

THE WHITE HOUSE
WASHINGTON

DATE: 12/30/94

TO: JODIE TORKELSON

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

FYI

7:10pm 12/30
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NSC per their
request.

S.E.W.

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

Dear Mr. President:

I am pleased to report that the National Security Council internal control systems, taken as a whole, provide reasonable assurance that the objectives of Section 2 and Section 4 of the Federal Managers' Financial Integrity Act (FMFIA) have been achieved.

Initiatives of the agency have produced positive results since the law was enacted in 1982. Our accomplishments include continuous overall compliance with the FMFIA. While no critical weaknesses or non-conformance were detected during FY 1994, we continue to emphasize internal procedures and look for ways to strengthen our existing internal controls.

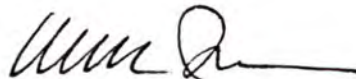
We have not discovered any material weaknesses as defined by the FMFIA. We had two areas of concern where progress throughout FY 1994 has been made. The two areas affected were Personnel Management and Procurement Inventory. First, regarding Personnel Management, we have completed all position descriptions required for NSC payroll staff in order to institute an annual Employee Appraisal Program. The Appraisal Program is currently being developed at this time. Secondly, under Procurement Inventory, we have an inventory data base system now in place and in use. We are continuing to work with the inventory system to insure that it is current and up to date.

Specific details are provided in the attachment to this letter.

- Enclosure A provides a statistical summary of the FMFIA program.
- Enclosures B, C, and D are not applicable.

As an organization in the Executive Office of the President that advises and assists the President, the National Security Council is not a federal agency. Nevertheless, this report reflects the NSC's full commitment to insure financial integrity and to the improvements we have adopted.

Sincerely,



William H. Itoh
Executive Secretary

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

FORMAT FOR ENCLOSURE A

Statistical Summary of Performance

Section 2. Internal Control

	Number of Material Weaknesses		
	Number reported for the first time in:	For that year, number that have been corrected:	For that year, number still pending:
Prior Years	16	16	0
1992 Report	0	0	0
1993 Report	0	0	0
1994 Report	0	0	0
Total	16	16	0
Of the total number corrected, how many were corrected in 1994? <u>N/A</u>			

Section 4. Financial Management Systems

	Number of Material Non-Conformances		
	Number reported for the first time in:	For that year, number that have been corrected:	For that year, number still pending:
Prior Years	0	0	0
1992 Report	0	0	0
1993 Report	0	0	0
1994 Report	0	0	0
Total	0	0	0
Of the total number corrected, how many were corrected in 1994? <u>N/A</u>			

FORMAT FOR ENCLOSURES C AND D, PART 1

Summary/Table of Contents

Title	Year First Reported	Target Date for Correction in 1992 FMFIA Report	Current Target Date for Correction	Page

FORMAT FOR ENCLOSURE B

PROGRESS REPORT ON HIGH RISK AREAS

Title and Description of High Risk Area:	
<u>Pace of Corrective Action</u> Year Identified : Original Targeted Correction Date : Correction Date in Last Year's Report : Current Correction Date : Reason for Change in Dates :	Name of Responsible Program Manager: Appropriation/Account #:
<u>Validation Process Used</u> Explain the validation process to be used by management to verify the completion of the corrective action	
<u>Results Indicators:</u> Describe expected key results to be achieved in terms of performance measures, where appropriate. Performance measures are quantitative and/or qualitative measures that determine whether agency actions corrected the high risk area	

Major Milestones	Milestone Dates		
	Original Plan	Revised Plan	Actual Date
Provide major milestones to correct/improve the high risk area. Include (a) Completed actions/events, (b) Planned actions/events (short term-next 12 months), and (c) Planned actions/events (longer term) Agencies may also use this section to provide an overall assessment of progress that highlights both significant achievements and problems.			

This format is optional. If an agency elects to use a different format, all data elements must be included.

PROGRESS REPORT ON HIGH RISK AREAS

Title of High Risk Area:

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the high risk area. Include: (a) Completed actions/events, (b) Planned actions/events (short term-next 12 months), and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

FORMAT FOR ENCLOSURE C, PARTS 2 AND 3

SECTION 2, MATERIAL WEAKNESS - SCHEDULE OF CORRECTIVE ACTIONS

Title and Description of Material Weakness:	
<u>Pace of Corrective Action</u> Year Identified : Original Targeted Correction Date : Correction Date in Last Year's Report : Current Correction Date : Reason for Change in Dates :	Name of Responsible Program Manager: Source of Discovery: Indicate how material weakness was initially discovered e.g., ICR, IG audit or investigation, management review, evaluation Appropriation/Account #
<u>Validation Process Used:</u> Explain the validation process to be used by management to verify the completion of the corrective action	
<u>Results Indicators:</u> Describe expected key results to be achieved in terms of performance measures, where appropriate. Performance measures are quantitative and/or qualitative measures that determine whether agency actions corrected the weakness or deficiency	

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the material weakness. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

This format is optional. If an agency elects to use a different format, all data elements must be included.

SECTION 2, MATERIAL WEAKNESS - SCHEDULE OF CORRECTIVE ACTIONS

Title of Material Weakness.

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the material weakness. Include (a) Completed actions/events, (b) Planned actions/events (short term-next 12 months), and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

FORMAT FOR ENCLOSURE D, PARTS 2 AND 3

SECTION 4, MATERIAL NON-CONFORMANCE - SCHEDULE OF CORRECTIVE ACTIONS

Title and Description of Material Non-conformance/System Name: (Include non conformance type)	
<u>Pace of Corrective Action</u> Year Identified : Original Targeted Correction Date : Correction Date in Last Year's Report : Current Correction Date : Reason for Change in Dates :	Name of Responsible Program Manager: Source of Discovery: Indicate how non-conformance was initially discovered, e.g., ICR, IG audit or investigation, management review, evaluation. Appropriation/Account #:
<u>Validation Process Used:</u> Explain the validation process used by management to verify the completion of the corrective action	
<u>Results Indicators:</u> Describe key results achieved in terms of performance measures, where appropriate. Performance measures are quantitative and/or qualitative measures that determine whether agency actions corrected the non-conformance or deficiency.	

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the material non-conformance. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

This format is optional. If an agency elects to use a different format, all data elements must be included.

SECTION 4, MATERIAL NON-CONFORMANCE - SCHEDULE OF CORRECTIVE ACTIONS

Title of Material Non-conformance:

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the material non-conformance. Include (a) Completed actions/events, (b) Planned actions/events (short term-next 12 months), and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

Information Management Security -- The agency's responsibility to protect the equipment, software and data from unauthorized access to an appropriate degree.

	YES	NO	N/A
I.M.3.a. Is a senior official designated as a information management system security officer?	<u>X</u>	—	—
I.M.3.b. Are threat and vulnerability assessments performed on systems not supported by the Office of Administration Data Center?	<u>X</u>	—	—
I.M.3.c. Are security measures in place to ensure only authorized individuals have access to systems?	<u>X</u>	—	—
I.M.3.d. Are user passwords for system access changed regularly - including volunteers?	<u>X</u>	—	—
I.M.3.e. Are procedures in place to ensure access to systems is removed when an employee, detailee, or contractor leaves the agency?	<u>X</u>	—	—
I.M.3.f. Is training provided for information management system security awareness?	<u>X</u>	—	—
I.M.3.g. Does the agency have back-up procedures for critical data in case of system failure?	<u>X</u>	—	—
I.M.3.h. Is classified material which is stored in computers and floppy disks safeguarded?	<u>X</u>	—	—
I.M.3.i. Are procedures in place to monitor information brought into your systems from external data bases, through the use of modems?	—	—	<u>X</u>
I.M.3.j. Are precautions taken to secure EOP data bases from unauthorized external dial-in?	—	—	<u>X</u>
I.M.3.k. Are procedures in place to ensure that PCs are not left unattended for an extended period, while logged into local area networks, or the EOP mainframe?	—	—	<u>X</u>

Comments for Information Management Systems:

David

Internal Controls Questionnaire

Information Management Systems: Assessment of the information management systems component includes three areas: application systems, personnel computers, and information management security.

Application Systems -- Systems that run on personal computer networks, minicomputers, or large mainframes.

	YES	NO	N/A
I.M.1.a. Does your office utilize specialized software systems? (If no, continue with question I.M.2.a.)	<u>X</u>	—	—
I.M.1.b. Are systems reviewed to ensure they are designed and operated efficiently and cost effectively?	<u>X</u>	—	—
I.M.1.c. Can the system be timely and efficiently adapted to changing requirements, such as new programs or modifications to programs?	<u>X</u>	—	—
I.M.1.d. Are workload, system efficiency, processing time and other operating evaluation criteria reviewed periodically?	<u>X</u>	—	—
I.M.1.e. Are systems and user documentation available and up to date?	<u>X</u>	—	—
I.M.1.f. Are senior agency officials aware that all sensitive application systems must be re-certified triennially per OMB Circular A-130, Appendix III?	—	—	<u>X</u>
I.M.1.g. Are senior agency officials aware that security plans must be prepared for all sensitive application systems per OMB Bulletin 90-08?	—	—	<u>X</u>

Personal Computers -- The hardware and software used in the office environment, either as stand alone personal computers connected only to printers, and/or personal computers connected to local area networks.

	YES	NO	N/A
I.M.2.a. Is your current office automation configuration periodically reviewed to identify potential alternatives that could improve systems operation?	<u>X</u>	—	—
I.M.2.b. Is an inventory maintained for all office PC equipment (hardware and software)?	<u>X</u>	—	—
I.M.2.c. Is there an office automation plan to evaluate improvements and necessary equipment/software requirements?	<u>X</u>	—	—
I.M.2.d. Is there an individual responsible for monitoring the reliability of systems hardware and software?	<u>X</u>	—	—
I.M.2.e. Does the office automation plan consider compatibility and standardization?	<u>X</u>	—	—
I.M.2.f. Do employees have the training necessary to adequately perform their assigned duties with regard to systems?	<u>X</u>	—	—
I.M.2.g. Are efforts made to minimize duplicate entry of information into separate computer systems?	—	—	<u>X</u>
I.M.2.h. Is only properly licensed software used in information management systems?	<u>X</u>	—	—
I.M.2.i. Are PCs with hard disks surplus through the Office of Administration Information Systems and Technology Division, or when reassigned to another office, are the hard disks overwritten to ensure data destruction?	—	—	<u>X</u>

Brouge

Internal Controls Questionnaire

Acquisition of Goods/Services: The requisition and purchase of goods and services by contract agreement.

	YES	NO	N/A
A.1. Are senior agency officials aware of federal procurement procedures?	<u>X</u>	—	—
A.2. Has your agency identified those employees who should be certified as procurement officials? Procurement officials include anyone who prepares specifications, recommends vendors, and approves funding.	<u>X</u>	—	—
A.3. Are requests for purchases prepared, and purchase orders/contracts awarded, in advance of a commitment being made to a vendor or contractor?	<u>X</u>	—	—
A.4. Are blanket purchase agreements used to promote efficiency of procurement processing?	<u>X</u>	—	—
A.5. Are ratification of unauthorized purchases properly documented, and reported to senior officials?	<u>X</u>	—	—
A.6. Are requests for purchase made in accordance with appropriation authority?	<u>X</u>	—	—
A.7. Are statements of work written giving full consideration to promoting competition?	<u>X</u>	—	—
A.8. Are statements of work written in sufficient detail to allow contracting officers and technical representatives to determine the contractors progress and quality of work?	<u>X</u>	—	—
A.9. Are non-competitive procurements documented and reviewed and approved by an agency official?	<u>X</u>	—	—
A.10. Whenever possible, is there a separation of duties within the agency among the requesting, ordering, approving, and receiving officials?	<u>X</u>	—	—
A.11. Is receipt of goods and services confirmed prior to invoices being approved for payment?	<u>X</u>	—	—
A.12. Do purchase requests indicate the date by which goods or services are required?	<u>X</u>	—	—

A.13. Are purchase requests submitted to procurement in time to allow for solicitation, negotiation, and award at a fair and reasonable price?

X — —

A.14. Are contracts periodically reviewed to identify those that require renewal or re-competition?

X — —

A.15. Are telephone invoices monitored to ensure that charges for telephone equipment and line charges are accurate?

X — —

A.16. When telephone lines/equipment are moved or disconnected, are deletions communicated to AT&T and C&P so that monthly charges can be removed from the telephone bills?

X — —

A.17. Are leases periodically reviewed to verify they are cost beneficial?

X — —

A.18. Is an up-to-date list maintained of all copiers and facsimile machines?

X — —

Comments for Acquisition of Goods/Services:

Bronger

Internal Controls Questionnaire

Financial Management: Operations relating to budget formulation and execution, accounting, cash management and imprest funds.

	YES	NO	N/A
F.1. Are agency officials aware of the annual Congressional budget submission requirements and related OMB guidelines?	<u>X</u>	—	—
F.2. Does the agency have a formal budget formulation process in which program officials and agency heads participate in the planning process?	<u>X</u>	—	—
F.3. Do agency officials comply with OMB apportionment requirements?	<u>X</u>	—	—
F.4. Are statutory and Congressional spending levels monitored in areas such as travel and representation expenses throughout the year?	<u>X</u>	—	—
F.5. Are expenditures monitored periodically to ensure they represent legitimate needs of the agency?	<u>X</u>	—	—
F.6. Are projected fiscal year spending patterns analyzed and agency heads advised accordingly?	<u>X</u>	—	—
F.7. Are agency officials aware of Congressional budget reprogramming limitations?	<u>X</u>	—	—
F.8. Are all services obtained from other agencies supported by formal inter-agency agreements?	<u>X</u>	—	—
F.9. Are separation of duties adequate to ensure that no one individual controls all phases of an activity (i.e., a system of inherent checks and balances)?	<u>X</u>	—	—
F.10.a. Are policies and procedures adequate to ensure Prompt Payment Act guidelines are followed in promptly processing contractor and vendor bills?	<u>X</u>	—	—
F.10.b. Are interest penalty payments reviewed by senior management?	<u>X</u>	—	—

F.11. Is there a periodic review of unliquidated obligations, including prior fiscal years?

X — —

F.12. Are employees aware of agency policies and procedures concerning imprest fund reimbursements?

X — —

F.13. Are current IRS regulations for taxable fringe benefits related to parking, travel and portal-to-portal followed?

X — —

Comments for Financial Management:

Brong

Internal Controls Questionnaire

Delegations of Authority: The express written authorization to perform certain duties necessary to accomplish the mission of the agency.

	YES	NO	N/A
D.1. Is an inventory of agency delegations of authority maintained?	<u>X</u>	—	—
D.2. Are all agency delegations of authority periodically reviewed to ensure they are current?	<u>X</u>	—	—
D.3. Do agency delegations follow chain of command (established lines of authority)?	<u>X</u>	—	—
D.4. Where applicable, are signature samples provided on the delegation orders?	<u>X</u>	—	—
D.5. Do delegations of authority outline responsibility and, if appropriate, are monetary limitations included?	<u>X</u>	—	—
D.6. Do delegations grant sufficient authority to accomplish the missions of the organization?	<u>X</u>	—	—
D.7. Is there sufficient re-delegation to ensure continuity of programs in the absence of officials having primary authority?	<u>X</u>	—	—
D.8. Are copies of delegations of authority on file with other agencies, which require such documentation?	<u>X</u>	—	—

Comments for Delegations of Authority:

Brought

Internal Controls Questionnaire

Printing and Publishing

	YES	NO	N/A
P.1. Are senior agency officials aware that there are regulations which limit the range of printing and binding options available to government agencies?	—	—	X
P.2. Is advance planning adhered to wherever possible in order to minimize the occurrence of "expedited delivery" surcharges?	X	—	—
P.3. Do printing requests indicate the date by which printed materials are required, to allow time to negotiate the best price?	X	—	—
P.4. Are senior agency officials aware of the cost advantages of establishing term contracts for recurring printing needs?	—	—	X
P.5. Are senior agency officials aware that printing/binding jobs (i.e., books, publications) using appropriated funds must be sent to the Government Printing Office?	—	—	X

Comments for Printing and Publishing:

Brown

Internal Controls Questionnaire

Travel: Guidelines pertaining to foreign and domestic travel and transportation as it relates to the accomplishment of an agency's mission.

	YES	NO	N/A
T.1. Are senior agency officials aware of the federal regulations which provide guidance on official travel?	<u>X</u>	—	—
T.2. Are travel authorizations prepared timely for travelers on official business, prior to the date of the trip?	<u>X</u>	—	—
T.3. Are travel authorizations prepared for all trips, including no expense vouchers and trips funded by federal and non-federal sources?	<u>X</u>	—	—
T.4. Are travel authorizations prepared for trips on government aircraft and justifications provided in accordance with OMB Circular A-126 and OMB Bulletin 93-11?	<u>X</u>	—	—
T.5. Are all authorizations for reimbursement of travel expenses from non-federal sources made in accordance with the regulations issued by the General Services Administration?	<u>X</u>	—	—
T.6. Did your agency submit the semi-annual reports due to the Office of Government Ethics on May 31 and November 30, on reimbursement of travel by non-federal sources?	<u>X</u>	—	—
T.7. Is foreign travel performed by high level officials (Executive Level IV or equivalent) approved by the National Security Council in advance of the trip?	—	—	<u>X</u>
T.8. Do travelers accompanying the President on foreign travel comply with the Chief of Staff's directive on reporting to the White House in advance of the trip?	—	—	—
T.9. Where applicable, have policies and procedures been established for political travel?	—	—	<u>X</u>
T.10. Is first class air travel, and use of military aircraft, restricted in accordance with the President's February 10, 1993 memo?	<u>X</u>	—	—

T.11. Are travel vouchers submitted to the Office of Administration (OA) timely to ensure payment within 25 working days of the end of the travel period?	<u>X</u>	—	—
T.12. When travel advances are authorized, are they kept to a minimum, in accordance with regulations?	<u>X</u>	—	—
T.13. Are outstanding travel advances periodically identified, reviewed and collected?	<u>X</u>	—	—
T.14. Are travel advances repaid prior to an employee's separation?	<u>X</u>	—	—
T.15. Are all benefits of official travel (i.e., coupons, bonus tickets and frequent flyer programs) used for official purposes?	<u>X</u>	—	—
T.16. Where reimbursement is required for other than official travel on government aircraft, are bills prepared and payment made in a timely manner?	—	—	<u>X</u>
T.17. Are American Express travel charge cards offered to employees to reduce administrative costs of travel and expedite cash advances ?	<u>X</u>	—	—
T.18. Are employees encouraged to sign-up for frequent flyer programs to reduce cost of travel?	—	<u>X</u>	—

Comments for Travel:

T18. Some employees have signed up for frequent flyer programs, however the short notice of travel that is performed by most of the NSC staff prevents individuals from using the same airline consistently.

Internal Controls Questionnaire:

Time and Attendance: The reporting of employees hours of work and absences.

	YES	NO	N/A
T.A.1. Are agency officials aware of the general requirements relating to time and attendance reporting?	<u>X</u>	—	—
T.A.2.a. Are official absences documented?	<u>X</u>	—	—
T.A.2.b. Are official absences approved by designated officials?	<u>X</u>	—	—
T.A.3.a. Does the agency have a written overtime and compensatory policy?	<u>X</u>	—	—
T.A.3.b. Is there a periodic review by a senior official of overtime usage?	<u>X</u>	—	—
T.A.4.a. Is overtime requested, approved and documented in advance?	—	<u>X</u>	—
T.A.4.b. Is actual overtime worked verified?	<u>X</u>	—	—
T.A.5. Is a senior agency official delegated responsibility to review and verify time and attendance reports?	<u>X</u>	—	—
T.A.6. Are senior officials aware of special category leave requirements (i.e., military leave, court leave, restored leave)?	<u>X</u>	—	—
T.A.7. Are time and attendance records safeguarded to ensure privacy and confidentiality of data?	<u>X</u>	—	—
T.A.8. Where applicable, are time and attendance records kept for detailees?	<u>X</u>	—	—

Comments for Time and Attendance:

Due to the unpredictable nature of world affairs and because of the mission of the National Security Council, it is not possible to obtain approval of overtime in advance.

Internal Controls Questionnaire

Personnel Management: Operations related to agency employment policies and procedures.

	YES	NO	N/A
P.M.1. Are agency officials aware of Office of Personnel Management policies and procedures in the administration of personnel management?	<u>X</u>	—	—
P.M.2. Are EOP drug testing policies and procedures followed for current employees and new hires?	<u>X</u>	—	—
P.M.3. Are position descriptions established for employees and reviewed periodically by the agency officials?	<u>X</u>	—	—
P.M.4. Do agency officials prepare accurate and timely personnel actions to ensure efficient processing?	<u>X</u>	—	—
P.M.5. Where applicable, are positions advertised through standard vacancy announcements?	<u>X</u>	—	—
P.M.6. Are agency employment ceilings monitored?	<u>X</u>	—	—
P.M.7.a. Does the agency have policies and procedures regarding the use of detailees by the agency?	<u>X</u>	—	—
P.M.7.b. Does the agency have policies and procedures regarding the hiring of consultants by the agency?	<u>X</u>	—	—
P.M.8. Are employee performance appraisals prepared annually by agency officials?	—	<u>X</u>	—
P.M.9. Does the agency participate in an awards program for the recognition of superior performance?	<u>X</u>	—	—
P.M.10. Are staff training needs identified?	—	—	<u>X</u>
P.M.11. Do agency officials budget for training?	<u>X</u>	—	—
P.M.12. Are employees familiar with the EOP Employee Assistance Program?	<u>X</u>	—	—
P.M.13. Is there a designated Equal Employment Opportunity officer available for employees?	<u>X</u>	—	—

P.M.14. Are agency officials and employees aware of the EEO Program and services?

X — —

P.M.15. Are procedures in place to ensure all employees leaving the EOP complete check out requirements?

X — —

Comments for Personnel Management:

PM 8. As position descriptions have just recently been accomplished for the NSC staff, an Inplace Performance Appraisal Program has not been accomplished as of yet, but is being written and established at this time.

Ed

Internal Controls Questionnaire

Property/Space: The management, maintenance and safeguarding of office space, equipment and other assets.

	YES	NO	N/A
P.S.1. Are adequate policies and procedures in place for acquiring, safeguarding, excessing, and disposing of property?	☒	☐	☐
P.S.2. Are requests for acquisition of space documented?	☒	☐	☐
P.S.3. When property is received, are invoices and shipping documents compared to authorization for purchase, including amounts, quantity, terms, and quality?	☒	☐	☐
P.S.4. Is an inventory maintained for individual items of property, showing location and responsible custodian?	☒	☐	☐
P.S.5. Are inventory records reviewed periodically, at least annually, and reconciled to physical inventory?	☒	☐	☐
P.S.6. Are records maintained for property awaiting repair, needing to be surplus, or in the custody of vendors or other agencies?	☒	☐	☐
P.S.7. Are steps taken to ensure all property is routinely inspected to determine need for preservation and restoration?	☒	☐	☐
P.S.8. Are there periodic reviews of space to ensure efficient utilization?	☒	☐	☐
P.S.9. When space is no longer needed or justified for agency use, is it made available for reassignment?	☒	☐	☐
P.S.10. Are property pass procedures in place when property is removed from the building, to ensure the safeguarding of government assets?	☒	☐	☐

Comments for Property/Space:

Internal Controls Questionnaire

Records and Publications Management:

	YES	NO	N/A
R.M.1. Are senior agency officials aware of the federal requirements which provide guidance on records and publications management?	☒	☐	☐
R.M.2. Does your agency retire and dispose of records in accordance with the National Archives and Records Administration General Records Schedule?	☒	☐	☐
R.M.3. Does your agency periodically review supplies and equipment used for records management to ensure records are adequately stored and archived?	☒	☐	☐
R.M.4. Are copies of all agency publications forwarded to OA Records Management for distribution to National Technical Information Service (NTIS) (11), EOP Libraries (4), EOP Publications (1), and OA Records Management (1)?	☐	☐	☒
R.M.5. Does your agency prohibit the re-printing and/or copying of publications that are already available through the Government Printing Office and/or NTIS?	☐	☐	☒
R.M.6. Does your agency provide written records management guidance (i.e., the <u>EOP Records Manual</u> or similar agency document) to its employees?	☒	☐	☐
R.M.7. Are senior managers aware that records training is provided by OA?	☒	☐	☐
R.M.8. Are senior officials aware of Records Management requirements for disposition of records materials created or maintained by new or revised user applications?	☒	☐	☐

Comments for Records and Publications Management:

Pat

Internal Controls Questionnaire

Security: The safeguarding of personnel, space, equipment, and information.

	YES	NO	N/A
S.1. Is there a designated agency security officer?	<u>✓</u>	—	—
S.2. Are agency policies and procedures adequate for safeguarding classified materials?	<u>✓</u>	—	—
S.3. Do employees who have access to classified materials have the appropriate clearances?	<u>✓</u>	—	—
S.4. Have employees who have access to classified materials been provided training/instruction pertaining to safeguarding materials?	<u>✓</u>	—	—
S.5. Are all employees familiar with office physical security requirements?	<u>✓</u>	—	—
S.6. Are building and room security violations reviewed by senior officials and documented?	<u>✓</u>	—	—
S.7. Are agency physical security measures adequate to secure property which is highly susceptible to theft?	<u>✓</u>	—	—
S.8. Are combinations for safes routinely changed when employees transfer, or when security is compromised?	—	<u>✓</u>	—
S.9. Are safe combinations stored in a secure location and disseminated on a need-to-know basis?	<u>✓</u>	—	—
S.10. Where applicable, is there a listing of secure phone lines for each office?	<u>✓</u>	—	—
S.11. Are appropriate staff trained in the proper handling and retirement of federal records?	<u>✓</u>	—	—
S.12. Are cash and other negotiable instruments safeguarded?	<u>✓</u>	—	—

Comments for Security:

Internal Controls Questionnaire

Ethics: Standard of conduct to which all employees are expected to comply in accordance with the Ethics in Government Act and agency policies.

	YES	NO	N/A
E.1. As required by the Ethics in Government Act, has an official been appointed as the Designated Agency Ethics Official?	☒	☐	☐
E.2.a. Have required confidential and/or public financial disclosure reports been reviewed in a timely manner?	☒	☐	☐ (given staff resources as a.1.a.b.)
E.2.b. Have required confidential and/or public financial disclosure reports been filed for the last year for applicable positions?	☒	☐	☐
E.3. Is the potential for conflict of interest considered by the ethics officer when employees are invited to speak or participate in conferences?	☒	☐	☐
E.4. Are conflicts of interest reviews made when outside organizations offer to pay the agency or agency employee for official travel?	☒	☐	☐
E.5.a. Are employees provided a copy of the Standards of Conduct when they begin employment?	☒	☐	☐
E.5.b. Are all employees given a briefing on the Standards of Conduct at least once a year?	☒	☐	☐
E.6.a. Are employees required to request approval for outside employment?	☒	☐	☐
E.6.b. Are employees aware of the ban on outside earned income for certain full-time non-career Presidential employees?	☒	☐	☐
E.7. Are agency officials aware of the provisions of the Hatch Act as it applies to the agency's operations and mission?	☒	☐	☐
E.8. Are policies and procedures available related to gift authority for the agency, and provision of in-kind services?	☐	☐	☒
E.9. Are there established policies and procedures relative to statutory authority concerning the agency's acceptance of donations?	☐	☐	☒

E.10. Are reports being filed on a semi-annual basis with the Office of Government Ethics on the acceptance of travel and travel related expenses from non-federal sources?

☒ ☐ ☐

E.11. Are required certifications on file for those employees who are considered procurement officials pursuant to the provisions of 41 U.S.C. 423, (the procurement integrity provisions added by Section 6a of Public Law 100-679)?

☐ ☐ ☒

E.12. Are departing "very senior and senior" officials briefed on the special post-employment restrictions to which they are subject?

☒ ☐ ☐

Comments for Ethics:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEE

12.29.94

December 29, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA
TODD STERN

SUBJECT: Current Information Memoranda

Here is a summary of information memos for the past several days:

- (A) **Mikva and Neuwirth on Conference of States.** (My summary of this memo is attached to it.)
- (B) **Galston on Charles Murray.** At your request, Bill summarizes the key criticism's of the Murray/Herrnstein thesis on the effect of genetic factors on intelligence.
- (C) **Galston on DLC/PPI Recommendations.** At your request, Bill has briefly analyzed the DLC/PPI's recent policy ideas, discussing the degree to which you have already incorporated these DLC ideas and making recommendations on the items that are not yet Administration policy. Bill offers to coordinate a more thorough policy review of any of the ideas that you think warrant further investigation.
- (D) **Shalala Memo on Visit to Israel.** Secretary Shalala reports briefly on her visit to Israel, Gaza and the West Bank, including her view of the benefits of the health-related programs in which HHS is engaged.
- (E) **Lee Brown Note on Summit of Americas.** Dr. Brown has sent you a congratulatory note.
- (F) **Lee Brown Note Forwarding DARE Materials.** Dr. Brown has sent you a note forwarding certain materials he received on a visit to a DARE (Drug Abuse Resistance Education) program at a Los Angeles school.
- (G) **Jesse Brown Note on Food Stamps.** Secretary Brown writes to urge you to propose a plan that would result in no service member or military family qualifying for food stamps.
- (H) **Joe Duffey Note Forwarding WSJ Articles.** Joe Duffey has forwarded a four-part Wall Street Journal series by Dennis Farney called "Great Divides", which he commends to your attention.

'what would this cost'



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

089571
THE PRESIDENT HAS BEEN
12-29-94

94 DEC 27 A 9:27

DEC 2 1994

The President
The White House
Washington, DC 20500

Dear Mr. President:

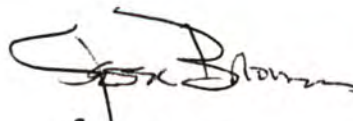
I listened with great interest to your announcement yesterday of your plans to ensure military readiness and to give our servicemembers and their families the support they deserve. This is a truly outstanding initiative.

I am writing to urge you to include in your plans to improve the quality of life of military and their families a proposal to ensure that no servicemember or military family will qualify for food stamps. It has long been an embarrassing fact of life that many thousands of our brave defenders are paid so little that they must depend on this form of welfare for their families' sustenance.

Surely, those who so proudly and effectively carry out our military missions around the globe deserve to receive at least a minimally adequate living wage. I am convinced that the American people consider this a stain on the Nation's honor and would enthusiastically support you in removing it.

I respectfully ask that you give this recommendation your serious consideration, and I would very much appreciate hearing from you with regard to your reaction.

Respectfully,



Jesse Brown

JB/eps



Putting Veterans First

THE PRESIDENT HAS SEE

12.27.94

December 29, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA
TODD STERN

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THE PRESIDENT HAS BEEN

12-29-94

OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500

94 DEC 27 A 9:27

December 7, 1994

William J. Clinton
The White House
Washington, DC 20500

Dear Mr. President:

I recently visited a DARE program at the Fifty-Second Street School in Los Angeles, California. The students asked that I give you the attached:

- 1) Messages to Our President
- 2) DARE Program - Fifth Grade

Sincerely,

Lee P. Brown
Director

THE PRESIDENT HAS SEEN

12-29-94

Messages To Our



President

Grade 5 Room 42

Fifty-Second Street School

Los Angeles, California

Dr. K. Gaspard, Principal

October 31, 1994

Dear President Clinton,

I want people to stop killing each other, and hurting each other. I want people to stop selling drugs in my community.

My brother was shot this past weekend as he left the store. He is going to be alright, but he could have been killed. It is scary sometimes growing up in my community. I don't want to be afraid in my own neighborhood.

Please help the children in Los Angeles grow up safely. Please help us not have to worry about getting shot or getting pressured to use drugs.

Sincerely,

Shantell Reneau

Shantell Reneau
Grade 5

October 26, 1994

Dear President Clinton,

You are doing a great job as President of the United States. Thank you for all the things you have already done to stop the drugs and violence in our community. However, there is still a lot of work to be done, to get rid of all the drugs and violence around my community. Please continue to help us. I want to grow up in a safe, healthy city. Again, thank you for what you have done, and what you will do to stop this problem.

Sincerely,

A handwritten signature in cursive script that reads "Jacquelyn Nash".

Jacquelyn Nash
Grade 5

October 26, 1994

Dear President Clinton,

I want to grow up safe and healthy. I want to learn in school, have fun with my friends and enjoy my family. But the problem is there are too many drugs, and too much violence in my community. That's why sometimes I don't think I will grow up healthy and safe. What are you going to do about the drugs and violence in Los Angeles?

Sincerely,

Carmela Cuevas

Carmela Cuevas
Grade 5

October 26, 1994

Dear President Clinton,

I want the violence and drugs to be pushed from the face of the earth. I am tired of hearing guns and helicopters in my neighborhood. I don't want to see people on the streets because they use drugs. I would like the police officers to patrol around the neighborhood more often to keep these problems under control.

I am thankful that you are our President. I know you care about children because you have a daughter. Please help my community get rid of drugs and violence. Thank you Mr. President.

Sincerely,

*Ranisha
Lane*

Ranisha Lane
Grade 5

October 26, 1994

Dear President Clinton,

Everybody must work together to stop the drugs and violence in our community. One thing you can do about drugs, is to give everybody you catch selling or using drugs five years in prison. One thing my friends and I can do, is not hang around people who are violent and have bad tempers. We should be with people who are calm and like to talk and not fight.

I promise to do my best to stop violence are drugs in my neighborhood. I hope you will help us in Washington to solve these terrible problems. Thank you for reading my letter.

Sincerely,

Julia Johnson

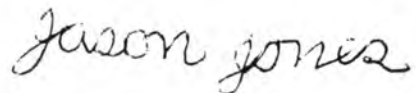
Julia Johnson
Grade 5

October 26, 1994

Dear President Clinton,

Drugs are in our neighborhood. People sell drugs to make money. They try to get you to use drugs. We do have some help for this problem. We have D.A.R.E. at our school. D.A.R.E. teaches us not to use drugs. We learn how to say no. We have learned that drugs are dangerous, and can destroy you. I am glad we have D.A.R.E. Our neighborhood is getting a little better. We must still try to make it better. President Clinton, can you help?

Sincerely,

A handwritten signature in cursive script that reads "Jason Jones".

Jason Jones
grade 5

*Fifty-Second Street Learn School
Los Angeles, California*

*D.A.R.E. Program
Fifth Grade*

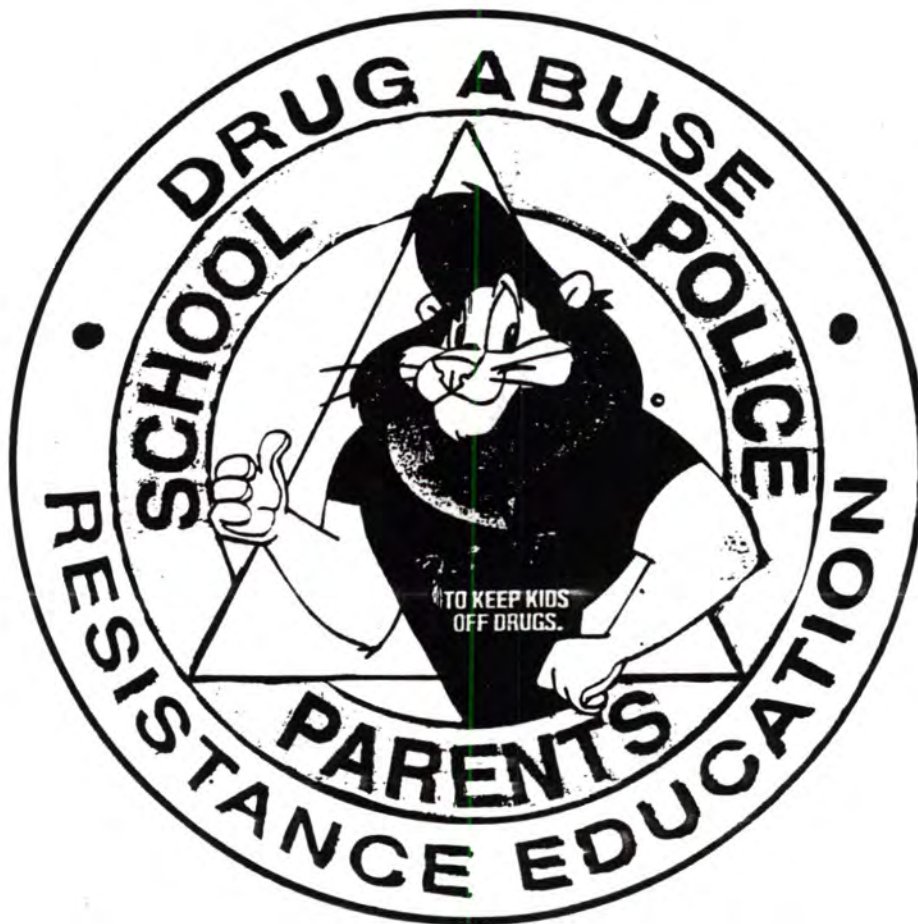
Dr. Kattie Gaspard, Principal

Mrs. Katie Greene, Assistant Principal

Miss Diane Allen, Teacher

D.A.R.E.[®]

**TO RESIST DRUGS
AND VIOLENCE**



My Rights

As a student of the D.A.R.E. program, I have learned that I have certain rights. I have a right to be happy and to be treated with care and understanding. This means that I am able to express my ideas and that no one should laugh at me or hurt my feelings. I have a right to be respected as a person. I am special. I am unique. This means that I should be treated fairly. I have a right to be safe. This means that no person should hurt me physically or with words or try to touch me in ways that would make me feel uncomfortable. I have a right to say no. This means that I am able to say no to another young person or to an adult when asked to do something that is wrong or dangerous or does not seem right to me. I have a right to state what I feel and to hear what others have to say. This means that I should be able to talk when it is my turn and to hear when another person is talking. I have a right to learn. This means that I should be proud of the things I learn and work hard to improve myself.

Glory Bassey
Nolvia Martinez

Taking A Stand

As I grow up I will need to make many choices. One of the most important choices I will have to make will be about the use of alcohol and drugs. I plan to do several things to keep from being pressured into using drugs. To keep my body healthy, I will not take drugs unless prescribed by my family doctor. I will control my feelings when I have stress or I am angry by playing a game or talking to someone. If I have to decide whether or not to take a risk, I can think about it or talk to someone. When a friend tries to pressure me to use alcohol or marijuana, I can walk away or say no. When I want to do something that is fun or something that offers adventure, I can go to Magic Mountain or Disneyland. If I see people using alcohol or drugs or television, I can determine that I don't want my life to be like the lives of those on the television program. I will have real life role models and heroes to influence my life.

Anne Marie Zepeda

Why Most Kids Use Drugs and I Don't

The use of alcohol, tobacco, marijuana and other drugs by children my age is illegal and harmful. I don't use drugs but there are other children who use drugs.

Many excuses are given for drug use . I can think of an excuse not to use drugs for every excuse given to use drugs. Here are some examples of reasons why most kids use drugs:

WHY MOST KIDS USE DRUGS:

Curiosity-

To feel good-

To please a special friend-

Because everybody else does-

Afraid to say no-

Need to feel cool or older-

Have nothing interesting to do-

To try to forget their problems-

For fun-

WHY I DON'T USE DRUGS:

I don't want to find out what drugs are like. I already know what they can do to you.

I don't need drugs to make me feel good .

I don't have friends that I need to please by using drugs.

I consider myself a leader not a follower.

I know how to say no.

I don't need to use drugs to feel cool.

I have many interesting things to do that keep me busy.

I don't try to forget my problems- I always work toward solving them.

There are many ways to have fun- drug use is not one of them.

Rochelle Pouncy

TAKING A STAND

I feel proud to be a student of the D.A.R.E program at my school. Officer Goble has taught us many things about drugs, drug abuse, alcohol and our rights as children. I especially enjoyed learning the eight ways to say no to drugs. We discussed the eight ways to say no to drugs, as well as, performed each of the eight ways to say no in front of our classmates.

I think learning to say no in these ways will help me should anyone approach me about using drugs. We learned eight ways to say no to people pressuring us to use drugs or alcohol because if one way doesn't work, maybe one of the others will. By saying no thanks to someone offering me a drink of alcohol I will make it clear that I don't drink. When someone offers me a beer, I will say, "No thanks! I don't drink beer". Saying no over and over should soon discourage the person offering me drugs or alcohol and they will leave. Walking away or changing the subject won't give the drug dealer a change to try to sell anything to me. I will stay away from places where people often use drugs and walk home another way to avoid drugs houses. I will ignore someone who offers drugs to me. I will hang around other people who don't use drugs. By remembering all of the things the D.A.R.E program has taught me, I plan to be drug-free for life.

JEWEL WATERS

Taking A Stand

I will not be pressured into using drugs. I plan to take a stand against those who try to pressure me. I will stay away from people who use drugs in order to help keep my body healthy. I will control my stress and anger by taking a deep breath and letting it out slowly, not by using drugs. When I need to decide whether or not to take a risk I will talk things over with my parents. I can find new friends if the ones I have try to pressure me to do things I know are not right. I will go to Magic Mountain and get on the wild rides if I want to do something fun or something that offers adventure. The use of alcohol and drugs on television won't influence me. I can turn off the television, switch to another channel or find something else to do. Drugs won't influence my life!

Wendy Martinez

Taking A Stand

I plan not to be pressured into using drugs. My body will be healthy because I will not use drugs, nor will I associate with anyone who uses drugs. Others may use drugs when they have stress or are angry, but I can control my stress and anger without drugs. When the decision whether or not to take a risk arises, I can be strong and make the right decision. Friends may try to pressure me to use alcohol or marijuana but I can tell them my rights while still respecting their rights. There are many things that offer fun and adventure I don't need to find those things through drugs and alcohol. Watching television programs with drug and alcohol use won't influence me; I can turn off the television or switch the channel to something else. I will remain drug free!

Erwin Young

THE PRESIDENT HAS SEEN

12-29-94

THE WHITE HOUSE

WASHINGTON
December 23, 1994

94 DEC 23 P4:23

MEMORANDUM FOR THE PRESIDENT

FROM: BILL GALSTON *WAG*
VIA: LEON PANETTA
GEORGE STEPHANOPOULOS
CAROL H. RASCO
SUBJECT: DLC/PROGRESSIVE POLICY INSTITUTE RECOMMENDATIONS

INTRODUCTION

Recently, you asked me to evaluate the policy recommendations issued by the DLC/Progressive Policy Institute and to prepare "brief recommendations" on the items that are not (yet) official administration policy. The following represents a first cut at responding to your request for the seven PPI recommendations that bear directly on domestic policy. (Three others, which I will note for the record at the end of this memorandum, fall into the area of international policy and should probably be evaluated by the NSC, NEC, or USTR.) I will coordinate a follow-up on whatever proposals you note as worthy of further scrutiny.

DOMESTIC POLICY INITIATIVES

1. A GI Bill for American Workers

The Administration is moving forward with versions of all three PPI proposals in this area: (1) aggressively using your direct lending/income contingent repayment for worker retraining; (2) creating tax-favored savings account that workers could use for education and retraining; and (3) shifting from categorical programs to vouchers controlled by individual workers. In addition, your proposed tax deduction for education and training expenses goes well beyond anything the DLC has proposed.

2. Cut and Invest

As you know, PPI's Rob Shapiro has long argued for a massive shift in the budget from what he characterizes as "special interest" subsidies to investments that promote longterm economic growth. Shapiro has identified a list of tax and spending programs totalling \$225 billion over five years that he believes should be terminated. You reviewed that list during the recent FY 1996 budget process. You accepted many of the proposed subsidy cuts but ruled out an assault on special interest "tax expenditures" on the grounds that our adversaries would characterized any such move as a "there you go again" tax increase.

On the investment side, Shapiro recommends increases for education and training totalling \$18 billion over five years, as follows: enlarging national service to serve 150,000 young people each year (\$6.4 billion); expanding youth apprenticeships (\$2.5 billion); fully funding Head Start (\$6.0 billion); expanding our efforts to promote charter schools (\$200 million); boosting Goals 2000 (\$1.8 billion); and funding Individual Development Accounts along the lines of your expanded IRA proposal (\$1.0 billion). Your proposed FY 1996-2000 budget includes substantial increases for all these programs, but the five year total falls well short of the Shapiro proposal.

Shapiro's investment list also includes an additional \$19 billion for infrastructure and \$10 billion for research and development. While your budget will include increases for selected items in these categories, the total will not come close to the Shapiro figures.

Shapiro also proposes some important changes in the tax code, specifically: replacing the current children's exemption with a \$720 credit per child for families under \$50,000 per year (\$60 billion over five years); and indexing capital gains for inflation (\$20 billion over the first five years, but \$8 billion annually when fully phased in). Your proposed \$500 child credit, fully available to families under \$60,000, matches up well with the PPI proposal. On the other hand, your budget proposal is silent on the issue of capital gains, which is likely to emerge as a major flash-point with congressional Republicans in coming months.

In the area of entitlements, Shapiro has two main ideas: universal means-testing to reduce benefits to wealthy recipients, and raising the retirement age to 70 by the year 2020. The administration has advocated nothing corresponding to these ideas. As you know, the Kerrey Commission debated ideas along these lines without coming close to reaching a consensus.

Finally, Shapiro recommends a series of changes in the budget process: (1) restricting the growth of federal spending to the rate of growth of the overall economy; (2) establishing a capital budget and requiring balance between federal receipts and consumption expenditures, limiting the annual deficit to capital investments; (3) giving the President a line-item veto; and (4) setting up a new Subsidies Commission (along the lines of the military base-closing commission) that would have the legal authority to propose packages of special-interest spending reductions for up-or-down votes.

You have repeatedly demanded the strongest possible version of the line-item veto, and you have reined in the growth of federal spending (albeit without a fixed formula). On the other hand: in spite of intensive staff work, we have not been able to devise a workable version of the capital budget, and we have not seriously examined proposals along the lines of the Subsidy Commission.

3. Cutting Washington Down to Size

The DLC/PPI recommendations call for a systematic effort to devolve power and authority away from the federal government to the states and localities whenever appropriate. They propose the following questions as tests to be applied to any existing or proposed government program: (1) Is this an activity for government? (2) Which level of government would do the job best? (3) Which level of government would best assure fiscal discipline and flexibility? (4) Which level of government will be most responsive to the citizenry? (5) Who has a compelling interest in doing the job? (6) How can equity be assured?

In addition to the steps that the President and administration can propose or take unilaterally, the DLC/PPI recommend convening a Federalism Summit including governors, local representatives, and congressional leaders to begin systematically sorting out levels of responsibility. They also suggest that the President urge Congress to appoint a Select Joint Committee on federalism to address these issue.

Under your leadership and the National Performance Review, the administration has made an impressive effort to revitalize federalism, through strategies such as waivers, increased flexibility, and legislation that devolves authority to states and localities. (The article I sent you a few weeks ago summarizes the administration's accomplishments in this area). On the other hand, we have not proposed a federalism summit; nor have we yet settled on a response to a request for such an event that may well come from a number of governors. Given the current push to streamline congressional operations and reduce the number of committees, this would probably not be the time to call for a new select committee--even to address a subject as important as federalism.

4. Health Care Reform

The current DLC/PPI health care proposal contains five principal elements: (1) insurance market reform; (2) capping tax deductions for employer-provided insurance; (3) an individual mandate for purchasing insurance; (4) requiring health plans to improve and standardize information for consumers; and (5) controlling public sector health costs by (a) paying a fixed amount per capita for each new Medicare beneficiary and (b) significantly increasing state flexibility to restructure Medicaid.

As you know, these issues (and many others) are now being studied by the health care working group under the direction of Bob Rubin and Carol Rasco. Insurance reform and improved information are certainly on the table; the individual mandate and tax cap probably are not; and Medicare/Medicaid changes are being considered in the context of moving toward your objective of universal coverage.

5. Welfare Reform: Putting Work First

The DLC/PPI recommendations build on your June 1994 welfare reform plan, which they characterize as a "promising start." They recommend strengthening your plan in three ways:

(1) Even more should be done to make work pay. In addition to the EITC, health care, child care, and transportation assistance, rules that decrease incentives to work and save should be eliminated. These rules include: decreasing AFDC payments almost dollar-for-dollar as earnings increase; limiting welfare recipients' assets to \$1000; and raising public housing rents as earned income increases.

(2) The emphasis should be more on job placement and less on job training. Welfare system outcomes should be measured by how many recipients are actually placed in jobs; case managers should be assigned monthly job placement quotas; and bonuses should be awarded to case managers who regularly exceed their quotas.

(3) The emphasis should be less on carrying out top-down reform of the existing welfare bureaucracy and more on creating competitive alternatives to it. That means partnerships with ventures such as America Works, Cleveland Works, and Project Match, all of which stress the work ethic and job placement in the private sector.

I personally believe that all of these ideas should be on the table during the current reconsideration of our stance on welfare reform for the 104th Congress.

6. Addressing Teen Pregnancy

The centerpiece of the DLC/PPI strategy for reducing teen pregnancy is a national mobilization involving all sectors of our society (business, religious institutions, community-based voluntary organizations, the media, among others) and led by the President of the United States. This campaign would have specific, measurable objectives--for example, reducing the teen pregnancy rate by 5 percent annually over the next decade.

You have recently authorized us to explore forming an independent non-profit institution that could serve as a rallying-point for such a national campaign, and we hope to have some names and ideas for your consideration early in the new year. If we decide to proceed, your personal involvement and moral leadership would be essential.

The DLC/PPI recommend tough policies (versions of which are included in your June 1994 welfare reform proposal) to establish paternity at birth and enforce child support awards. They note that 70 percent of teen mothers' babies are fathered by men aged 20 and older. To counter this, they recommend rigorous

enforcement of laws against rape, incest, and sexual abuse; we should come out strongly in favor of this.

Your welfare reform proposal would prohibit teen mothers under 18 from setting up independent households. Critics have charged that this would force some minors with infants back into abusive settings. In part to address this, the DLC/PPI proposes the creation of community-based "second-chance homes," run by local organizations and religious institutions with encouragement from the federal government. These group homes would provide "safety, support, structure, and discipline," including mandatory school attendance, child care, and parenting guidance. This idea is clearly distinguished from Gingrich-style orphanages (which would separate children from their parents) and should seriously be considered as part of our welfare reform effort and national campaign.

7. Reinventing Public Housing

The central DLC/PPI housing proposal is to shift from an emphasis on rental subsidies towards the goal of home ownership for the upwardly mobile working poor. While differing in detail, the recent HUD reinvention plan moves significantly in this direction, as does the homeownership initiative you recently announced.

The other significant DLC/PPI proposal is to "end public housing as we know it." One element is a two-year time limit for all new public housing tenants. In my view, which is widely shared, this would be hard to administer, and probably counterproductive.

Another element is strengthening the authority of public housing managers to screen the behavior of current and prospective tenants. This is an important idea that enjoys significant support. To some extent this is a matter of encouraging managers to act more aggressively within existing legal authority; HUD is trying to do this now. But it would also require changes in law, some of which the administration is already supporting. For example, Secretary Cisneros' recent proposal would shift eligibility requirements in favor of working families. On the other hand, HHS and Justice rebuffed Republican proposals last year that would have made it more difficult for individuals with records of drug addiction to obtain public housing. I believe that it would be worthwhile to explore this topic more systematically.

OTHER DLC/PPI PROPOSALS

As I noted at the beginning of this memorandum, three of the DLC/PPI alternatives to the Republican Contract address international issues.

1. The President should offer a new nuclear bargain in which the "have" states would reduce their arsenals toward zero

in exchange for acceptance by "have-not" states of tougher non-proliferation verification and enforcement measures.

2. To ensure a strong military for the 21st century, we should trade quantity for quality, trimming forces designed to fight the Cold War in order to maintain readiness, and investing in a new generation of military equipment. As part of the quantity/quality trade, we should rethink the overlapping roles and responsibilities of the four branches of the armed forces.

3. The United States should welcome to NAFTA all emerging democracies, regardless of their geographic location, that wish to open reciprocally their markets to trade and investment, and to undertake (at a minimum) NAFTA labor and environmental standards. To address such standards for the future, the International Labor Organization should be strengthened, and a parallel organization, the Global Environmental Organization, should be established.

If these ideas strike you as promising, the NSC, NEC, and USTR could be asked to evaluate them in detail.

CONCLUSION

As soon as you indicate which (if any) of the DLC/PPI domestic policy proposals warrants further investigation, I will coordinate a more thorough policy process to produce options for your consideration.

Very Thanks

THE PRESIDENT HAS SEEN

12/19

Jim Galt

We need to evaluate
the other 100 proposals
+ determine which we
should pursue. Pls. organize
brief recommendations on those
we don't get acting on

JK

Centrist Group Offers Reply to GOP 'Contract'

DLC Also Distances Itself From Clinton

By Dan Balz
Washington Post Staff Writer

The centrist Democratic Leadership Council (DLC) yesterday issued a 10-point alternative to the "bumper-sticker bromides" of the Republicans' Contract With America and its leaders pledged to wage "hand-to-hand combat" with the Republicans for the support of the "vital center" of the American electorate.

DLC president Al From said the agenda would push the country in a "far different direction" than the Republican contract. But he acknowledged that it also represents a sharp departure from the policies of the Clinton administration.

From said the White House had played no direct role in the formulation of what he called a "progressive alternative" to the Republicans, despite the fact that Bill Clinton chaired the DLC before launching his presidential campaign.

In a sign of the DLC's continuing disappointment with Clinton's presidency, From offered the White House another cold shoulder, declaring that his organization is an independent think tank, "not an adjunct of the Clinton administration." Nonetheless, Clinton is scheduled to speak at the group's fund-raising dinner tonight.

The 10-point package includes measures to cut the federal deficit; reform welfare, housing and health care programs; shift power away from Washington; and assure U.S. military strength.

The unveiling of the alternative agenda marked the 10th anniversary of the DLC's founding, but From and others conceded that the centrist group's ranks in Congress are thinner than ever since the November elections and that there is little hope congressional Democrats will take up its cause.

"If we depend on Congress to reform the Democratic Party, we'll sit here until the funeral," he said.

He and other speakers at a news conference insisted, however, that the ideas they are promoting enjoy support across the country and that they will take them to the grass roots as part of an effort to combat

AN ALTERNATIVE AGENDA

Highlights of an alternative to the Republican "Contract With America" released yesterday by the Democratic Leadership Council and the Progressive Policy Institute, its policy arm:

1. **Create a "G.I. Bill" for workers by:**
 - converting money spent on existing job-training programs into vouchers.
 - encouraging displaced workers to finance their retraining through federally guaranteed, income-contingent student loans.
 - developing Individual Development Accounts (similar to IRAs) to encourage saving for lifetime learning.
2. **Cut tax and spending programs that subsidize certain industries and redirect \$225 billion over five years for: education and training; research and infrastructure; deficit reduction; and family tax relief.**
3. **Build on the North American Free Trade Agreement by:**
 - inviting in any emerging democracy that accepts NAFTA's standards on trade, investment, labor and the environment.
 - creating international institutions to resolve international labor and environmental disputes.
4. **Reform welfare by:**
 - limiting cash payments to two years.
 - placing recipients who do not find work in the private sector in community service jobs.
5. **Rebuild housing opportunity by:**
 - limiting occupancy in public housing to two years and giving housing managers authority to enforce standards of conduct.
 - gradually shifting resources from subsidies toward efforts to boost the supply of low-cost, privately owned, owner-occupied homes.
6. **Combat teenage pregnancy by:**
 - resurrecting "social sanctions" against out-of-wedlock births.
 - creating "second-chance" homes where teenage mothers receive help raising their children.
7. **Cut the size of the federal government by:**
 - dismantling petrified central bureaucracies and returning power from Washington to states, communities and citizens.
 - convening a "Federalism Convention" to plan a redistribution of power.
8. **Reforming health care by changing the market through:**
 - requiring everyone to purchase insurance.
 - changing the tax-subsidy system for employer-paid insurance.
 - applying private sector managed care reforms to Medicare and Medicaid to bring their costs under control.
9. **Move toward a nuclear weapons-free world by the middle of the next century by striking a grand bargain between nuclear and non-nuclear states.**
10. **Strengthen U.S. military forces by ending the 1993 "bottom-up review" launched by the Pentagon and beginning a more systematic assessment of the services' roles and missions in light of changing demands.**

THE WASHINGTON POST

the new Republican majority in Congress and to revitalize a Democratic Party that absorbed its worst defeat in 40 years last month.

"We are alerting the Republicans we intend to engage them in hand-to-hand combat for every inch of ground in the battlefield for ideas," From said.

Will Marshall, president of the Progressive Policy Institute, the policy arm of the DLC, said the agenda outlined yesterday is "rooted in the values" of working Americans and that while the many of the themes are similar to those in the Republican contract, the philosophy and details are different.

Marshall said that while the Republican contract offers the symbol-

ism of a balanced budget amendment, the DLC offers specific ways to shrink the deficit. He said that while both seek to change the welfare system, Republicans favor a punitive approach in contrast to a DLC philosophy he described as "reciprocal responsibility."

The DLC agenda renews the group's recommendation for a budgetary policy called "cut and invest" in which Congress would wipe out many tax subsidies now provided for various industries and use part of the proceeds to invest in education, training, infrastructure and tax relief for families.

Robert Shapiro said the DLC already has identified 68 tax subsidies

See DLC, A24, Col. 1

Centrist Democrats Offer Alternative To GOP 'Contract'

DLC, From A21

for corporate America that represent an industry's clout in Congress, not its value to the economy. Eliminating them would save \$225 billion over five years, he said, adding that eventually such reforms could save the government \$75 billion a year.

Labor Secretary Robert B. Reich recently called for a similar policy to scale back on what he and the DLC call "corporate welfare," although the speech was not cleared in advance by the White House.

Shapiro also urged reforms in entitlement programs, including a gradual increase in the age of eligibility for Social Security to 70.

Other elements of the DLC economic program include a "G.I. Bill" for workers that would consolidate existing programs and offer new incentives for workers to undergo retraining throughout life.

Marshall said the group disagrees with both the Republican and the Clinton administration approaches to welfare reform. "We don't want to reform welfare, we want to replace it with work," he said.

He said the Republican proposal to deny benefits to children born to teenage mothers and put the children into orphanages is insensitive. To combat teen pregnancy, the DLC called for a national campaign to make out-of-wedlock births socially unacceptable and for the creation of community homes, patterned after settlement houses from the turn of the century, where teenage mothers could raise their children.

The DLC also called for significant changes in public housing policy designed to make it a transitional program, not a permanent condition, including the gradual phase-out of housing subsidies and using the money to build low-cost housing for the poor.

On health care, an area not covered in the Republican contract, the DLC recommended step-by-step changes, beginning with insurance reforms but eventually requiring all Americans to purchase health insurance.

Like the Republicans, the DLC called for a significant shift in governmental responsibility from Washington to the states and cities. But rather than outline specific programs that should be moved out of Washington, the DLC urged Clinton to convene a "Federalism Convention" to develop a plan for decentralizing power.

THE PRESIDENT HAS SEEN

12-29-94

THE WHITE HOUSE

WASHINGTON

December 28, 1994

MR. PRESIDENT:

Attached is a Mikva/Neuwirth memo on dangers implicit in the 1995 "conference of states" being organized under the leadership of Governors Leavitt (Utah) and Nelson (Nebraska). The conference is to consider constitutional amendments (e.g., balanced budget) and changes to federal laws and regulations.

The conference of states should have no standing to propose constitutional amendments for state ratification since the conference would conform to neither of the two procedures stipulated in the Constitution for proposing amendments.

However, Ab and Steve are concerned that, if states pass statutes authorizing representatives to participate (such statutes are being contemplated), Congress could (i) deem the statutes to be a request for a constitutional convention, and (ii) authorize the conference to act as a constitutional convention. In the end, the courts would probably deem such congressional action invalid. But it would be very undesirable to have momentum built up for popular amendments recommended by the conference and sent (by Congress) to the states for ratification.

Consequently, Ab and Steve recommend steps (i) underscoring the Administration's commitment to the specific amendment procedures set forth in the Constitution; (ii) emphasizing to state officials and the public the danger of enacting state statutes authorizing the conference; and (iii) persuading Members of Congress that state statutes authorizing the conference would not satisfy the requirements for amending the Constitution.


Todd Stern

THE WHITE HOUSE
WASHINGTON

December 27, 1994

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~~PRIVILEGED AND CONFIDENTIAL~~
ATTORNEY-CLIENT/WORK PRODUCT

MEMORANDUM FOR THE PRESIDENT
LEON PALETTA

FROM: ABNER J. MIKVA *ajm*
COUNSEL TO THE PRESIDENT
STEPHEN R. NEUWIRTH *SN*
ASSOCIATE COUNSEL TO THE PRESIDENT
SUBJECT: CONFERENCE OF STATES

As you may be aware, Governor Leavitt of Utah has initiated an effort to convene a "conference of states" during 1995. The purpose of the proposed conference would be to consider constitutional amendments (e.g., balanced budget, revitalization of the Tenth Amendment, unfunded mandates) and changes to federal laws and regulations.

The Council of State Governments is organizing the proposed conference, and Governors Leavitt and Nelson (Nebraska) will chair a steering committee. This past Friday, we were advised that the steering committee will soon ask state legislatures to enact statutes that formally authorize state representatives to participate in the conference.

The purported reason for these state statutes would be to ensure that the proposed conference receives sufficient attention from Congress and federal officials. We should recognize, however, that some politicians, constitutional scholars or political theorists may assert that the proposed conference will, in fact, have legal authority to propose constitutional amendments that would be adopted upon ratification by the states.

The Constitution, on its face, clearly would not authorize the proposed conference to propose amendments for state ratification. Article V sets forth only two amendment procedures -- each of which requires Congressional action. In the first procedure, two-thirds of both houses of Congress can propose an amendment, which three-quarters of the state legislatures must then ratify. In the second procedure -- which has never been utilized -- two-thirds of the state legislatures can ask Congress to call a convention "for proposing amendments"; any amendments proposed by such a convention must then be ratified by three-quarters of the state legislatures.

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

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

The proposed "conference of states" would not be a "convention" within the meaning of Article V of the Constitution because it would not be "called" by the Congress upon a formal application by two-thirds of the states. Although a small number of theorists have argued that "the sovereign people" can lawfully amend the constitution by means other than those specified in Article V, this suggestion plainly is not recognized by the Constitution. In addition, neither the proposed conference nor state legislatures would have any lawful authority to amend or nullify existing federal statutes or regulations.

There is a danger, however, that the contemplated state statutes supporting the proposed "conference of states" could be viewed as a request to Congress for a constitutional convention. Congress could then pass legislation purportedly authorizing the conference to act as a constitutional convention. Even if the courts were ultimately to deem this procedure invalid, it could prove difficult as a political and practical matter to stop the momentum towards state ratification of any constitutional amendments proposed by the conference. The worst scenario would be for the "conference of states" to recommend some constitutional changes with popular appeal, which Congress could, by a subsequent resolution, effectively send to the states for ratification.

In light of these concerns, we believe the following steps are in order:

1. The Administration should be vigilant in its commitment to the specific amendment procedures set forth in the Constitution, and to the national stability and continuity those procedures protect. While the Administration can welcome the efforts of state officials to engage in thoughtful, bipartisan deliberations about the problems facing our nation, we should not permit confusion to be created between any proposed meeting of state representatives and the lawful means of amending our Constitution.
2. Steps should be taken -- such as statements by legal scholars or respected commentators and political figures -- to ensure that state officials and the public recognize the dangers inherent in the enactment of state statutes to authorize the proposed conference. Large states, such as New York and California, may be particularly alarmed by the prospect that a simple majority of participants in a "conference of states" could propose amendments to our fundamental law. Of course, state statutes are not necessary to convene the proposed conference; state governors, for example, might simply appoint representatives to attend.

3. At the same time, we should work with members of Congress to discourage support for the proposition that state statutes supporting the proposed "conference of states" -- even if adopted by two-thirds of the states -- would satisfy the Constitution's requirement that the states expressly ask Congress to call a convention for proposing constitutional amendments. Moreover, Article V indisputably gives Congress a role in the calling of any constitutional convention -- a role that could include setting agendas or determining the type of state representation (e.g., proportional). The proposed conference of states would effectively bypass any such substantive role for the Congress.

The steps above would need to be implemented with extreme care and caution. We want to avoid suggesting the existence of a problem that might not otherwise arise. Moreover, no concessions should be made that the proposed conference would conceivably have legal authority to act as a constitutional convention.

On balance, however, we believe that the risks associated with a "rump" constitutional convention are great enough to justify prompt, though appropriately tempered, action.

cc: Carol Rasco
Marcia Hale

12-29-94

THE WHITE HOUSE
WASHINGTON

94 DEC 11 P 1:07

December 9, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: HAROLD ICKES 
Deputy Chief of Staff

SUBJECT: Summary of Weekly Cabinet Reports
December 9 through December 16

CABINET-WIDE ACTIVITY

SUMMIT OF THE AMERICAS

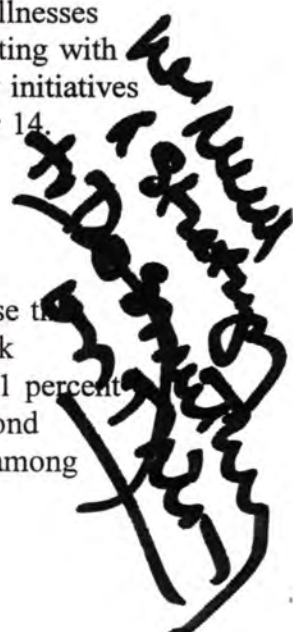
Secretaries Christopher, and Bentsen, Attorney General Reno, Secretaries R. Brown, Reich, Cisneros and Pena, Administrator Browner, Chair Tyson, Ambassador Kantor, and Directors Brown and Duffey will join you in Miami for the Summit of the Americas. Each will host events with business and community leaders and conduct media interviews, in addition to participating in other Summit events.

PERSIAN GULF ILLNESSES

Next week, the Defense Department will release a clinical evaluation of the first 1000 sick veterans to pass through their examination system. The evaluation shows no evidence that there is any one "syndrome" affecting the veterans. It shows that 15% of them have undiagnosed illnesses and that 23% of them have psychological/psychiatric related illnesses including Post-Traumatic-Stress-Disorder and anxiety. The White House is coordinating with the Defense Department a release strategy which includes the announcement of new initiatives in this area. The announcement is tentatively scheduled for Wednesday, December 14.

DRUG USE SURVEY RELEASE

On December 12, Secretaries Shalala and Riley and Director Lee Brown will release the results of two drug-use surveys. The first survey, the Drug Abuse Warning Network (DAWN), shows an overall increase in drug-related emergency room cases with a 31 percent increase in heroin-related visits and a 53 percent increase in "speed" cases. The second survey, the 1994 Monitoring the Future Survey, shows self-reported marijuana use among



eighth, tenth, and twelfth graders continuing to increase for the third year in a row. There is also a small but significant increase in reported cocaine use among 8th and 10th graders. The departments are coordinating the press conference with the White House.

DEPARTMENT SUMMARIES

DEPARTMENT OF THE TREASURY

- **Profit-Making:** On December 12, the Office of Thrift Supervision (OTS) will hold a press conference to announce third quarter results of the OTS-regulated thrift industry. The report shows that the industry was moderately profitable with income at \$1.5 billion compared to \$1.2 billion in the second quarter.

DEPARTMENT OF COMMERCE

- **Georges Bank:** The Department's National Oceanic and Atmospheric Administration (NOAA) announced on Wednesday, December 7 the emergency closing (through March 12, 1995) of portions of U.S. waters of the Georges Bank (MA) and southern New England to commercial fishing to save cod, haddock and yellowtail flounder stock from extinction due to overfishing. The move had been recommended by the New England Fishery Management Council which required a Secretarial response.
- **Northern Ireland:** December 12 the Secretary departs for Northern Ireland. There he will lead a Presidential Business Development mission consisting of approximately ten U.S. CEOs and others to the International Investment Conference, convened by British Prime Minister John Major. While in Northern Ireland, he will meet with representatives of American business, tour a high-tech facility, sign a science and technology agreement and possibly a tourism communique, and deliver speeches in Derry and Belfast. In Dublin, he will conduct a business roundtable with U.S. Ambassador Jeanne Kennedy Smith and meet with Prime Minister Ahern.
- **Brussels:** Thursday, December 15 the Secretary will be in Brussels to conduct bilaterals with European Union President-designate Santer and others.

DEPARTMENT OF LABOR

- **School-to-Work National Employer Leadership Council:** Chaired by Alex Trotman, CEO of Ford Motor Company, the School-to-Work National Employer Leadership Council held its first meeting on Tuesday, December 6, at the White House. The President attended the opening session of the meeting to express his thanks to the Council for their involvement in the project. The Council then met to map out their strategy for supporting school-to-work implementation.

THE WHITE HOUSE
WASHINGTON

DATE: 12/29/94

TO: JIM DORSKIND

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

Please call me about the
attached Face of Hope letter
on the Energy Department.

Thanks.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS BEEN
12.09.94

December 12, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA
TODD STERN

SUBJECT: Current Information Memoranda

In an effort to reduce your paperflow burden, and after discussing the matter with Leon, we are going to try presenting your information items in a new format. Every weekend we will put information memos that have come in that week and are not time-critical in a binder with a cover memo that **briefly summarizes what the items are and highlights any issues that seem especially significant**. We'll provide the memos in their entirety so you can look at them if you choose.

Although we are a bit out of cycle right now, we wanted to give you this book as a trial run. Please let us know if this new format is helpful for you.

Here is a summary of the memos for the past few days:

- (A) **Rivlin/Lake on Defense Cuts.** This memo from Tony and Alice notes that, as a result of your recent announcement that you were adding \$25 billion to the FY 1996-2001 DOD spending plan, cuts in various weapons programs will be less severe than had been tentatively forecast in August by Deputy Secretary Deutch. The memo details \$8.4 billion in budget authority savings for FY 1996-2001.
- (B) **Gearan on Profiles in Courage Awards.** Gearan reports that he has followed up with Caroline Kennedy and Paul Kirk concerning your conversation; that the Selection Committee meets in January for its initial session; and that he will keep you posted.
- (C) **Jesse Brown Letter on Entitlements Commission.** Secretary Brown urges you to keep your distance from the recommendations in the Staff Report of the Kerrey/Danforth Commission.
- (D) **Face of Hope Letter on Energy Department.** Lisa Crawford, President of F.R.E.S.H. and a Face of Hope, strenuously urges you not to terminate the Department of Energy, arguing that its critical functions could not be effectively carried out either by DOD or EPA.

F.R.E.S.H., Inc.

Fernald Residents for Environmental Safety and Health

December 11, 1994

SENT VIA FAX (202-456-2883)

President Bill Clinton & Vice-President Al Gore
The White House
Washington, D.C.

Dear President Clinton & Vice-President Gore:

I am writing to you as one of your "Faces of Hope" and as the President of a local grassroots environmental organization, F.R.E.S.H., Inc. (Fernald Residents for Environmental Safety & Health, Inc.). F.R.E.S.H. has a ten year history of being the watch dog organization of the local Department of Energy's Fernald Environmental Management Project, located outside of Cincinnati, Ohio. During the presidential campaign in September of 1992, Vice-President Al Gore visited Fernald on a campaign stop, for which we were very grateful.

Enclosed are copies of The Washington Post article dated 12/9/94, The Wall Street Journal article dated 12/9/94 and a Cincinnati Post article dated 12/10/94, all of which have us extremely concerned and disturbed. While I understand efforts to reduce the federal government's budget, the possibility of the elimination of the Department of Energy (DOE) seems ludicrous, especially at this point in time. The Department of Energy under the leadership of Secretary Hazel O'Leary and Assistant Secretary Thomas Grumbly of DOE/EM has made great strides in demonstrating a willingness to reinvent government within this agency. Some prominent examples of this are: (1) the openness initiative which has begun to lift the veil of secrecy, (2) increased public participation with regard to the decision making process at the DOE sites, (3) the attempt to institute contractor reform in making the DOE contractors more accountable, and (4) the attempt to bring their budgets under control and more streamlined within DOE/EM.

The Department of Energy is in the mist of confronting the legacy of 50 years of nuclear proliferation activities. To eliminate this agency would destroy the recent changes which have been made towards a more effective institutional structure focusing on long-term solutions to the current situations throughout the Nuclear Weapons Complex. We are unable to comprehend how the elimination of the Department of Energy would ultimately benefit the citizens of this country and save taxpayers money. A tremendous amount of taxpayer money has already been invested in beginning to correct the past problems of the Department of Energy -- thus, this investment would have been for NOT!!

It is our staunch opinion, that there currently does not exist another agency or department within the U.S. government which could assume the functions of the Department of Energy in a responsible

(2)

and independent manner. The only two possible departments/agencies who could remotely assume the functions of the DOE would create a conflict of interest, that being the U.S. EPA or the Department of Defense (DOD). Either of these agencies would give the appearance of "the fox guarding the hen house". To eliminate the DOE would also have the appearance of shirking the federal government's responsibility to protect the citizens and the environment from the conditions that were allowed to fester at these DOE sites.

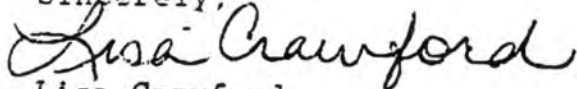
In closing, it is our opinion that there is NO responsible agency to assume the responsibilities of the Department of Energy and therefore it should remain a viable cabinet-level department of the U.S. government. If you should have questions, please feel free to contact me at the following numbers:

(513) 948-3779 - work (7:30 a.m. - 4:00 p.m.)

(513) 738-1688 or 8055 - home (after 4:30 p.m.)

Home Address: 10206 Crosby Road, Harrison, OH 45030

Sincerely,



Lisa Crawford
"FACE OF HOPE"

President, F.R.E.S.H., Inc.

enc. - newspaper articles

cc: Senator John Glenn
Rep. Rob Portman
Rep. John Boehner
Ohio EPA - Graham Mitchell

The Washington Post

Circ: 810,700

DEC 9 1994

White House Considers Cutting a Cabinet Agency

Aides Prepare Dramatically Slashed Budget

By Ann Devroy and Stephen Barr
Washington Post Staff Writers

President Clinton's senior economic and political advisers are preparing budget options that would dramatically slash departments and agencies and may even eliminate a Cabinet department, as the White House competes with the new Republican Congress to cut the federal government.

A senior official said last night that while the options include eliminating departments such as Housing and Urban Development and Energy, advisers are more concentrated on "serious, significant, major restructurings" rather than jettisoning a department.

Republicans who control the House and Senate have already stated they intend to do major surgery—if not start from scratch—on the fiscal 1996 budget Clinton is sending to Congress in February. The White House has totally shaken up its budget process to produce what officials describe as a "much more judicious response" to the Republican gains and to emphasize Clinton's desire to move more toward the political center.

A senior administration official said yesterday that Clinton had "asked for recommendations for cutting or eliminating departments or programs. Serious recommendations."

The official said the National Economic Council, rather than officials of the agencies and departments, is preparing the dramatic options and that key decisions will be sought from Clinton on Monday and Tuesday.

A second official said that HUD was once considered a prime candidate for elimination but that Secretary Henry Cisneros has produced a workable set of proposals that call for "dramatic restructuring" and saves money.

In the wake of the election, the administration is streamlining its budget deliberations around four goals: streamlining government, consolidating agencies and departments, eliminating functions, personnel and assets of government, and privatizing some functions performed by government.

Clinton has been in budget meetings almost every day this week and has another meeting scheduled on Monday to debate some of the options. But departments and agencies scheduled for drastic cuts or eliminations are already preparing their internal arguments against such actions.

"Different people within the White House have different views considering what these exercises are going to accomplish," said one department official. "Our view is what is important is the functions of the department, and that those functions be performed efficiently."

Energy Department officials recalled that when President Ronald Reagan proposed elimination of their department in 1981, the proposal failed for two reasons: the Congressional Budget Office did not believe it would save much money, and no one could decide where to move the department's biggest and most expensive function, manufacturing and maintaining the nation's arsenal of nuclear weapons.

The only department with the facilities, the expertise and possibly the willingness to absorb that mission would be the Defense Department. But giving the Pentagon control of the bomb factories would break with half a century of bipartisan policy to keep that function in civilian hands.

Another official noted, though, that "things that could not have been possible two months ago now make it on the table."

This official said that while the major reviews had been directed at HUD and Energy, other departments and agencies would be asked to justify their missions and explain why parts of their organizations continue to exist.

At the Labor Department, for example, "a lot of intense work" has been done over the last six months on how to consolidate 154 education and training programs. The idea of consolidating the programs began with Vice President Gore's National Performance Review and was continued by OMB, Labor and Education department officials. Two senators with interest in the issue—Edward M. Kennedy (D-Mass.) and Nancy Landon Kassebaum (R-Kan.)—also have been involved.

"It's fair to say that that work is close to ready to go to the president for some decisions on his part," said an official who has worked on the project.

A White House official said discussions were underway with top political appointees to build consensus for a second stage of Gore's "reinventing government" initiative, ranging from creating a "grand vision" for what the government should look like in the next century to consideration of complex "alternative models" for review of agency regulations by Gore.

This is also the time of year for OMB's "pass-backs." The budget office responds to each agency's budget request with suggestions that traditionally include directions for further spending and personnel cuts. When OMB seeks further cuts during the pass-back, it usually prompts appeals and resistance by the targeted agency.

At the Bureau of Alcohol, Tobacco and Firearms, officials are opposing OMB's suggested cuts, according to a memo written by ATF Director John W. Magaw.

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The Washington Post

DEC 9 1994

Circ: 810,000

"The immediate impact of these cuts would be to prevent the apprehension of nearly 8,000 violent offenders a year," Magaw wrote in a Nov. 30 memo to bureau employees. "These offenders commit in excess of 300,000 crimes annually."

According to Magaw's memo, OMB has proposed cutting ATF's firearms enforcement program by one-quarter, about \$53 million and 830 employees, to finance a "Cops on the Beat" grant program initiative for state and local law enforcement officers. "OMB sees ATF's role as assisting state and locals in enforcing laws rather than direct enforcement," Magaw said.

The memo said OMB proposed reductions in ATF's alcohol compliance program, elimination of a surveillance aircraft program and a cut off in funds for the relocation of a laboratory to Rockville. Instead of relocating the lab, OMB recommends consolidating it with other Treasury Department facilities, the memo said.

Staff writers Guy Gugliotta, Thomas W. Lippman and Pierre Thomas contributed to this report.

THE WALL STREET JOURNAL.

DEC 9 1994

Circ: 1,852,863

Clinton Weighs Dismantling of HUD;
Energy, Transport Cuts Also StudiedBy MICHAEL K. FISHER
AND CHRISTOPHER JACKSON

WASHINGTON — President Clinton, seeking to dramatize a commitment to smaller government, may dismantle the Department of Housing and Urban Development or another cabinet agency.

The housing agency emerged as a leading candidate for the major restructuring, which could turn HUD into several independent entities and eliminate many programs. But officials have broadened their study to look at eliminating instead either the Department of Transportation or the Department of Energy.

Mr. Clinton, in one of his first acts after the devastating defeat suffered in the elections, asked aides for proposals downsizing the government. In meetings that included Vice President Al Gore, Mr. Clinton requested a set of "bold cutting proposals," a senior aide said. The final plan, which may be presented to Mr. Clinton as early as Monday, is expected to include the dismantling of a Cabinet department and several smaller agencies as well.

Savings from the plan, which administration officials said would amount to billions of dollars, would either help finance a tax cut or simply lower overall federal spending.

Election Gives 'Mandate'

"The president was explicit that he be presented with some very serious cuts in departments," said Gene Sperling, a White House aide. "The election has given us a mandate to go even further in some of the cuts that we've already passed but have unfortunately gone unenforced."

Doing away with or deeply cutting funding for a major agency would give the struggling president an opportunity to recast his image away from being a promoter of big government.

The move is championed at the White House by Vice President Gore, as well as other advisers who believe that Mr. Clinton was too cautious in his reinventing-government plan last year, and now must be far bolder if he hopes to control the good-government issue against the resurgent Republicans.

Dee Dee Myers, the White House press secretary, called it "premature" to say that departments would be eliminated, but

she said the administration "is looking seriously at ways to streamline the government and make it more efficient."

If Mr. Clinton follows through on the initiative, which is sure to bring strong opposition from interest groups and traditional Democrats, it would be the strongest indication to date that he is indeed moving to the center after the devastating defeat that the Democrats suffered in the November election.

Some in the administration insisted that the initiative is "a bold restructuring" rather than an outright elimination of an agency, but clearly the plan represents a significant downsizing that some critics will see as eliminating HUD.

Aides were frustrated that the plan was becoming known, because they wanted it to be part of a big announcement with a lot of fanfare that could boost Mr. Clinton's popularity. Moreover, it might satisfy other Democrats who are hungry for the administration to take bold steps in the face of the Republican onslaught.

Cisneros's Campaign

Upon hearing that his agency was on a list with the Departments of Transportation and Energy possibly to be dismantled, Housing Secretary Henry Cisneros waged a campaign earlier this week to remove his agency from the chopping block.

While he helped his cause, officials argue that the Energy Department deals with too many futuristic issues to be deleted and that too many essential regulations are administered by Transportation officials. This leaves HUD as a more plausible candidate.

Still, Mr. Cisneros may have helped save off complete elimination of his agency by offering the White House a broad set of counterproposals that would include deep cuts in housing programs as well as bureaucratic reorganization.

HUD has been one of the hardest-hit agencies in recent years by federal spending cutbacks, sustaining a nearly 30% decline in funding since 1980. Other agencies have seen their budgets increase over the same period. Another problem for HUD is that even housing experts are questioning what its mission is today.

HUD's \$30 billion annual budget represents 5% of spending by all agencies, and if the administration can save a fair percentage of that, it would create a new pool of funds to use in setting new priorities. The programmatic impact of slimming down HUD remained unclear, but the administration has done considerable thinking about how to handle some of the essential housing functions.

For instance, some aides envision the

Federal Housing Administration, which guarantees mortgages, as a more independent outfit like the Federal National Mortgage Association, and see it as a player in the secondary mortgage market. Likewise, a Public Housing Corp. would be created to play a role similar to the one that the Resolution Trust Corp. performed with failed savings and loans: It would sell off public housing to private industry, while finding creative ways to market the 300 or so troubled housing developments around the country.

Also, a super economic-development agency would be created to handle the roughly \$4 billion a year in development funds that come from HUD, as well as the economic-development funds that are disbursed by other government agencies.

Housing subsidies for 3.3 million Americans handed out by HUD probably wouldn't be affected in the short run, officials said. But according to Internal Office of Management and Budget documents, the administration, even without a larger reorganization of the agency, is seeking to eliminate nearly \$1 billion in funding for nearly a dozen housing programs next year.

They include programs for new construction of housing for the elderly and disabled, as well programs that provide loans to low-income Americans and emergency shelter programs.

Plans for a major overhaul of one or more agencies have been in the works for several months, administration officials said, with the White House and the agencies in question drafting specific options. But last month's Republican sweep at the polls helped push the idea to the forefront of the administration's agenda.

Although the administration has reduced the federal bureaucracy by more than 270,000 jobs, or 13%, over the past two years, recent polls have shown that the effort has gone largely unnoticed by the public. Officials said the public, when Mr. Clinton first announced his reinventing-government program, expected something more drastic, such as phasing out a combination of agencies and programs. Such moves would help drive home the administration's seriousness about reducing the size and scope of government.

Moreover, the current plan would rob momentum from such Republican plans as eliminating the Department of Education, something the Clinton administration doesn't want to do.

KNIFE FIGHT / Deficit's the target

Budget cutters taste blood

Associated Press

WASHINGTON — The Clinton administration — hastily refashioning its budget to account for new political realities — is considering trimming the Cabinet and ordering drastic cuts in hundreds of programs.

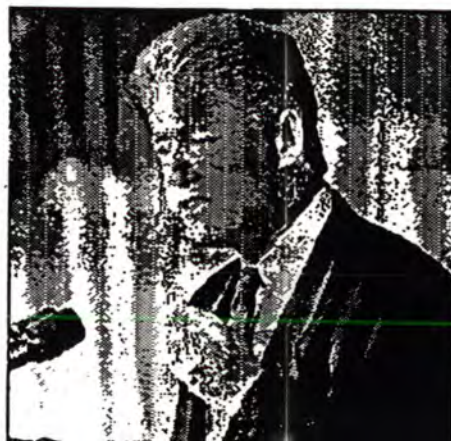
Already the proposals are prompting outcries from bureaucrats struggling to protect their agencies. The head of the Bureau of Alcohol, Tobacco and Firearms complained in a memo that proposed cuts would prevent the apprehension of 5,000 violent criminals a year.

Three Cabinet agencies being considered for possible dismantling are the departments of Housing and Urban Development, Energy and Transportation, administration officials said Friday.

These officials, who spoke on condition of anonymity, said if the administration ends up putting only one agency on the block, it is likely to be HUD. Its functions would either be eliminated or spun off to other agencies.

Officials stressed that President Clinton, who kicked off the intensive review with a command to be bold, has not signed off on the proposals being developed and that another White House meeting was scheduled for Monday.

If Clinton goes along with the package being developed, it would be the most dramatic signal yet that he is moving to the center in response to the election losses



The Associated Press

President Clinton is considering major spending cuts in federal programs.

Democrats suffered in November.

Facing Republican control of both the House and Senate next year, Clinton's Office of Management and Budget has been searching for ways to make the president's annual budget a vehicle to regain the initiative on cutting the costs of government and making it function better.

With Republicans already promising to slash government spending, the country is facing the unusual prospect that both parties could attempt to outbid each other for the mantle of champion budget cutter.

"Imitation is the sincerest form of flattery," said Rep. John Kasich, R-Ohio, the incoming chairman of the House Budget Committee. But Kasich said that "in the past, the administration's performance has by no means matched its rhetoric."

Carol Cox Waite, president of the bipartisan Committee for a Responsible Budget, which has urged deficit reduction for years, said she was encouraged that politicians may have finally gotten the message from the voters.

"If politicians don't respond correctly, then I think the voters will be ready to change the folks who are making the decisions once again," she said.

However, each Cabinet agency has its own constituency that is certain to bring heavy pressure on Congress.

Transportation officials have protested that their agency covers too many vital regulatory functions, especially dealing with air safety, to be eliminated. Energy officials say that their biggest function, managing the government's nuclear weapons program, would have to be continued and that there has been longstanding reluctance to give that job to the Pentagon.

Officials said that HUD Secretary Henry Cisneros this week offered the White House a set of counterproposals that would include steep cuts in certain housing programs but would save HUD as a separate Cabinet agency.

They said that HUD housing subsidies for 5.5 million Americans probably would not be affected by the program.

Andrew G. Kumpuris, M.D., P.A.
J. Lynn Davis, M.D., P.A.
Cardiovascular Diseases
415 North University Avenue
Little Rock, Arkansas 72205

December 21, 1994

Office (501) 664-6841
FAX (501) 664-0296

THE PRESIDENT HAS SEEN
12.29.94

Chen
Fyler
Clinton
R

President Bill Clinton
The White House
Washington, DC 20500-2000

RE: Surgeon General of the United States

Dear Mr. President:

With the recent turn of events, I know that you are currently reviewing your options for a new Surgeon General of the United States. As a result of working on your Presidential Campaign, with the transition team, and ultimately with the Task Force I had an opportunity to meet several qualified individuals. I would like to recommend two of these professionals.

First is Dr. Irwin Redlener. I know that you are quite familiar with Dr. Redlener. He is an outstanding physician who is currently the Director of Community Pediatrics at the Albert Einstein College of Medicine. Dr. Redlener is extraordinarily qualified to serve as Surgeon General. As you probably know, he has worked tirelessly in defining the problems and possible solutions surrounding indigent and homeless children's health care needs. Additionally, he has been a very articulate spokesperson for the need for universal coverage and the many options that this country has in achieving that goal.

The second candidate that I feel should be considered is Dr. Jack Lewin. As you know, Dr. Lewin is one of the principal architects of the Hawaii Health Care Plan. He is the best spokesperson for the positive aspects of universal coverage that I have ever encountered. His understanding of all the dynamic forces involved in delivering quality health care is obvious to anyone who has spent any time with him. In addition, his enthusiasm is infectious and I have no doubt that he would be tireless in his efforts to improve the quality of health care in our country.

I feel honored to have the opportunity to recommend these two fine physicians. I salute you for your efforts and I hope that in the future I can be of service to you and your administration.

Sincerely,

Andrew G. Kumpuris MD
Andrew G. Kumpuris, M.D.

AGK/kbs

THE WHITE HOUSE
WASHINGTON

December 29, 1994

MEMORANDUM FOR ALICE RIVLIN

FROM: TODD STERN 

FYI: The President sent the attached note to Gene Sperling regarding the Richard Nathan and Fred Doolittle book The Consequences of Cuts: the Effects of the Reagan Domestic Program on State and Local Governments. Gene has a copy of the book should you be interested in taking a look.

Green S that
might be ~~useful~~
useful in analyzing
what they're proposing

THE PRESIDENT HAS SEEN

12/29/94

B.

THE WHITE HOUSE
WASHINGTON

DATE: 12/29

TO: *Leon Panetta, Veronica Biggio*
Bob Rubin

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

fyi



DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

94 DEC 22 P2:10

MEMORANDUM FOR JOHN PODESTA
STAFF SECRETARY
THE WHITE HOUSE

FROM: EDWARD S. KNIGHT *ESK*
SUBJECT: Transition - Governorships of the International
Financial Institutions

As I mentioned in our phone conversation yesterday, the Governorships of the international financial institutions¹ are separate Senate-confirmed Presidential appointments from which Secretary Bentsen will need to resign. Secretary-designate Rubin will need to be separately nominated and confirmed to each of these positions.

The Alternate Governor of the International Monetary Fund is Federal Reserve Board Chairman Alan Greenspan. The Alternate Governor of each of the development banks is Under Secretary of State for Economic and Business Affairs Joan Spero. In the gap between the resignation of Secretary Bentsen from these positions and the confirmation of Mr. Rubin to these positions, the Alternate Governors can represent and vote on behalf of the United States in these institutions. In addition, Secretary Bentsen will designate certain Treasury officials as Temporary Alternate Governors, who can also represent and vote on behalf of the United States in these institutions.

The Secretary of the Treasury is also, ex officio, a member of the Board of the North American Development Bank. Treasury Assistant Secretary Jeffrey Shafer is Secretary Bentsen's Alternate on the Board, and the Secretary of State and the Administrator of the Environmental Protection Agency are also Board members. Thus, the United States will be well-represented pending Mr. Rubin's confirmation as Secretary.

¹ The International Monetary Fund
The World Bank
The Inter-American Development Bank
The Asian Development Bank
The African Development Bank
The African Development Fund
The European Bank for Reconstruction and Development



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 21, 1994

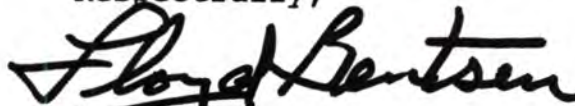
94 DEC 22 P2:10

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

Dear Mr. President:

I hereby resign as United States Governor of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the African Development Fund, and the European Bank for Reconstruction and Development, effective as of the close of business Thursday, December 22, 1994.

Respectfully,


Lloyd Bentsen

THE PRESIDENT HAS SEEN

12/29/94

Case

12/29/94

Behind One Agency's Walls: Misbehaving and Moving Up

Blind Eye

How the Immigration System
Handles Discipline

A special report.

WASHINGTON — The harassment of Ginger Kramer began shortly after she took a job as an automation clerk in the Livermore, Calif., office of the Border Patrol. In a sworn statement to investigators, she said that her boss, J. William Carter, crudely invited her to have sex on his office couch. She pushed him away as he tried to embrace her, she said.

A few weeks later, Mr. Carter ordered Ms. Kramer to deliver his newly laminated identification card to his office, she told investigators. He grabbed her again, and this time forced his tongue into her mouth, peered down her blouse and declared that he would not let go until she "did it right."

Mr. Carter denied the charges. But the Immigration and Naturalization Service concluded in 1990 that there was "no question" that Ms. Kramer had been sexually harassed. And the Justice Department, finding that Mr. Carter had engaged in "highly unprofessional conduct with Ms. Kramer and other female employees," urged the agency to punish him or remove him from the managerial ranks.

Even so, the I.N.S. balked at taking any disciplinary action until last year, when they suspended Mr. Carter for three days — one-tenth the standard punishment for misusing a Government car. Today Mr. Carter is the second-highest official in the Border Patrol and was an applicant for its top job. He declined to be interviewed, or to respond to questions in writing.

Mr. Carter's case illustrates what many immigration officers see as the agency's historic failure to hold its managers accountable for egregious wrongdoing. They say a "good old boys club" has often protected people like Mr. Carter, the third generation of his family to serve in the Border Patrol. Cynics within the agency sum up its personnel practices with the motto: "Screw up — move up."

"There is a philosophy among the top-ranked managers that you can't touch top management," said James Dorcy, the agency's chief internal investigator from 1980 to 1990. "For some reason, they seem to think it would bring down the whole damn agency if you messed with a certain level of person."

Immigration officials say that the handling of misconduct cases over the years has eroded morale at one of the Government's most troubled agencies. Richard J. Hankinson, the Inspector General at the Justice Department from 1990 to 1994, told Congress last year that the agency's "happenstance" system for imposing punishment had taken its toll, encouraging corruption and poor performance.

The immigration agency, in a statement, acknowledges that it has "an admittedly checkered record" in disciplining its employees. But top officials insist that Doris M. Meissner, who became I.N.S. Commissioner a year ago, is cracking down on officials who deserve to be disciplined by establishing an Office of Internal Audit.

And last October, they say, the agency began doing background checks on all applicants for top managerial positions. For the first time, the agency will verify that officials promoted to top jobs have no record of wrongdoing.

Documents obtained through the Freedom of Information Act, interviews with dozens of present and former I.N.S. officials and the agency's written responses to a series of questions disclose numerous cases in which the agency failed to impose swift or certain punishment on managers and others who broke rules. Among them were these employees:

¶ Robert Moschorak, the former district director of Los Angeles. After he sought preferential treatment for his wife's application for citizenship in 1990, a subordinate, an I.N.S. official, wrote him a letter saying he

er confronted her in a hallway and, a witness said, began throttling her. Immediately afterward, he was said to have remarked: "Would murder get me a day off, or some other disciplinary action?" Mr. Moschorak denies that he pinched Ms. Arellano's windpipe or made the remark, and the agency took his word over that of the witness and concluded that no assault had occurred. He retired with full benefits last year.

¶ Robert Scofield, a supervisor of special agents in the Washington district. His sexual involvement with a Taiwanese prostitute who was an illegal alien, Chin Chun Lee Huang, compromised his own agents' investigation of an Asian crime ring. The immigration service said it demoted Mr. Scofield to a post with less pay and benefits but did not dismiss him because of "excellent performance" and a "crisis in personal life contributing to impaired judgment."

¶ Roy Hendricks, the former deputy district director in Hawaii. Mr. Hendricks assigned himself and his wife, who was not an I.N.S. employee, to help guard a group of illegal aliens being returned to Hong Kong. Although internal investigators verified that Mr. Hendricks had improperly included his wife on the trip, the agency took no action. Several years later, the United States Special Counsel, an agency that protects Federal whistle-blowers, concluded that Mr. Hendricks had retaliated against a subordinate whom he blamed for tipping off investigators. The I.N.S. says it settled that case by suspending him for 30 days without pay. In August 1991, the agency sent Mr. Hendricks to supervise the training of new officers at its academy in Georgia.

¶ Richard Smith, now director of the Seattle district. While deputy director, he repeatedly pursued and sexually harassed a female subordinate, the agency's investigators found. At the same time it was investigating Mr. Smith, the agency promoted him to one of its top jobs, heading the Seattle office. The I.N.S. admits paying \$93,000 in a confidential deal to settle the case to avert the risk of "protracted litigation" but says it never took any disciplinary action against Mr. Smith because, it says, "not all of the allegations were supported." He denied the charges and retained his promotion.

When asked about these cases and others, Chris Sale, the I.N.S. deputy commissioner, said that the agency aimed to set proper standards for the future rather than to overturn cases already decided.

"You and I may disagree with how things were handled, but at this point deals have been made," Ms. Sale said.

The Chief Agent

'Unprofessional,' But a Fast Ascent

J. William Carter comes from a long line of Border Patrol officers, following his grandfather and father into jobs on the Texas-Mexico border.

His father, Harlon B. Carter, was chief of the Border Patrol by age 37 and held the powerful post of Southwest regional director until he retired in July 1970.

Two years later, Mr. Carter entered the patrol. Several colleagues said he was an indifferent student at the patrol's academy and was close to failing the course. Nonetheless, he was rapidly promoted, and by 1984 he had been appointed Assistant Regional Commissioner for the southern region of the immigration service.

There, in the Dallas office, Mr. Carter was accused of committing a serious breach of I.N.S. rules: coercing his secretary into lending him \$600 to cover a travel advance. Mr. Carter repaid the money only after the woman reported the matter to senior I.N.S. officials in Dallas, according to a statement the agency gave. The case appears to

said it did not discipline him.

Soon afterward, Mr. Carter was promoted to chief agent in Livermore, Calif. Ms. Kramer was hired there as an automation clerk in what she describes as the "first big job for a hick from Globe, Ariz."

Although Ms. Kramer had several encounters with Mr. Carter, her complaint stems from an incident that she says took place in his office on Nov. 28, 1988. "He stood in front of me, and said that my dress was very pretty," she told investigators. "Carter then grabbed my dress. I crossed my arms to protect myself, and he then pulled me to him. I resisted. He pulled me tighter, then pressed his lips against mine and forced his tongue inside my mouth. I resisted the kiss, and he said he would not release me until I did it right."

Ms. Kramer said she left the office crying. Ten minutes later, Mr. Carter called her back and said, "Show me you know how to kiss."

"I did it," she said, "because I was confused and afraid that he would fire me if I didn't do what he said."

Mr. Carter acknowledged that he solicited a kiss from Ms. Kramer and later told investigators: "Our lips touched." But he said that he did not grab her or coerce her in any way. Ms. Kramer immediately reported the incident to her supervisor, who later told investigators that she was visibly upset.

A few months after Ms. Kramer reported Mr. Carter's behavior, the former Western Regional Commissioner, Harold Ezell, flew up from his office in Los Angeles and offered her a \$7,500 settlement. Mr. Ezell told her that Mr. Carter would not be dismissed or otherwise penalized.

"It's not like Carter beat her up and threw her out of a car," said Mr. Ezell, who has retired and was an author of California's anti-illegal-immigrant measure, Proposition 187. "It seemed to me at the time that Bill had a major wake-up call and he would not allow this to ever happen again."

Ms. Kramer refused the settlement offer, and the investigation pressed ahead, eliciting accusations from other women. Mr. Carter's secretary, for instance, said he had also made passes at her. And she said that once, when he told her that her Halloween costume "turned him on," the secretary broke in tears.

The I.N.S. investigation of Ms. Kramer's case was completed in 1990. It drew no conclusions. A few months later, another agency official, reviewing the record, wrote that there was "no question" that Mr. Carter had sexually harassed Ms. Kramer.

Agency documents show that the incident involving Ms. Kramer prompted Mr. Carter's transfer from Livermore to Washington headquarters in 1992, a move that was ultimately beneficial to his career.

When Mr. Carter was promoted to acting deputy assistant commissioner of the Border Patrol in January 1993, Ms. Kramer was outraged that he had never been disciplined. She took her case to the next level, Justice Department adjudication. The immigration agency is part of the Justice Department.

"The records make clear that supervisor Carter engaged in highly unprofessional conduct towards complainant and other female employees," the adjudicator in the case, Mark L. Gross, wrote on Sept. 30, 1993.

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Mr. Gross also asked why, given "the gravity of Carter's offenses," the agency had neither removed Mr. Carter from the managerial ranks nor punished him.

The I.N.S. responded by suspending Mr. Carter for three days, but it kept him in Washington as second-in-command of the Border Patrol. Ms. Kramer dropped her case in exchange for a \$15,000 settlement.

"I don't understand why someone can do things that are so sick and get rewarded for them by the Government," said Ms. Kramer, who still works for the Border Patrol in Livermore. "It really bothers me. I sat down and wrote a letter to Hillary Clinton, but I didn't mail it because it didn't sound very educated. How could he do what he did to me and to other women and now he's in a higher power?"

The District Director Choking Accuser Without Penalty

Eighteen years after she came to this country from Mexico, Maria Teresa Moschorak applied to become a citizen as her husband, Robert Moschorak, was vying for one of the agency's most coveted jobs, Los Angeles district director.

Mr. Moschorak, while acting director of the office, decided to do his wife a favor and arranged for her to jump to the top of a six-month waiting list. To save her additional months of delay, he wanted to set up a special swearing-in ceremony on the very day she was interviewed by the I.N.S.

But there was a complication that Mr. Moschorak apparently wanted to sidestep: Mrs. Moschorak had two misdemeanor arrests on her record for petty theft. Neither had resulted in a conviction and ultimately would not have disqualified her from citizenship. But she had only acknowledged one arrest on her application, and omission of the second, if detected, could have meant another five years of waiting.

Mr. Moschorak asked a subordinate to handle his wife's application "discreetly," without telling his immediate superiors. The subordinate later told investigators that he had routinely speeded up processing "for any service employee."

At the time, however, the Los Angeles office was already facing a lawsuit for giving just such preferential treatment. Jane Arellano, the assistant district director in charge of citizenship, found out about the special request and bluntly told Mr. Moschorak that she would not speed up his wife's application, particularly given her arrest record.

Ms. Arellano then reported the incident to the Office of the Inspector General, the Justice Department unit that investigates wrongdoing at the I.N.S.

With inquiry of the incident pending, the immigration service promoted Mr. Moschorak to district director. A few days later, on June 7, 1990, the Inspector General's investigators interviewed him about various accusations of wrongdoing.

The next day, at 7:50 A.M., Mr. Moschorak confronted Ms. Arellano in a hallway. According to her account in a sworn

deposition, he was furious about his session with the investigators. "What did you tell those guys?" he demanded.

"He got increasingly more angry at me," Ms. Arellano said in the deposition. "His hand, he reached up with his right hand and put it on my throat. He pinched my windpipe."

Ms. Arellano said she staggered backward, and as another senior I.N.S. official, Rosemary Melville, walked by, Mr. Moschorak turned and asked whether committing murder would earn him a day off under I.N.S. disciplinary rules. Ms. Melville told investigators that she saw Mr. Moschorak's hand on Ms. Arellano's throat and, unsure if he was joking, asked whether this was his way of treating "problem employees."

Ms. Arellano, who said she was left with a red mark on her throat, immediately reported the incident to the Inspector General. Investigators eventually concluded that Mr. Moschorak did "influence and intrude" into his wife's case, but did not break any laws.

Their report recounted conflicting versions of the choking incident. Mr. Moschorak said he had been joking with Ms. Arellano and had touched her "in that neck area very close to" her shoulder. Ms. Arellano and Ms. Melville stuck to their accounts.

The Inspector General's office said it forwarded its report to Commissioner Gene McNary. But the agency said it never received the document, and the matter disappeared into the bureaucracy.

Ms. Arellano continued working for Mr. Moschorak over the next three years. The agency did not even consider disciplining him until February 1993, and it acted only after Ms. Arellano complained to the agency that protects whistle-blowers that Mr. Moschorak was retaliating against her.

On March 30, 1993, Mr. Hankinson, the Inspector General, told Congress that an unidentified district director had "physically intimidated" a subordinate and had gone unpunished for years. That same day, Mr. Moschorak announced to his staff that he would retire five years early.

Mr. Moschorak called Ms. Arellano's account "pure bunk" and said his retirement was long planned.

The I.N.S. eventually reviewed the choking incident and concluded that while Mr. Moschorak had acted inappropriately, "no assault had occurred." The agency acknowledged that it had "failed to take timely action."

The Deputy Director Year After Year, Clerk Is Harassed

In early 1985, shortly after Richard Smith arrived in Seattle from Salt Lake City as the No. 2 immigration official, he began paying particular attention to a young clerk in the computer room who dressed fashionably and spoke with a twang. Mr. Smith, who confided to a male subordinate that he was "hard up" because his family had not yet joined him at his new posting, put his arm around the clerk, Cynthia Maldonadobarreiro, and said in front of witnesses: "We

need to make it."

"He followed me into the office and closed the door," Ms. Maldonadobarreiro said in a recent interview, recalling that first encounter. "I backed into a corner, and then he started grabbing himself. I turned around and put my face in the wall. I knew he was going to grab me. Luckily, a supervisor came in, and Smith made like he was looking at files. He grabbed a file and walked out of the office."

Over the next few months, Mr. Smith repeatedly made comments about Ms. Maldonadobarreiro's appearance. Once, she said, he winked and said: "I really like the slit on your dress."

He followed her so closely in the hallway one day that he stepped on the back of her heel, sending her sprawling toward the ground. Mr. Smith broke her fall, she said, by grabbing her around the breasts. Another time, she said, he tore a slit in her skirt. Once, she said, he reached into her blouse and snapped her bra. Sometimes when she walked into the office in the morning, she said, he would greet her with an exaggerated raise of his eyebrows. Once, he said: "You came in late three times this week. What are you going to do to make up for it?"

After three months, Ms. Maldonadobarreiro filed a sexual harassment claim. It was not taken seriously, and the district director, Ronald A. Brooks, reacted with what an I.N.S. investigator would later term "cynicism." Mr. Brooks disputed that characterization, but said in an interview that at the time he viewed Ms. Maldonadobarreiro as someone who might invent an allegation of harassment. "When I was director, she was the type of person I would not be alone with," Mr. Brooks said.

Ms. Maldonadobarreiro quit in January 1986, taking a civil service job in Seattle. An agency investigation concluded that she was sexually harassed and that her departure was an instance of "constructive dismissal" — when someone leaves a job because the employer has made the atmosphere so hostile that there is no other choice.

But even after she left the immigration agency, Ms. Maldonadobarreiro said, Mr. Smith continued to harass her, making phone calls to her new employer.

The agency began investigating the case in April 1986, and Ms. Maldonadobarreiro pursued it by herself for five years without a lawyer.

In September 1990, the I.N.S. settled the case, offering her a job as an investigative assistant and back pay of \$93,000.

By then, Mr. Smith had been promoted to district director, a job he still holds. Mr. Smith, through an I.N.S. spokeswoman, said he did not want to comment.

Ms. Maldonadobarreiro returned to work in February 1991, and she says that Mr. Smith began calling her again.

She filed a second complaint of harassment in May 1991, which the I.N.S. determined to be unfounded, and took leave without pay. "I felt powerless," said Ms. Maldonadobarreiro, who now raises horses on a ranch near Killeen, Tex. "Everybody was saying it was me. I was making him do this. I was made out to be a damn criminal, and he got away with everything. You know, same old, same old."

212

JANCY ALLISTIN SCHWARTZ

we need to discuss

Phil

(B)

DENNIS R. SCHWARTZ
ASSOCIATE VICE-PRESIDENT

MICHIGAN AUTOMOBILE
DEALERS ASSOCIATION

1500 KENDALE BLVD.
P.O. BOX 2525
EAST LANSING, MI 48826-2525
(517) 351-7800 / (800) 292-1923
FAX: (517) 351-3120

THE PRESIDENT HAS SEEN

12/29/94

Re:

take WH briefings on the
road - to university campus

develop a constituency of
local elected officials
* ones that fit to the
Presidents policies - -

set up local surrogate
speakers / representatives
that fit the presidents
policies to get the
messages out locally -
in all levels

Examine / Bill

~~we~~
we need to
discuss this

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RESIDENT HAS SEEN

12/29/94

THE WHITE HOUSE
WASHINGTON

12-29-94

THE PRESIDENT HAS SEEN

12/29/94

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THE PRESIDENT HAS SEEN

12/29/91

*Bleed out
M. W. H. H.*

W. S. F. B. H. H.

MEMORANDUM

TO: THE PRESIDENT
FROM: BETTY
RE: CALLS

DATE: ~~DECEMBER 28, 1994~~

VERNON JORDAN CALLED REGARDING THE ALFALFA DINNER ON
JANUARY 28TH. ACCORDING TO VERNON, BILLY WEBSTER
HAS REGRETTED THE INVITATION.

VERNON STATED THAT IT IS VERY, VERY IMPORTANT THAT YOU AND
THE FIRST LADY ATTEND THE ALFALFA DINNER.

(THE PRESIDENT HAS SEEN^{9 94}
12/27/94

— Had this

NOT from Senas
reception

— NOT sure
what it means. Do
you recall? B

508
Gail Johnson
from Senator
Metzenbaum's
office. Most
impressive.
Elizabeth Glaser
Fabrizi. H.

THE PRESIDENT HAS SEEN

12/29/94

THE WHITE HOUSE

WASHINGTON

December 16, 1994

Dear Mr. President:

Growing up in East Chicago, Indiana, as the son of migrant workers and as one who worked in the nearby steel mills, the thought of someday being in The White House was not one that frequently crossed my mind. But thanks to you, it happened -- and it's been an experience that's strengthened my working class values, values gained through my life experiences.

Through my involvement in the trade union movement, I learned that when people work together, they have a voice that will be heard, a voice that can effect change in their lives.

Through my twenty years of experience in politics, I see that it is our Democratic Party which best represents the interests of this nation's working families.

Through my time at The White House, I witnessed the great strides that government can make -- and has made, under your determined leadership -- in improving the lives of ordinary people.

All Americans can take pride in your accomplishments.

I know I do, and always will.

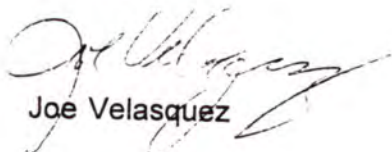
It is with regret, then, that I inform you that I am resigning my post as Deputy Director for Political Affairs, effective January 20, 1995. The honor and privilege of having served you these past eighteen months is something I will always cherish.

Though I am leaving The White House, please know that I remain an ardent supporter and that you can always call on me to help build on the progress you have made, and to help Democrats regain the House and Senate. I intend to stay on the side of the average working American.

To that end, I will be joining the Democratic consulting firm of Fingerhut, Powers, Smith and Associates, a firm that represents the interests of unions, progressive groups and Democrats, and helps to communicate the vision for America that you and I share, and our country needs.

Fran, Pilar, Casey and I wish you, the First Lady and Chelsea the best and the merriest of holidays and a victorious New Year!

Sincerely,


Joe Velasquez

- file
- do reply

THE PRESIDENT HAS SEEN

12/29/94

THE PRESIDENT HAS SEEN

12/29/94

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She is sign? not a direct letter
by any means -

THE WHITE HOUSE

WASHINGTON

December 27, 1994

Ms. Caroline Osgood
1731 North Stratford
Arlington Heights, Illinois 60004

Dear Caroline:

Thank you for sharing your views regarding homosexuals who wish to serve in the Armed Forces. I respect your candid assessment of my Administration's efforts on this issue.

Few issues in recent times have spurred the kind of debate that has occurred concerning our nation's policy toward homosexuals in the military. This is a sensitive and emotional issue for many people.

I believe that those who want to serve their country, including men and women who are homosexual, should be allowed to do so, providing they adhere to the high standards of conduct that are expected of military personnel.

As President, I am pledged to protect and promote individual rights. As Commander in Chief, I am pledged to protect and advance our security. In adopting this policy, I have done my best to meet these responsibilities.

I'm glad you took the time to write, and I hope you will keep in touch.

Sincerely,

THE WHITE HOUSE

WASHINGTON

27
December 21, 1994

Ms. Caroline Osgood
1731 North Stratford
Arlington Heights, Illinois 60004

Dear Caroline:

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Few issues ^{concerning} in recent times have spurred the kind of debate that has occurred ~~since I vowed to change~~ our nation's policy toward homosexuals in the military. This is a sensitive and emotional issue for many people.

I believe that those who want to serve their country, including men and women who are homosexual, should be allowed to do so, providing they adhere to the high standards of conduct that are expected of military personnel.

As President, I am pledged to protect and promote individual rights. As Commander in Chief, I am pledged to protect and advance our security. In adopting this policy, I have done my best to meet these responsibilities.

I'm glad you took the time to write, and I hope you will keep in touch.

Sincerely,

Jim: per Trey, daughter of
Frans friend of HRC. needs
a personal sig. This FW
would you send this FW
to Jim D for response
for BC sig? Thanks.
Trey

Caroline Osgood
1731 N. Stratford
Arlington Heights, IL 60004

President Bill Clinton
The White House
Washington, D.C. 20500-2000

Dear Mr. President:

You have presented yourself as a supporter of gays' rights and their right to be in the armed forces. This is an issue I am also strongly in favor of, and I was thrilled to have a president with the same viewpoint. As a high school junior, I am admittedly new to the political process. I do not fully understand (or appreciate) politics, deal-making, or the art of compromise. After doing some research, I am rather confused as to where you truly stand on this matter. When you were still campaigning for the presidency, you said to gays, "I have a vision of America- and you're a part of it," and you promised to lift the ban on gays and lesbians in the military. Now that you are in office you have failed to live up to that promise. You lifted the ban, but the restrictions attached are more of a humiliation to homosexuals than a step forward in their struggle for equality. You have treated this issue as if it were a matter of what is the most convenient thing to do rather than what is the right thing to do. In an article in Reason (August 9, 1993) the author referred to two statements you made showing you are in favor of allowing gays in the military for the wrong reasons. The first comment the author referred to was when you said, "We don't have anyone to waste. . . I believe we need the services of all our people." Does this mean that, if we had higher numbers of people enlisting in the army and they were not in need of more soldiers, allowing gays to enlist would not be of importance? The second comment referred to by the author was a statement you made at your February 11, 1993 national "town meeting." "Let me tell you why I favor lifting [the ban], very briefly. . . Your government spent \$500 million to get rid of about 16,300 homosexuals from the service in the 1980's." This implies that, if it were cheaper to get rid of all the homosexuals in the military, you might not be against it. Where exactly do you stand? Do you feel homosexuals deserve the same rights as all other citizens, or were you just looking for bodies to fill our armed forces?

Racial and gender history of the military shows the ability to serve in the armed forces has been a defining characteristic of full citizenship and full personhood. Blacks and women had to fight to prove that they had just as much right to serve in the armed forces as white men. Now homosexuals are fighting the same battle. They should be allowed to serve for the same reason: they are just as much citizens of the United States as heterosexuals. The Humanist (May 6, 1993) lists the six ways the presence of homosexuals adversely affects the ability of the armed forces: (1) to maintain

discipline, good order, and morale; (2) to foster mutual trust and confidence among service members; (3) to insure the integrity of the system of rank and command; (4) to facilitate assignment and worldwide deployment of servicemembers who frequently must live and work under close conditions affording minimal privacy; (5) to recruit and retain members of the armed forces; and (6) to maintain the public acceptability of military service. These reasons are totally invalid. They make it seem as though homosexuals are a whole different species and that the military could not be run properly in their presence. A respected writer and ex-military man, Leo Miletich, stated that, according to statistics,

I probably lived and worked with at least a dozen or so homosexuals during those three years of barracks life. . . The fact that I was unaware of their presence demonstrates to me that there should be no intrinsic problems with. . . the desire to lift the ban on gays in uniform.

Before homosexuals began to "come out," they still existed and seem to have had no negative effect on the military. The idea that homosexuals out of uniform will give the military a bad reputation is ridiculous. Do drunken brawls in bordellos or heterosexual rampages like the Tailhook give the military a good image? Senator Sam Nunn once stated that having openly gay soldiers in the military would cause problems for formal military social events such as dances. He was actually being serious when he made this argument! Correct me if I am wrong; but I thought the main function of the military was to protect its citizens, not to make a good impression at social events. Another popular argument is that the army does not offer any privacy and it would not be right for homosexuals to be living with and showering with heterosexuals. This argument is very similar to that used against allowing blacks in the military. White soldiers were afraid to live with blacks because they were seen as dirty, polluting, dangerous and identity-destroying. Now that blacks are allowed in the armed forces, we see that they did not have any such negative affect. The same would be true if openly gay soldiers were allowed to serve. Straight male soldiers seem to be afraid that gay men will hit on them the same way they have been hitting on women ever since puberty. Of course, many people are very closed-minded and might be discouraged from being in the armed forces because they are homophobic. This was also a problem when considering whether or not to allow blacks in the military. The military now spends time educating to discourage racism. You have made no move to do the same for gays.

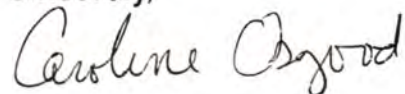
When you agreed to lift the ban on homosexuals in the military, you did not entirely lift the ban. The law now says that homosexuals can serve in the armed forces, but they cannot engage in homosexual conduct. This means they cannot make the statement that they are homosexual or bisexual or marry or attempt to marry someone of the same gender. To make matters even worse, these conditions exist even when the soldier is off duty. This is a total denial of basic human rights. The government would

never even dare to demand this of anyone else in our society: to show no affection, and to have no sex for the entire term of enlistment. You claim your new policy struck a "sensible balance between the rights of the individual and the needs of the military," but you gave no regard to "the rights of the individual." Homosexuals have just as much right as heterosexuals to private lives. This law makes homosexual conduct in the military a crime, and tattling on homosexuals is not only condoned but encouraged. This is unfair and is much more of an embarrassment to homosexuals than an advancement.

One of your biggest mistakes was addressing this issue as a consensus. This is not a matter to be decided by popular vote, it is a matter of basic human rights. Matters of rights usually deal with a minority being treated unjustly by a majority, therefore a majority vote or a consensus is not logical. The minority will never win. You did not have to agree to this compromise. You could have lifted the ban by executive order when you first got into office. As commander-in-chief you have the authority to issue a directive to the armed forces, and they would have to obey it. If you had done this, the public would have seen that homophobia would no longer be tolerated. You backed down on your original promise in order to go along with the popular view. Did you even try to fight? What did this compromise really achieve?

I hope the points I have made encourage you to rethink your approach to gay rights. It is unfair to ask homosexuals in the military to act as if they were not gay just because society does not accept their way of life. The military claims that the lack of privacy is sufficient reason for banning homosexuals. All soldiers, gay or straight, have to learn to tolerate differences. They have to learn to live with people of different races, religious or political ideas, or backgrounds. Sexual preference is just another difference they should learn to live with. The macho military image hardly fits when individuals are afraid to share a tent or a shower with others just because they are different. Are we next going to ban homosexuals from junior high and high school athletic programs? I believe the bravest soldiers are the ones who, knowing the severe consequences, have come out and admitted their sexuality. To those who are really that scared of living with a homosexual, I point out that military service is currently voluntary; and no one has to enlist. If you truly believe in this cause, please do not settle for compromises that fail to give homosexuals the equality and respect they deserve.

Sincerely,

A handwritten signature in cursive script that reads "Caroline Osgood". The ink is dark and the handwriting is fluid, with a large, stylized 'C' at the beginning.

Caroline Osgood

12/29/94

Don't lose USDA's gains in meat inspection

My daughter might be alive if earlier secretaries had done what Mike Espy did.

USA Today 12/28
By Robert C. Galler

Never before has a U.S. secretary of Agriculture received so much criticism over meat and poultry inspection. And never before Mike Espy, who leaves office Saturday, has a secretary attempted to make so many improvements to the system.

While the industry continued to try to counter Espy's assertions that tainted meat is a serious problem, the Agriculture Department said 25% of the chicken supply has salmonella. Before Espy's tenure, small specks of fecal matter on meat were acceptable. But now, under Espy, no matter how small, how minute, no amount of fecal matter is acceptable.

If you ask me and my family, the row-by-row, chain-by-chain, no-matter-how-small type of inspection instituted by Espy is far too late. I lost my 3-year-old daughter, Lois Joy, to one of those specks in 1992. She had eaten ground meat tainted with an

E.coli bacteria found in feces. My family will forever feel the pain and loss of her death, and we will wonder if an improved meat and poultry inspection system would have made a difference.

Given the industry criticism targeted at Espy and the media's lack of understanding of the historic problems of meat and poultry inspection, I'm worried that the improvements Espy attempted to implement may get pushed to the side. I would hope that those who want to play politics would not do so at the risk of other families losing their children.

I met with Espy on several occasions, and he made many promises about improving the meat and poultry inspection systems. He kept those promises.

► He ended a 20-year gridlock to mandate safe cooking and handling labels on raw meat and poultry. Now, you get a reminder on every package that the product could contain harmful bacteria.

► He launched a 1,000-plant blitz of unannounced inspections of poultry and meat plants, never done before.

► He enforced zero tolerance on meat, a regulation that was on the books but not enforced. And he initiated a zero-tolerance

regulation on poultry — a policy that wasn't on the books but should have been.

► He pushed for development of microbial tests to detect invisible contaminants — a primary scientific tool for inspectors who now rely only on their senses.

These initiatives are the basis of a new system based on 1990s technology to better ensure food safety and consumer health.

Espy was forced to resign because of allegations of accepting gifts from Tyson Foods. He has talked to me personally about the charges and has assured me they are unfounded. I'll take his word because he came through on all his other promises.

More than 7,500 children contract hemolytic uremic syndrome after being exposed to E.coli bacteria each year. To me, the issue was never whether Espy rode in a Tyson airplane. It was whether he was making long overdue changes to the meat and poultry inspection systems to prevent other children from dying. He was.

Robert C. Galler is founder and president of the Lois Joy Galler Foundation for Hemolytic Uremic Syndrome.

► New secretary, 4A

Thien & Quat

I need Des Cito to him

RJ Woolsey
The Director of Central Intelligence
Washington D.C. 20505

personal

The President
The White House

won

Woolsey
letter

THE PRESIDENT HAS SEEN

12/29/94

B.E.

12/29/94

December 26, 1994

Dear Mr. President,

Over Christmas, with sons home from college, my family and I have now had a chance to discuss thoroughly the question I had first asked the Vice President to raise with you several weeks ago -- whether I should step down this winter from the position of Director of Central Intelligence.

When you were kind enough to name me to this job two years ago I had no children in college. By this summer I will have three there. I have decided that my family obligations are such that I would prefer to re-enter the private sector before the end of four years. I am submitting my resignation now in order to give you an opportunity to fill the post by early in the next Congress. If it is your desire I would be willing to stay in the job as far into January as you want in order to aid in a transition.

I leave tomorrow for a week's vacation sailing with my family, and thus communication will be quite difficult until I return to Washington

- 2 -

the evening of January 4. I will try to reach you today by telephone, but if we should not connect let me wish you and your family a happy holiday season, and say that it has been a great honor to serve in your Administration.

Sincerely,

Jim Woolsey

ce VP / Leon

THE PRESIDENT HAS SEEN

12/29/94

Fig. - M: use of
Pres. time

B

Decemb

Seymour Martin Lipset
Hazel Professor of Public Policy
George Mason University
Fairfax, Virginia 22030

Dear Martin:

Thanks for your letter of December 7 and for
sending your articles. I really appreciate
your thinking about me, and I look forward to
reading them soon.

Sincerely,

B. M. Clinton

Hadn't considered
your polling / public
opinion suggestion before
Thurs. Dec.

George Mason University

The Institute of Public Policy
Fairfax, Virginia 22030-4444

Office: (703) 993-2280
Fax: (703) 993-2284

1976160
THE PRESIDENT HAS SEEN

12/29/94

December 7, 1994

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

I was naturally surprised and pleased by your flattering reference to me and your use of the information I reported in our conversation at the D.L.C. dinner. Your talk at the Gala was vintage Truman and Clinton. Keep up the style and you cannot lose in 1996.

I write now to enclose two articles in which I present some analysis and procedural suggestions for the Presidency. The one on "Polls for the White House" by Bill Schneider, who had been my student at Harvard, and myself, was written in 1977 and refers to Pat Caddell and the work he did for President Carter. The main point is as applicable now as then. We contended that a President must have a pollster but should only use him to run surveys. He should not be the person who interprets the pulse of the public for the President. There are a myriad of polls on similar subjects which frequently disagree or, more accurately, which look at issues from varying perspectives with different questions. All pollsters I have known insist, whenever surveys disagree, that their results are right. But to understand the complexity of opinion, it is necessary to look at all the polls, including those done by the president's pollster, and interpret them. No given pollster, no matter how good, can do this if he has to deal with his own results. It is, therefore, necessary for the White House to have a public opinion office which does this. The argument is detailed in the paper, which also appeared in The Washington Post in June 1977.

The other article, "Clinton and Roosevelt," written after the 1992 election but before you took office, presents a brief analysis of how Roosevelt governed. It suggests that you have the potential to do the same, and will, therefore, be a great president. Basically, the argument, based on my earlier work on FDR, concludes that the presidency, unlike the prime ministership, is a weak office. The president does not control his parliament; he must, therefore, campaign, i.e., work on the Congress, reach out to the people, interact with relevant groups. And he is the only person in the administration who can do this effectively. The other major task of the

presidency, policymaking, must be done by the president on a macro level, but the basic policy tasks must be left to advisors, assistants, etc., who seek to implement the President's position.

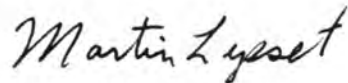
President Carter, unfortunately, had his priorities wrong. He spent most of his time on policy and sent assistants to Congress. In your case, I think you try to do both, campaign and make policy. But there are not enough hours in the day. I contend that campaigning should have the priority. Roosevelt knew this, as did Reagan, who a number of times said he was governing in the Roosevelt mold.

I hope the ideas suggested in these pieces are helpful.

In any case, congratulations on a great speech, which hopefully is the beginning of a turnaround. The latter is easily possible. As Newt Gingrich noted a few days ago, a Republican majority House has rarely been able to hold up for more than one term since World War II.

With best wishes for the Holiday Season.

Cordially,

A handwritten signature in cursive script that reads "Martin Lipset".

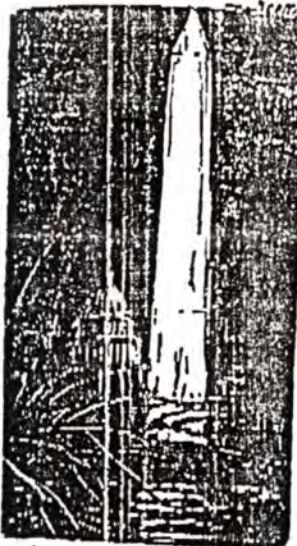
Seymour Martin Lipset
Hazel Professor of Public Policy



Manipulating "Public Opinion"?

Polls for the White House, & the Rest of Us

By Seymour Martin Lipset
& William Schneider



SINCE THE AD-
vent of "sci-
entific public opin-
ion research" in
the 1930s, every
President has paid
attention to the
polls. There is evi-
dence that Frank-
lin D. Roosevelt's
move to "the Left"
in 1935 was precip-
itated by a poll
showing consider-
able support for
potential third-
party presidential
candidates (Huey
Long, Father
Coughlin). Louis
Harris played a
major role in helping to determine John F.
Kennedy's strategy in getting elected, and he
furnished the White House with intelligence
about public opinion following the election.
Lyndon B. Johnson was fond of pulling polls out
of his pocket to show reporters how favourably
he was regarded by the American people—until
the polls turned against him, and he against them.
The scheming and plotting that led, ultimately, to
Watergate began in the summer of 1970, when
the Nixon White House became alarmed over
polls showing Nixon losing to Muskie in a trial-
heat designed to anticipate the 1972 election. The
recently published private memorandum by Mr
Pat Caddell to President Carter indicates that the

current White House pollster has developed an
unusually close relationship to the President as
one of his chief advisers. It is clear that polls will
be taken very seriously by the Carter White House.

There is nothing improper about any of this.
No one is going to argue that the government
should be run solely by public opinion—but no
one is going to argue that the government should
be run *without* regard for public opinion either.
Before the institution of polling was established,
politicians had their own "informal" ways of
assessing public opinion—ways that were gener-
ally unscientific, often biased, and usually inaccur-
ate. By now polling is recognised as indispensable
to political campaigns. While politicians may not
be any smarter in terms of how they respond to
public opinion, they are at least better informed
about how the public really feels. The important
question is not whether polls have a place in
government—they do—but whether the institu-
tional mechanisms used by the Administration to
review and interpret public opinion are as
thorough and as reliable as possible. We feel they
are not.

We feel this way because currently the assess-
ment of public opinion is filtered to the President
through one man who is both a professional
pollster and a *de facto* political adviser. We do not
question Mr Caddell's credentials in either
capacity. To the best of our knowledge, his polls
are as accurate as any in the field; and from the
evidence in his memorandum to the President, he
is a young man of remarkable political insight.
But it is a serious mistake to assign all three
functions—pollster, political adviser, and inter-
preter of the state of public opinion—to one
person. The reason is that poll results are
notoriously volatile, unstable, and subject to a
wide variety of "interested" interpretations. Most
people believe that if polls are truly scientific, the
results should not be open to alternative inter-
pretations, that all reliable surveys should yield
similar results, comparable to the results of a
referendum.

POLLING, HOWEVER, is more of an art than a
science. Design and interpretation are at least as
important as the methods used to gather the
data. There are enormous variations in poll
results which can be attributed to question-
wording, to timing, and to the context in which a
question is asked in the interview. The most
scientific aspect of the whole enterprise is the
procedure for drawing a sample; and even *that*
procedure allows for sheer random fluctuations
from sample to sample. None of these problems
represents an "error" on the part of the pollster
or a defect in the polling operation. They are the
inevitable statistical "noise" which no amount of

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care or quality control can filter out. *To obtain a reasonably valid interpretation of what public opinion is on any given issue, one must undertake a systematic comparison of questions asked with different wordings, in different contexts, in different polls, and at different times—with no presumption that any single pollster's approach is necessarily more accurate.*

MOST POLLSTERS are reluctant to admit that there is so much "noise" and uncertainty in their poll results. This is understandable, since a pollster must sell his results as superior to those of competing services. As a result, a pollster inevitably develops a psychological commitment to his own results:—"Our poll is more accurate than all the others because we ask the question in a better way." Like any businessman, a pollster quickly comes to have "views" about his product—that his approach is superior, that his ways of asking questions are right (and others' are wrong), that his results are correct and his competitors' are in error. Most of these judgments have no scientific basis.

It is one thing for a pollster to promote his product as a superior means of providing information for a political campaign. But it is something else for a pollster to advance his results in a quasi-official capacity as the most accurate representation of "true" public opinion on a critical policy issue. To the extent that a pollster is committed to differentiating "good" polls (usually his own) from "bad" polls, he is blinding himself to important sources of variation. Official interpretations of public opinion, like official projections of economic trends, ought to take a disinterested approach to the data. Pollsters, like economists, like to think that they are dealing in hard facts. They often fail to acknowledge how volatile—how "soft"—these facts usually are. Yet the evidence of instability in poll results is overwhelming.

THIS POINT MAY BE ILLUSTRATED by a variety of examples. During the Korean War, one of the two leading academic polling organizations, the National Opinion Research Center of the University of Chicago, repeatedly and consistently reported 20% more support for the war than did Gallup, who used a different question. During the Viet Nam War, three leading academic experts on public opinion pointed to a number of major variations in reports of attitudes toward the war, and argued in their book, *Vietnam and the Silent Majority* (1964), that the differences were largely determined by the alternative question-wordings. As they noted:

"If a question is asked in which negative symbols are associated with withdrawal from the war,

people sound quite 'hawkish' in their response. Thus, people reject 'defeat', 'Communist take-overs', and 'the loss of American credibility.' On the other hand, if negative symbols are associated with a pro-war position, the American public will sound 'dovish.' They reject 'killings', 'continuing the war', and 'domestic costs.' Turning the matter upside down, we see the same thing. If positive symbols are associated with war, the American public sound 'hawkish.' They support 'American prestige', 'defense of democracy', and 'support for our soldiers in Vietnam.' On the other hand, if positive symbols are associated with 'dovish' positions, the people sound 'dovish.' They come out in support of 'peace', 'worrying about our own problems before we worry about the problems of other people', and 'saving American lives.'"

THE TWO MOST WIDELY REPORTED opinion surveys—those of George Gallup and Louis Harris—have varied frequently in their estimates of the public's evaluation of incumbent Presidents. In the early period of the Nixon administration, Gallup tended to find higher approval ratings than Harris. Variation in the same direction took place during the Ford Presidency. An extreme example occurred in February 1975, when Gallup asked "Do you approve or disapprove of the way Ford is handling his job as President", and found 55% approved and 28% disapproved. Harris's results for the question, "How do you rate the job President Ford is doing as President—excellent, pretty good, only fair, or poor?" were 46% with "positive" responses ("excellent" or "pretty good"), 52% negative ("only fair" or "poor").

However, the most important variation between the two polls occurred in July and August of this year, as the Bert Lance controversy was developing. It was important for the White House to know whether the attack on Lance was hurting the administration. Harris's findings clearly suggested it was—he found that positive evaluations of Jimmy Carter dropped from 59% in late July to 52% in a poll taken 13–20 August. Gallup, on the other hand, reported a higher positive rating, which did not change during the same period. The percentages voicing approval "of the way Carter is handling his job as President" were 67 in late July, and 66 in a survey conducted 19–22 August. Evidently Harris, who offers the four alternatives including "only fair", elicits a lower estimate of Presidential popularity than Gallup who asks people whether they approve or disapprove; but this does not explain why Harris showed a decline in the summer of 1977 while Gallup did not.

Michael Wheeler, a close analyst of opinion polling, cites Pat Caddell as suggesting that during the Watergate Affair the Congressional impeachment process was slowed up because the Harris Poll indicated on a number of occasions in 1973

and 1974 that the public did not favour impeachment. Harris asked people whether they favoured Nixon being "impeached and removed from office." But as Wheeler notes,

"Impeachment and removal, of course, are two different things. In essence, Harris was asking not whether Nixon should simply be tried, but whether he should be tried and hung."

Other surveys by Caddell, Burns Roper, and Peter Hart—which inquired whether Nixon should be impeached so that he could be tried by the Senate—found many more people favouring impeachment than Harris did in his "impeached and removed" question.

THE MUCH DISCUSSED ISSUE of the public's lack of confidence in American institutions may be viewed quite differently depending on whether you read Harris or Gallup. The former, whose results have received the most attention, has asked respondents for many years to indicate how much confidence they have in a large number of institutions, and requires them to choose among three response options: "A great deal . . . Only some . . . Hardly any." Gallup, on the other hand, had given his interviewees five choices: "A great deal . . . Quite a lot . . . Some . . . Very little . . . None." Harris, in effect, has only one positive answer, "A great deal", and two negative ones. Gallup, however, has two favourable options ("A great deal" and "Quite a lot"), a neutral one ("Some"), and two negatives. If we compare the results of the two pollsters for early 1977, it is not surprising that Gallup finds much more confidence in various American institutions than does Harris. Thus, the percentage of respondents having positive feelings towards the military is 23 for Harris and 57 for Gallup. For organised labour, Harris's figure is 14 while Gallup's is 39. For medicine, it is 43 in Harris and 73 in Gallup. Confidence in Congress is expressed by 17% of Harris's respondents and 40% of Gallup's. The Supreme Court gets a positive rating of 29% in the Harris survey and 46% in the Gallup Poll.

The two organisations vary in the terms they use to get reactions to business and religion. Harris inquires about "major companies", and finds 20% positive; Gallup uses two terms and reports 51% having "A great deal" or "Quite a lot" of confidence in "Free Enterprise", while 33% express comparable views about "Big Business." The Harris figure for confidence in "Organised religion" is 29%; while the Gallup one for "The church" is 64%.

Who is right about the public's feelings about American institutions? Is it Harris, whose reports

emphasise alienation and whose data averaged for these seven institutions show only 26% expressing "A great deal" of confidence while an average of 60% indicate that they have "Only some" or "Hardly any" confidence? Or is it Gallup, whose write-ups are more positive and who finds, on the average, twice the proportion, or slightly over half of his respondents, reporting "A great deal" or "Quite a lot" of confidence in these same seven institutions? Conversely, only 17% on the average chose the negative options of "Very little" or "None", while those who gave the relatively neutral middle response, of "Some" confidence, average out to 28%. Clearly, you ask your version of the question and you take your choice. Most people do not want to say that they have "A great deal" of confidence in various major institutions, even when the alternative choices open to them are "Only some" and "Hardly any." But many more figuratively leap to express confidence when they are given a second positive option of "Quite a lot", and only a small minority will choose clearly negative options when, in addition to the favourable choices, they are allowed to pick an ambiguous term like "Some."

CONSIDER AN ISSUE that has very recently come back into prominence—whether Israel should give back the occupied Arab territory captured in the 1967 Six-Day War. A Harris poll of 3,377 Americans carried out in December 1974 and January 1975 asked respondents to agree or disagree with the straightforward statement, "Israel should give back the territory it gained from the War of 1967." Some 25% agreed. In the same survey, a similar question was asked with a new consideration added, "Israel should just give up the occupied Palestinian Arab territory and let Arafat rule it." With the new stipulation, agreement fell to 11%. A 1975 poll taken by Cambridge Survey Research (directed by Pat Caddell and John Gorman) gave yet a different scenario: "The Israelis ought to give up all the territory they have captured since 1967 if the Arab states agree to peace." With the peace stipulation added, agreement rose to 36%, the same percentage as had disagreed.

Several national polls have addressed themselves to the impact of Arab oil on Middle East Policy. In 1975, Caddell's Cambridge Survey Research inquired whether:

"Since the Arab countries have the oil, American policy ought to figure out ways of becoming their friends."

Some 44% agreed and 40% disagreed. Thus, the argument could be made that Americans are willing to endorse a closer relationship with the Arabs to get their oil. But this question did not

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address the "Oil-or-Israel" choice directly, only by implication. From late December 1974 to mid-January 1975, Louis Harris posed the choice:

"If it came down to it and the only way we could get Arab oil in enough quantity and at lower prices were to stop supporting Israel with military aid, would you favor or oppose such a move by this country?"

Given this explicit choice, only 18% of Americans favoured "Oil" over "Israel", while fully 63% opposed such a move. In another question asked in his survey, Harris offered the proposition:

"We need Arab oil for our gasoline shortage here at home, so we had better find ways to get along with the Arabs, even if that means supporting Israel less." (emphasis added)

Only 20% of Americans endorsed this position, compared with over twice that proportion (44%) who felt that we should "figure out ways of becoming friends" with the Arabs when the most obvious way of doing so was left unstated in the Caddell poll.

THE WAYS IN WHICH varying question-wording may yield what appear to be sharp variations in opinion are, of course, known to all practitioners of the polling art. This leads some of them to ask different questions about the same issue in the same survey, the responses to which, if taken alone, appear to suggest alternative images of what the public thinks.

For example, in a recently released study on *Consumerism at the Cross-Roads*, Lou Harris reported that 69% agreed that

"The consumer movement has helped a great deal to improve the quality and standards of the products and services people buy."

Only 16% of the same group of respondents, however, when asked a similar question, not as an "agree-disagree" item but with a number of options, chose the answer that "People active in the consumer movement have done a great deal of good." The large majority, 67%, gave the unenthusiastic, middle-of-the-road response, "Some good." In another, more policy-relevant pair of questions in the same survey, a goodly majority, 58%, rejected increased government regulation of business. But when asked elsewhere in this very detailed analysis of consumer problems whether they favoured the extension of regulation in the form of "a new federal Consumer Protection Agency", 52% supported the proposal while 34% opposed it.

SOMETIMES WE GET a different picture of how an issue affects behaviour when the way in which the question is asked is varied. On Election Day, 2

November 1976, NBC News polled over 15,000 voters as they left polling booths throughout the country. Question 13 on the printed questionnaire asked,

"Was there any single issue that led you to vote for your Presidential candidate?"

A list of 18 issues was provided, and the respondent was asked to check the one most important to him in casting his Presidential vote. The issue most frequently checked was "Inflation", chosen by 21% of the voters. Those who checked inflation as the main issue voted 58% for Carter and 41% for Ford. Question 21 on the other side of the questionnaire asked,

"In your opinion, which is the more important problem facing the country today... (A) Finding jobs for people who are unemployed, (B) Holding down inflation, (C) Both equally important and (D) Not sure."

24% of the voters chose (B) "Holding down inflation." This group voted 35% for Carter and 63% for Ford. Apparently we are dealing with two very different issue domains. Concern over inflation seems to have helped Carter more than Ford. Where Ford did well was not among those who were "concerned" over inflation, but among the very different group who endorsed the position that inflation is a more important problem than unemployment. Concern over inflation is a generalised sentiment with no strong ideological direction. But there is a very definite conservative thrust to the opinion that inflation is more important than unemployment.

MOST OF THESE DIFFERENCES have been due to variations in question-wording. Sometimes an issue of interpretation arises which has nothing to do with question-wording, but depends wholly on how one chooses to read the results.

In April 1975, the Gallup Poll asked:

"In the event a nation is attacked by Communist-backed forces, there are several things the US can do about it—send American troops or send military supplies but not send American troops or refuse to get involved. What action would you want to see us take if [country named] is attacked?"

In the case of ten of the countries, the very same question had been asked by the Gallup Poll in 1971. The Gallup organisation compared the 1971 and 1975 responses for these ten countries—(West Germany, Israel, Japan, England, India, Mexico, Thailand, Brazil, Nationalist China, and Turkey). It issued a press release which was headlined in *The New York Times* (11 May 1973, p. 23), "LITTLE SHIFT SEEN TO ISOLATIONISM." The evidence for this conclusion was the fact that in 1971, the percentage of Americans willing to send troops to these ten countries in case of attack

averaged 19%. In 1975, the percentage willing to send troops remained almost unchanged, an average of 18%. This very slight change—1% fewer Americans willing to send troops in case of attack—was fairly consistent across the list of individual countries. The press report issued by Gallup stated:

"Despite the recent fall of Cambodia and South Vietnam to the Communists, the American public's views on the extent of United States military commitments abroad offer little evidence of a trend toward isolationism since 1971. . . . The latest survey (shows) that the public's views on United States military commitments are virtually the same as in 1971."

But if one looks at the other side of the question, the proportion of Americans who said we should "refuse to get involved" if these countries were attacked, the evidence shows a notable increase in isolationist sentiment. The proportion saying "refuse to get involved" rose 7%, from an average of 32% in 1971 to an average of 39% in 1975. Increased isolationism was evident in the case of each of the ten countries, with the smallest increase registered in the case of Japan (2%), and the largest increase in the case of Turkey (12%). The Gallup Poll presented both sets of answers in its press release; but its interpretation rested wholly on one of them and ignored the other.

SOMETIMES THERE IS NO PROBLEM of either question-wording or interpretation, but simply of the stability of the figures. Many commentators have drawn attention to "the Black vote" in the 1976 election as a key element in President Carter's victory. The Joint Center for Political Studies in Washington looked at election returns from 1,165 largely Black precincts nationwide, and concluded that Carter had won 92% of the Black vote. This figure was on the high side, according to several national polls. Louis Harris estimated that Carter won 87% of the Black vote. CBS News conducted polling-place interviews with almost 15,000 voters on Election Day; in their survey Blacks constituted 9% of the voters and voted only 82% for Carter. In a similar Election Day poll carried out by NBC News, 92% of the 8% of the respondents who indicated that they were Black said they had voted for Carter. The Gallup Poll, however, estimated that 85% of "non-whites" voted for Carter in 1976.

These variations are not really surprising, especially when one considers that we are not talking about variations among samples but across subgroups within samples—indeed, subgroups which usually number less than 10% of the voters. A range of variation between 82% and

92% is actually rather small considering the unreliability of figures at this level of detail. Yet the politically relevant question is whether Governor Carter did better among Blacks than Senator McGovern had done four years earlier—that is, whether Carter's appeal to Blacks was any stronger than that of a Democrat who otherwise ran very poorly. The Gallup figures estimate that Carter's support among "non-whites" was actually lower than that of McGovern in 1972—from 87% for McGovern to 85% for Carter.

There is a good deal of political significance vested in the interpretation of such figures. But a cautious and knowledgeable observer would decline to make any interpretation at all.

THERE IS ONE SOURCE of variation in poll results that has received very little attention, namely, the context in which a question is asked. It is usually assumed that if a question is asked in different polls but with exactly the same wording, all sources of variation have been controlled for except sampling error and changes over time. Yet there is evidence that the placement of a question in the interview and the overall subject-matter of the interview can make a great deal of difference.

How do Americans feel about defence spending? A Louis Harris poll administered on behalf of the Chicago Council on Foreign Relations in December 1974 asked a sample of 1,513 Americans: "Do you think that we should expand our spending on national defense, keep it about the same as it is now, or cut back our defense spending?" A third, 32%, said "Cut back." But in the very same survey, Harris showed respondents a list of "present Federal government programs" and asked, for each, whether the respondent felt that programme should be expanded, cut back, or kept about the same. "Aid to education" was the first programme listed and "defense spending" the second. When asked in this context, over two-fifths, 42%, voted to cut back. When the question of defence spending was posed in the framework of competing Federal programmes, sentiment in favour of cutting back rose by 10%.

A more striking example of the "context effect" can be seen in the results of a December 1974–January 1975 Harris survey in which subjects were interviewed for an average of 73 minutes on the subject of Israel and anti-Semitism. The Harris survey included four questions on US military aid to Israel. Each question had a different—and sometimes quite complex—set of conditions and stipulations. Two of the questions were worded "positively" (favouring US aid) and two "negatively." Given

American Chronicle

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this diversity, the consistency of responses on the items listed below is remarkable.

4(h) "As you know, the U.S. has sent planes, tanks, artillery, and other weapons to arm Israel. The Russians have sent similar military supplies to Egypt and Syria. In general, with the Russians arming Egypt and Syria, do you think the U.S. is right or wrong to send Israel the military supplies it needs?"

Right 65%
Wrong 21%

4(k) "If war broke out again in the Middle East between the Arabs and Israel, would you favor or oppose the U.S. continuing to send military supplies, but not troops or personnel, to help Israel?"

Favor 65%
Oppose 24%

8(e) "Let me read you some statements some people have made about the Arab countries and oil. For each, tell me if you tend to agree or disagree."

(1) We need Arab oil for our gasoline shortage here at home, so we had better find ways to get along with the Arabs, even if that means supporting Israel less."

Disagree 68%
Agree 20%

8(f) "If it came down to it and the only way we could get Arab oil in enough quantity and at lower prices were to stop supporting Israel with military aid, would you favor or oppose such a move by this country?"

Oppose 63%
Favor 18%

These results show a consistent two-thirds of the public favouring military aid to Israel. Results that are so remarkably insensitive to the wording of the questions would seem to indicate a strong and stable underlying attitude.

But the fact is that this two-thirds figure, notably consistent *within* the context of the December 1974-January 1975 Harris survey, is very much out of line with other surveys carried out at almost the same time in which similar questions were asked.

IN OCTOBER 1974, Yankelovich, Skelly, and White, Inc. asked a national telephone sample the following question: "The US sends arms and military equipment to a number of foreign countries. Do you personally feel that the US should or should not send arms to [list of ten countries, including Israel]?" Israel was the fifth country on the list, and only 31% of the sample—not quite *half* the figure obtained by Harris—felt that the US should send arms to Israel. Fully 57% felt that we should *not* send arms to Israel.

It should be noted that the Yankelovich question was asked in the context of the *general* issue of "military aid" ("The US sends arms and military equipment to a number of foreign countries"). Moreover, the first two countries on the list were South Viet Nam and South Korea—countries where US military aid is associated with US military involvement—followed by Italy,



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ANDRE DEUTSCH

Greece, and then Israel. Support for US military aid averaged 20% for all ten countries (which, in addition to the five cited above, included Turkey, Jordan, Ireland, Saudi Arabia and Yugoslavia). The 31% of the Yankelovich sample who approved military aid to Israel was the highest figure obtained for any of the countries tested. It happens that Harris asked a similar question in a December 1974 survey of "American Public Opinion and Foreign Policy", carried out on behalf of the Chicago Council on Foreign Relations: "On the whole, do you favor or oppose our giving military aid to other nations?" Only 33% were in favour of military aid and 65% opposed—a result very close to the Yankelovich figures and in reverse proportion to the Harris results on Israel in his other poll.

Questions on "US military aid to Israel" appear to involve two quite different signals: Americans have a strongly negative attitude toward *military aid* in general, and a strongly positive attitude toward *Israel*. The response to any particular question will depend on the balance of emphasis between these two signals, as determined by the wording of the question and the context of the interview. It seems that in Harris's Middle East survey both factors had the effect of focusing attention more on *Israel* than on *military aid*. First of all, the interview dealt largely with Israel and the Middle East,

thus establishing a definite context. Question 4(h), the first question that concerned military aid, was asked just after the following sequence of questions:

4(a) "In the dispute between Israel and the Arabs, which side do you sympathize with more—Israel or the Arabs?" (Israel = 53%)

4(b) "Why do you feel this way? Any other reasons?" (Open-ended responses)

4(c) "How would you rate the chances of working out a peace settlement in the Middle East between the Arabs and Israel—excellent, pretty good, only fair, or poor?" (Excellent + pretty good = 15%)

4(d) "Going back to the last war in the Middle East in October of 1973, as you recall it, who do you feel started that war—the Arab countries or Israel?" (Arabs = 42%, Israel = 10%)

4(e) "As a result of . . . starting that war, do you think less of them, more of them, or doesn't it make much difference one way or the other?" (Of those who thought the Arabs started the 1973 war, 54% thought less of them, 4% thought more of them, and 41% said it doesn't make much difference.)

4(f) "Which side do you feel won the Middle East war, (a) back in 1967, (b) in October of 1973, between the Arabs and Israel?" (1967 war: Arabs 5%, Israel 43%. 1973 war: Arabs 10%, Israel 27%)

4(g) "If there were another war in the Middle East between the Arabs and Israel, which side do you think would win?" (Arabs 20%, Israel 33%)

The very next question—4(h), cited above—concerned US military aid to Israel, as did Question 4(k). The questionnaire clearly established *Israel* as the focus of the respondent's attention. Moreover, the sequence of questions leading to those concerning US military aid followed the logic of increasing Arab military success (5% considered the Arabs to have won the 1967 war, 10% the 1973 war, and 20% a possible future war). The lesson here is that one ignores these details of context at one's peril in interpreting survey results.

THE PROBLEM POSED BY sharp discrepancies in the findings of different polls is not a matter to be resolved by an estimate of the comparative quality or integrity of the many survey organisations. For the most part it would seem that the variations in response may be explained by differences in the wording and the context within which questions are placed in the interview schedule; the sample design; and the research procedures followed by organisations, each of which is conscientiously seeking to report the state of opinion. Varying approaches to given topics favoured by each may, however, lead to an exaggerated report as to how the public reacts to an issue. Given the fact that on many (if not most)

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policy matters, a large (often majority) segment has relatively little information or deep interest, it is not surprising that the results of surveys may differ widely. It is often not really possible to know the opinion of the public on many issues, since there is no fixed opinion. There is, at best, usually a set of predispositions; but locating these does not enable us to predict behaviour or the subsequent poll results with any precision, when a proposal turns into an actual policy.

Given the variability in responses determined by differences in survey design, it is hard to believe that outcomes desired by the pollster or the client whom he seeks to impress do not occasionally affect the way research is designed or interpreted. Currently, in reaction to the memorandum from Caddell to President Carter which was leaked to the press, liberal opponents of Caddell's interpretations of the conservative mood of the public have argued that he has a history of telling his clients what they want to hear; that while he previously had reported to George McGovern that public opinion favoured major social changes, now he supposedly tells Carter that they fear change and worry most about inflation. Pro-Israeli groups have feared that Caddell's earlier involvement with Saudi Arabia as a client (and his current connection with some international oil companies) affects his work on attitudes towards Middle East issues.

It is highly unlikely that Caddell or most other pollsters seek deliberately to manipulate their findings. But whether they do so consciously or not, it is clear that every pollster has a stake in believing that his results are more accurate and altogether more reliable than those of his competitors. In a real sense, pollsters—like other businessmen or even professors—have an interest in defending their product.

It is this CONFLICT OF INTEREST which is most worrisome when one pollster has become the primary interpreter of American public opinion to the President of the United States. Pat Caddell may very well be the best pollster in the country, the most intelligent practitioner of political surveys. Yet when we compare his results and interpretations with those of others, it is clear that a variety of alternative evaluations of how Americans feel about various issues is possible.

Looking at the findings of the myriad national, regional, and local surveys, and of the commercial and academic polls suggests that the interpretations made of them (including those of Pat Caddell) are usually more "definitive" than the data allow. The information available to the President of the United States and other politicians should, therefore, not be limited to that presented by one person or survey organisation.

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They should be furnished with the full gamut of findings, interpreted by experts who do not have a stake in the validity of any one poll.

How can this best be done?

ONE APPROACH would be to create an office in the White House, directed by a professional or academic expert on public opinion, to receive and analyse the results of all major surveys. This office should issue periodic reports on the state of public opinion as reported by *all* the polls. It would specifically *not* have the authority, without special authorisation, to commission any new or independent polls. Such an agency would also produce occasional in-depth reports on specific topics as requested by the President.

Thus, for example, the President might request an extensive report on American attitudes toward the energy crisis as reported by all the polls since 1973, or a summary of American attitudes toward South Africa or the Middle East situation. These reports would show all the relevant data on the subject, including trends, variations, and inconsistencies, and make an effort to interpret their meaning. But they should not include partisan political advice or campaign strategy. Studies of "where the Republicans are vulnerable on this issue" or "how strong is Governor Brown's appeal to Democrats" have no place in this operation. These functions are part of a campaign apparatus which is apparently handled quite well by pollsters like Mr Caddell. To prevent any such abuse, and to justify the use of public funds, legislation should be enacted to require that all reports should be made available to Members of Congress and to the press and public—exactly like reports on the economy. The results and interpretations would then be open to challenge by opposition politicians and by outside experts.

Still, many Americans would fear that such an office located in the White House would inevitably create a partisan advantage in favour of the incumbent. Perhaps the greater risk of political abuse is the prospect of a "Public Opinion Czar" becoming a kind of Minister of Propaganda, *telling* the American people how much they like what the government is doing. (After all, it is not unknown for economic reports coming out of the White House to be slanted in favour of the Administration's policy—"You never had it so good... Things are looking up... Our new policy is working.") An alternative approach would be to remove the office from the White House and locate it in some independent agency. The Library of Congress might be able to perform the function of archiving, evaluating, and reporting on public opinion data, much as its

Congressional Research Service now does reports at the request of Congress.

AN ALTERNATIVE POSSIBILITY is an independently financed office based in Washington and linked to policy research institutions of varying ideological persuasions, such as the Brookings Institution (thought of as somewhat to the liberal side of most issues) and the American Enterprise Institute (often identified with conservative positions). Both organisations enjoy reputations for serious and objective scholarship, and, in fact, each employs some scholars whose sympathies and party affiliations differ from the dominant orientation of the institution. An office for public opinion evaluation operated jointly by Brookings and A.E.I. and financed by the major foundations would reduce the possibility of ideological or political favouritism, though it might not be as efficient as an office in the White House. Whatever the exact administrative arrangement, the essential requirement is that no one involved in such an operation be connected with any polling firm—a requirement which probably means, in practice, that the office be staffed by academic authorities in the field.

The staff and consultants of the office should be charged with publicly evaluating and reporting on the state of opinion as reflected in the results of all the surveys on politically relevant matters. The President, other political figures, and the national committees of both parties should, of course, also employ pollsters to carry out confidential surveys designed to inform them how to "maximise their image" and their support among the public. Pat Caddell should continue to advise Jimmy Carter on strategy; Robert Teeter (an excellent pollster, who has worked for various Republican candidates, including Gerald Ford) may carry out a similar task for the Republican National Committee. Pro-Israeli groups, the Saudi Arabian Embassy, and oil companies will be well advised to hire reputable survey organisations to inform them "how best to handle" Middle East issues, and possibly to "explore in depth" feelings on these matters. But all of them and all of us will be better served if they could also check out the findings of their market researchers with the conclusions of a panel of experts who evaluate and interpret all the available data—much as political leaders, corporations, unions, and others who rely on the advice of staff economists may cross-check such judgments with those of other reputable economists.

The stakes of the democratic process are simply too great to allow one man or polling organisation to be the *voice* of the American public to the President of the United States or others in authority.

THE PRESIDENT HAS SEEN

12/29/94

*Good/2/2/94
Hawthorne
It would be great
to have a talk
a talk*

WHITE HOUSE
WASHINGTON

December 20, 1994

Guy L. Smith
Chairman
Smith Worldwide Inc.
171 Madison Avenue
New York, New York 10016

Dear Guy:

Thanks for your letter of December 16 and for your insight into the mid-term elections. I think we have to remind ourselves that this is no ordinary time. The American people are obviously frustrated with the pace of change and with the way Washington goes about its business. We have a lot of work to do in the months to come, and I really appreciate your thoughtful suggestions of things we should change.

Thanks, as always, for your support, your encouragement, and your friendship. I hope to see you soon.

Sincerely,

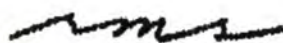
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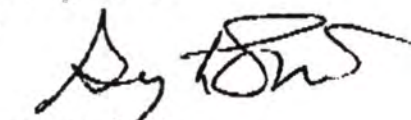
Ms. Nancy Hefireich
The White House
Washington, D.C. 20500

Dear Ms. Hefireich:

As I may not see the President at this year's Renaissance Weekend (hopefully he will come), I would be most grateful if you would give him the attached letter. At last year's Renaissance gathering the President asked me to send him ideas as I had them."

If you need anything additional, I can be reached at 212-779-2336 (office) or 203-629-1764 (home).

Many thanks.



Guy L. Smith
Chairman
Smith Worldwide Inc.

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Strategic Communications

December 16, 1994

~~PERSONAL AND CONFIDENTIAL~~

The President

The White House

Washington, D.C. 20500

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: JB DATE: 5/18/8

Dear Mr. President:

With your speech the other night you are clearly moving to improve communication between yourself and the American people. Further to your comment to me at Renaissance last year to send you ideas when I had them, here are some thoughts that I think will help.

There are some important steps that must be taken to better communicate your positions and accomplishments to the American people, both directly and through the media.

"I'm the leader of the efforts that we have made in the last two years, and to whatever extent that we didn't do what the people wanted us to do or they were not aware of what we had done, ...

The President, Press Conference, November 9

There are a number of reasons for the election results. Your point about the American people not being "aware" of your many accomplishments raises a vital subject as you embark on dealing with a GOP Congress and as you embark on getting reelected. That subject: communications.

While the atmosphere in which your Administration articulated and sold its policies and positions has always been difficult, it will now become even more difficult. There will be more incoming fire and communicating in this daily cauldron will require an effective communications strategy.

There are several elements that can help establish and carry out an effective communications strategy:

1. **Be more Presidential:** no more talk shows, no more town hall meetings (people believe they are cooked, and if they aren't cooked you don't have control);
2. The Republicans will cause your Administration to become much more reactive: **don't let any of your spokespeople at the White House (or in the cabinet departments) knee jerk response.** When in the reactive mode, slow down the response mechanism and be certain that the reaction is thoughtful, Presidential, and calculated. What the Republicans will be trying for are the traditional "knee jerk liberal" responses. This will get even worse as time goes on.

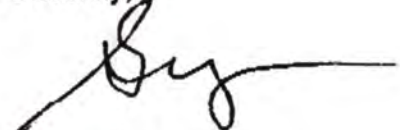
3. There are too many people authorized to speak with the media on background. And, there are too many people freelancing on your behalf. Sharply limit those who can brief on background, and cut off anyone else's head who tries it. You have to do it in order to control the message and the perception of the message.
4.  Mr. President, this next item is absolutely critical: Stop public or background discussion of the internal...this mean's your...decision-making process. The fact is that the way you arrive at decisions is not going to change. The people around you must stop describing how you operate. It always makes you look indecisive. Do not let your decision-making process be open to discussion with the media. This will make some people very unhappy, but your image is suffering badly because of it. When you do make a decision, simply announce that the decision is made. Period. This will immediately permit your decisiveness to be apparent. And it will stop headlines about indecisiveness and flip-flops!
5. When your basic position on an issue is unchanged, simply adjust the rhetoric to move yourself further to the right. Move the rhetoric, not the position. Not too different than how you would handle the same issue before two different groups: the Auto Workers local in Detroit or the Board of Directors of Texaco. You don't change your position, only the rhetoric that goes with it.
6. You need a "yeh, but..." person, with some clout, to sit in on meetings where policy decisions are made. That person must be someone with no ax to grind, who has no interest in getting media attention, and who truly understands how a policy position will be received by the Republicans, the media, and the public. That person, Mr. President, is not someone who came through the crucible of the campaign or has no serious communications experience. Sort of a Dave Gergen without all the media attention.
7. Get someone you trust who knows communications, who's not on the Inside and who doesn't have an ax to grind or a job to protect, to look at your entire communications and media operation and make suggestions to you and your people. Some strategically placed fine-tuning is likely to go along way.

As you know Mr. President, my business background has provided me with more than 25 years of experience in communicating clearly and effectively amidst constant incoming fire. Now you need that kind of expertise. If you feel that someone with my background, who can assist in executing ideas such as those above and others, would be valuable to you, I would be honored to serve, either as an unpaid consultant or as a member of the staff.

Whether I participate or not, you need to strengthen your communications. There is time before the partisan bickering returns to monstrous levels and there is time before the '96 election. But you need to do it.

I hope to see you at Renaissance, but in case not, please know that there are alot of people who believe in Bill Clinton and want you to succeed and when your message gets through you will succeed.

Sincerely,



Guy L. Smith
Chairman
Smith Worldwide Inc.

THE WHITE HOUSE
WASHINGTON

for James
to

Nancy,

This is the letter we
spoke about. If there
is any feedback for
Don, please let me
know.

Jody

Note, this letter was sent to
James.

GS - What is the
Deal here?

12-29-94

We need to try to
know this - Be

THE PRESIDENT HAS SEEN

12/29/94

Dear Jim Carville:

Nov. 21, 1994

Help me understand something, will you? Just what is it that the Clintons think 60 MINUTES did to them other than pull them back from the brink of defeat during the primaries almost three years ago?

The plain fact is that 60 MINUTES threw Bill Clinton a life preserver when he was about to drown, pulled him to shore, gave him artificial respiration and sent him off to the Democratic Convention a winner. And for reasons that are beyond me, has been on his and her enemy's list ever since. A sore loser, I understand. A sore winner is beyond me.

Had I edited the famous 60 MINUTES Bill and Hillary Clinton interview your way or George Stephanopolous' or Mandy Grunwald's way, anybody who is anybody in Washington will tell you, as they have told me, that the Clintons would still be up in New Hampshire digging their way out of the snow. Skillfully edited, that nine minutes of television, all by itself, turned a losing campaign into a winning one, which is not to say that they didn't handle themselves superbly. But if I were an advisor to one of five guys (and that's what he was at the time only "one of five guys") looking for the Democratic nomination and my guy finally got it because he was lucky enough to be given time on America's most successful news magazine for what turned out to be the most successful interview of his life in front of America's largest news audience, I think I would be grateful for what was in it, not go around crybabying about what was not. We may not have given him a chance to talk about about "his vision of the presidency," but we went one better; we gave him the chance to live "his vision of the Presidency."

And if I were Bill Clinton, I think I'd be savvy enough to know what a triumph I had scored and not go around for the next three years giving the back of the hand to the guy who helped me score it. And what I certainly wouldn't do, if I were the wife of the candidate who had just scored that triumph, is go around telling the wire services that 60 MINUTES had finagled with the questions and substituted ones that were not asked while they were there, which was absolutely and unequivocally untrue!

Okay, why do I care? Damned if I know. Am I angling for a kiss-and-make-up-meeting? No! Never having made Nixon's enemy's list, I figure it's a badge of honor for a journalist to make some President's enemy's list. Do I want off it? No, not particularly. So, why the letter? Just to let off steam, I guess, and to remind you and George and Mandy that the Clintons do better with 60 MINUTES than they do without it.

Sincerely,

Don Hewitt
Executive Producer
60 MINUTES

cc: George Stephanopolous, Mandy Grunwald

THE WHITE HOUSE
WASHINGTON

12-29-94

~~H1000~~
~~SUBA - 1/2 ar~~

THE PRESIDENT HAS SEEN
12/29/94

Enkhin

the SUBA
cut max loan
to 1/2 ar? Why?

I've gotten some
negative feedback

B.

Leon
on winter B.

THE PRESIDENT HAS SEEN
12/29/94

ADD
MC PMB
US 8th
Camp



THE PRESIDENT HAS SEEN

ABOARD AIR FORCE ONE

12/29/94

Dennis Dea

① 4-Season/ys
Analysis, Overhead Imaging

②

- Adam Crowe
- Mark Kramowitz
- John Deutch
- Adam Jeremiah
- (W. J. J. J.)

③ Poss Cor Act: Bosnia
1st. Fund ME
Penetration, Disarm
Disunion

④ Bill Houseworth - Doel, Kaseh
FISC → GOP point - for Him

⑤ Graham - Aug

⑥ Full Judge

Eushin / Leon / H. Lee
There is very good
Government
The capacity to do
this or necessary —
Let's do it —

THE PRESIDENT HAS SEEN

12/29/94

President
John

Recapturing the Initiative

(and how to win in '96)

Jerry M. Hultin

Governance ... Discipline

1. The need for shared and innovative governance

- ◆ **Leverage the President's power through collaboration.** White House staff and Cabinet can significantly enhance the President's power by finding more ways to collaborate with local, state and national community leaders in planning events, reviewing drafts of speeches (or the performance of federal programs), providing feedback to ideas being considered, etc. These simple acts of listening and sharing power can increase the depth and stability of the President's support throughout the nation -- as well as enhancing the clout of the President's network of supporters and friends.

Here are some ideas:

- ◆ **Strengthen relationships with individuals and groups who have a strong, private power base.** The "New Democrat" message is that public-private partnerships work; yet the Administration is perceived as focusing primarily on public power (private relationships are only used for raising money to get more public power). White House staff and Cabinet officers need to deepen relationships with representatives of private authoritative power (e.g. non-profits, individuals, churches, unions, corporations, academia, individual supporters). These relationships should be respectful of interests, tolerant of differences, and strengthened by frequent two-way communication
- ◆ **Empower local supporters.** The White House staff and DNC need to delegate more authority and responsibility to local supporters throughout the nation. Currently state and local Democrats do not feel authorized to work on the President's behalf, and do not get credit or positive treatment when they do work for him. As a result, people are not working for the President.

Example: When the White House advance team gives a successful statewide coordinated campaign director the assignment of "choosing the menu" for a Presidential reception, his importance as the President's representative in that state is diminished and the President loses the leverage of dispersed power.
- ◆ **Develop informal networks of individual supporters and local organizations.** These might include local speaking and policy forums, Internet access, "Letter to the Editor" writing teams, more DLC chapters, "soft" DNC local chapters, etc.
- ◆ **Provide supporters with some opportunities other than fund raising to engage in two-way communications with the President, his staff and the Cabinet.** The Administration needs to demonstrate commitment to listening and a willingness to integrate others' insights into both political strategy and policy development.
- ◆ **Limit "insider" power.** White House staff, Cabinet officers, Hill staff and power lobbyists still appear to have amazing access and influence within the Administration as compared to that of loyal, local Democrats. For example:
 - ◆ Access to Cabinet members is strictly controlled. Local Democrats do not get access.

- ♦ Local Democrats do not get consulted about Court of Appeals nominations and most executive branch appointments. Why not?
- ♦ **Demonstrate President's commitment to DLC.** The DLC will be dramatically strengthened by evidence that the President is intent on building new models and systems reflecting the DLC's goals and agenda. The President's speech to the DLC was great in its listing of DLC goals already implemented.

2. The need for discernible discipline

- ♦ **Stick to a simple message--and demonstrate that the President's actions get desired results.** The President's behavior for the rest of this first term needs to be strong, consistent, and demonstrably aligned with a relatively simple philosophy and plan. Then the White House may begin to receive credit not only for what has been done, but also for what the President will do during the remainder of the first term.
- ♦ **Be personally disciplined and enforce discipline among the White House staff and Cabinet.** Regardless of fairness or accuracy, the President is not perceived as a disciplined person. Average citizens want to know that the President will do what he says he'll do--and that he will take action against people who fail to meet his standards or confuse his message.
 - ♦ The President's request for Jocelyn Elders' resignation was impressive; yet, many of the people I've talked say they cannot be hopeful until they see a shake-up in White House staff. There is a widespread belief that the current staff is too adolescent and self-centered rather than mature and differentiated.
- ♦ **Increase focus and take a longer view.** When the Governor Clinton and I had lunch in May 1991 in Columbus, he argued that President Reagan epitomized the power of focus. The principle is still true -- the only difference is that now Bill Clinton is in the "bully pulpit." The wish list that I hear most often in relation to the Clinton Administration include the following:
 - ♦ Focus on a few key issues.
 - ♦ Express hope and confidence for the future. Think longer-term. Reduce reaction to overnight polls--and reactivity in general.
- ♦ **Reinforce presidential power.** Limit routine Presidential appearances; use the extra time to identify and communicate the over-arching themes. Examples of powerful behavior include:
 - ♦ **Speeches:** Most important are speeches that define policy and set standards for policy, programs and performance.

- ♦ **Hiring, firing, prosecutions:** Require high standards of conduct; be explicit about the President's expectations with regard to excellent performance and personal loyalty.
- ♦ **Pattern of discipline:** Seek powerful, cathartic events that demonstrate discipline; the goal is to overcome the image that the President indulges his excesses.
- ♦ **Acknowledge the validity of voter anger.** Find ways to convey President Clinton's own anger at "the system;" for example, at bureaucratic, non value-added procedures; the influence of special interests; the apparent unwillingness of the media to generate light instead of heat; Washington's "business as usual" attitude; etc.
- ♦ **Commit publicly to enforcing accountability at all levels of governance.** Create an unpublicized kitchen cabinet of strong individuals who help the President evaluate ethical and disciplinary issues--including how to enforce "accountability" for performance at every level of governance. Members need to be tough, respected and without direct self-interest so they will be able to influence the thinking and behavior of the White House staff, Cabinet and agencies as well as the President's own personal thinking, growth and behavior.
- ♦ **Clarify the role the President wants to play in the history of this country.** What is the President reading? Who is he trying to emulate? What is he seeking to convey to the nation?
 - ♦ What do the President want his role in history to be? Can it be named? Does it have the grandeur and substance to merit admiration in fifty years? Churchill, DeGaulle, and FDR had the "advantage" of WWII -- but they also had a centering countenance that caused others to give them respect then -- and now.
 - ♦ A suggestion: The President's next vacation should demonstrate the President's interest in reflection, solitude and occasional discussions with big thinkers. Perhaps he should go West -- where large spaces and dramatic scenery support the "long view" and symbolize independence from the "establishment."

1. Reagan w/ Tim - were all over the
camp - should focus on

12/29/94

THE PRESIDENT HAS SEEN

① MCBOT

December 22, 1994

→ no colleges / con
→ get organized camp for

94 DEC 23 11:40

reactions?

MEMORANDUM FOR LEON PANETTA

FROM:

MARK GEARAN

SUBJECT:

Plan for January 1995

② Wine - lobbyists, win them back -

This attached memorandum outlines a tentative plan for presidential activity in the early part of next year.

I. Objectives.

- Showing strength at home and abroad. The President must be seen as determined and strong enough to do what he says he'll do.
- Build Support for the Middle Class Bill of Rights. The President can use a series of events to weave together welfare reform, political reform with the Middle Class Bill of Rights. The President must be seen, as he was during the campaign, as consumed by a desire to make things work for the working families.

II. Proposed Schedule

January 1-7. Political Reform

The first week of the New Year offers the President an opportunity to outline his goals for the political reform Congress will be considering. He can also use this time to link political reform to the Middle Class Bill of Rights: real political reform can ensure that our government responds to the cares and concerns of working Americans, not just to special interests.

The President can use this week to define the terms under which any congressional reform is judged. This strategy is being coordinated with the Democratic leadership on the Hill. The GOP will be claiming credit for political reform, pointing to its cuts in committee staffs and streamlining Congress. The President will state the view, a view held by most Americans, that real reform must include limiting the role of lobbyists and money in the political system. This effort will be buttressed by the congressional Democrats' attempt to attach a gift ban to the Congressional Accountability legislation.

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January 4, 1994. School in Arkansas. The dedication of the school in Sherwood, Arkansas allows the President to set forth his priorities for the year in a relaxed and informal session with students and their parents. This event also gives the President an opportunity to weave together political reform and welfare reform with his message about the Middle Class Bill of Rights.

2
6 January 4, 1994. Message to Congress. Release statement with a message on political and government reform. In the statement, the President can lay down markers to define real reform for Congress. Desired news: "The President challenges Congress to enact meaningful reform."

[January 4-6, 1994. Interviews with Networks. (Tentative.) We may want to take advantage of the presence of the network anchors in Washington, D.C. to do a series of sit-down interviews to kick off the New Year. The President could use these interviews to reiterate his call for a Middle Class Bill of Rights, while focusing on the need for real political reform.

January 5, 1994. Meeting with Bipartisan Leadership of Congress. The President can deliver another segment of his message about real congressional reform, this time face-to-face. The President could make news by issuing a challenge or deadline for real reform legislation.

January 7, 1994. Radio Address on Political Reform The President has an opportunity to comment on the work of the Congress up to that point and raise the bar for real political reform. The radio address may be an occasion for release of our latest campaign finance reform proposal. One option would be to do the radio address before an audience of prominent reform leaders-validators, e.g. League of Women Voters, Common Cause. etc., who would then praise the proposal at a stake-out. This option necessarily means a "live" radio address.

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January 8-14. Middle Class Bill of Rights. Welfare Reform.

This week gives the President an opportunity to refocus on the education and training components of the Middle Class Bill of Rights. The tail end of the week will involve a working session on welfare reform that will underline the President's commitment to ensuring that real, comprehensive welfare reform is enacted this year.

January 10, 1994. Middle Class Bill of Rights Event. (Illinois.) The President would travel to a community college (or similar site) in Illinois to outline the benefits of the proposed tax deductions for retraining and college education. To underscore the broad support for this proposal among Democrats, we would invite prominent figures from both wings of the party to accompany him.

January 13-14. Working Session on Welfare Reform. The aim of this working group is to demonstrate the President's leadership on the effort to reform the welfare system. We will avoid presidential statements before this event to show that the President is going into this weekend with an open mind.

 **Note on Cleveland Event.** The CEE event in Cleveland seriously threatens to undermine any effort to lend thematic consistency to this week. Already, the President is doing an education and labor event, meeting with the Prime Minister of Japan, and hosting a working session on welfare reform at Camp David. Adding the CEE event muddles the picture considerably. Given that the CEE attendees are now trade ministers, this event seems better suited for the participation of the Vice President or USTR Mickey Kantor.

January 15-21. Community.

In this week, the President can focus on the need for communities to work together to reunify society and create opportunity. Two days of events in Atlanta allow the President to ask Americans of all races to put aside their differences and work together to renew our sense of community. The following day in Los Angeles, the President can also speak about the ability of communities to respond to emergencies: the Northridge Earthquake Anniversary. This event allows the President to point to the ability of government to respond quickly and effectively. The current scheduling scenarios are laid out below.

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December 22, 1994
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Scenario I

- Sunday P.M. Morehouse College or a Site Visit to Americorps in Atlanta, Georgia. Brief remarks and a service.
- Monday A.M. Wreath Laying at the King Center. Remarks at Ebenezer at 10:00 a.m.

Scenario II

- Monday A.M. Depart early from D.C. for an Americorps site visit in Atlanta. Remarks at Ebenezer.

Scenario III

- Sunday P.M. Morehouse College. Brief event and remarks.
- Monday A.M. Wreath-laying and depart for California.

January 22-28. State of the Union.

This speech affords the President a chance to outline his agenda for the coming two years: to renew his commitment to the middle class; lay out his principles on welfare reform and preview his budget priorities.

January 29-February 4. Governors' Meeting.

The semi-annual meeting with governors (January 29-30) can focus on the President's commitment to flexibility for the states on health care and welfare reform.