-Rose approach.

If the U.N. Security Council and NATO, representing the will of the most powerful nations in the world, wanted to save what is left of their highly damaged credibility in Bosnia, they would respond with immediate air strikes against Serbian artillery positions in the hills around Sarajevo. For those who for the past 29 years spoke only the language of force that is the one clear message they would understand well.

Instead of that, the self-styled Bosnian Serb leaders received only mixed signals: of resolve on the part of NATO and continuing appeasement on the part of the United Nations—knowing from many months of experience with the "double key" decision-making that Akashi and company are afraid to use force.

If Monday's air show was meant to convince the Serbs that the only solution for them would be to reconsider the Contact Group's proposal, which would leave them in control of 49 percent of the Bosnian territory (rather than the 70 percent they have occupied in a wave of genocidal terror), the signals sent to them were too mixed to be understood. Why would they be impressed with these limited and symbolic strikes in light of the long history of international reluctance to do anything substantial to stop their aggression?

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