Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Jeff King to Terry McAuliffe and Laura Hartigan re: Top States (3 pages)	12/19/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 4892

FOLDER TITLE:

December 25-31, 1994 [3]

2018-0662-S
rs3115

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

December 1, 1994 94 DEC 5 P7:42

MEMORANDUM FOR THE PRESIDENT

THROUGH: LEON PANETTA
CHIEF OF STAFF

FROM: JOEL KLEIN
DEPUTY COUNSEL TO THE PRESIDENT

STEPHEN NEUWIRTH
ASSOCIATE COUNSEL TO THE PRESIDENT

Attached is a copy of the proposed Workplace Religious Freedom Act.

What's your recommendation on this?

- Joel
- Panetta

103D CONGRESS
2D SESSION

H. R. 5233

To amend title VII of the Civil Rights Act of 1964 with respect to religious accommodation in employment.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1994

Mr. NADLER (for himself, Mr. SCHUMER, Mr. SAXTON, Mr. LIPINSKI, Mrs. MALONEY, Mr. ENGEL, Mr. HASTINGS, Mr. CARDIN, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To amend title VII of the Civil Rights Act of 1964 with respect to religious accommodation in employment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Workplace Religious Freedom Act of 1994".

SEC. 2. AMENDMENT.

Section 701(j) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(j)) is amended—

(1) by inserting "(1)" after "(j)",

(2) by inserting ", after initiating and engaging in an affirmative and bona fide effort," after "unable", and

(3) by adding at the end the following:

"(2) For purposes of paragraph (1), an accommodation by the employer shall not be deemed to be reasonable if—

"(A) such accommodation does not remove the conflict between employment requirements and the employee's religious observance or practice; or

"(B)(i) the employee or prospective employee demonstrates to the employer the availability of an alternative accommodation less onerous to the employee that may be made by the employer without undue hardship on the conduct of the employer's business; and

"(ii) the employer refuses to make such accommodation.

"(3) It shall not be a defense to a claim of unlawful employment practice for failure to provide a reasonable accommodation that such accommodation would be in violation of a bona fide seniority system if, in order for the employer to reasonably accommodate to such observance or practice—

"(A) an adjustment is made in the employee's work hours (including an adjustment that requires the employee to work overtime in order to avoid working at a time that abstention from work is necessary to satisfy religious requirements), shift, or job assignment, that would not be available to any employee but for such accommodation; or

"(B) the employee and any other employee voluntarily exchange shifts or job assignments, or voluntarily make some other arrangement between or among them.

"(4) As used in this subsection, the term 'undue hardship' means an action requiring significant difficulty or expense. For purposes of determining whether an action requires significant difficulty or expense—

"(A) the identifiable cost of the accommodation in relation to the size and operating cost of the employer; and

"(B) the number of individuals who will need a particular accommodation to a religious observance or practice;

shall be included in the consideration of other factors.

"(5) An employer shall not be required to pay premium wages for work performed during hours to which such premium wages would ordinarily be applicable, if work is performed during such hours only to accommodate religious requirements of an employee.".

SEC. 3. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by section 2 shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by section 2 shall not apply with respect to conduct occurring before the date of the enactment of this Act.

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THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

94 DEC 23 P3:22

December 23, 1994

Ickes

MEMORANDUM FOR THE PRESIDENT

FROM: HAROLD ICKES (HI)
Deputy Chief of Staff

SUBJECT: Summary of Weekly Cabinet Reports for the next two weeks. December 23, 1994 through January 6, 1995

CABINET-WIDE ACTIVITY

Middle Class Bill of Rights Media

During the next ten days, members of the Cabinet will conduct radio interviews in approximately 36 markets throughout the country promoting the Middle Class Bill of Rights.

DEPARTMENT SUMMARIES

Department of the Treasury

- **White House Security:** The White House Security Review Advisory Committee is scheduled to meet on January 6.

Department of Commerce

- **U.S. Israel Science and Technology Commission:** As co-chair, Secretary Brown addresses the Commission on January 5 and will attend a meeting in Israel in mid-February.

- **Exports:** Commerce is expected to transmit to you by December 31 its report on the Bureau of Export Administration's investigation of the effects of imports of crude oil and refined petroleum products on our national security.

Department of Labor

- **OSHA Citations:** On December 21, the Occupational Safety and Health Administration (OSHA) issued citations with a penalty of $358,200 to Chris-Craft Industries Inc., in Waterford, New York. Also on December 21, OSHA issued citations with a penalty of $550,000 to Sony Magnetic Products, Inc., of America (SONY) in Dothan, Alabama. OSHA plans to issue citations with a penalty of $130,625 to Riverwood International, in Macon, Georgia on or about January 4, 1995. Riverwood International is a unionized producer of paperboard products such as linerboard and coated carrierboard.

- **Major Speeches/Announcements:** On January 5, the Secretary will make his final speech on the "Anxious Class". On January 9, the Department hopes to release the recommendations of the Commission on the Future of Worker Management Relations (Dunlop Commission). On January 18, the Secretary will present the Francis Perkins-Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management to Xerox Corp. This Presidential Award recognizes a company that has been exemplary in its efforts to diversify and promote minorities and women into decision-making positions.

- **Congress:** On January 11, the Secretary will testify before the House Economic & Education Opportunities Committee on the federal government's role in employment and training reform. On January 12, he will testify before the Senate Labor & Human Resources Committee on the federal government's role in employment and training reform.

Department of Transportation

- **ATR Aircraft Testing:** FAA officials continue to work closely with French government officials and the French manufacturer of ATR-42 and ATR-72 aircraft regarding potential problems in icing conditions. Specific solutions to potential control problems emanating from icing conditions are being developed and tested at Edwards Air Force Base. The National Transportation Safety Board continues to work to determine the exact cause of the recent accident involving an American Eagle ATR-72 in Indiana.

- **Code Sharing Study to be Released:** The Department anticipates releasing a contractor-conducted study of code sharing practices in international aviation. This is the first such study on this practice, a major issue in commercial aviation. The study found that, in general, the practice provides consumer benefits.

Health and Human Services

- **Mississippi Waiver:** On December 22, the Department approved Mississippi's welfare waiver. The project extends AFDC eligibility to two-parent families statewide and requires young children to be immunized and school-age children to be enrolled in school. It also supports projects (in selected counties) to encourage work and promote personal savings.

- **South Carolina Waiver:** Within the next two weeks, the Department may have completed negotiations with South Carolina, resulting in approval of the State's welfare waiver proposal. Provisions of the proposal include an increase in certain income disregards; disregard of the cash value of one vehicle and life insurance; and the requirement that participants comply with individualized, time-limited self-sufficiency plans as a condition of welfare receipt, placing recipients in public or private work experience if an unsubsidized job is not found.

- **Hyde Amendment Letters:** During the last week of the year, the Department is planning to inform states which are not in compliance with the Hyde Amendment that they must comply with the law. The Hyde provision of the FY 1994 Appropriations Act added the requirement that States provide abortions to Medicaid beneficiaries whose pregnancies resulted from rape or incest. The Department has worked with the 30 states whose programs were originally out of compliance with the FY 1994 provisions and has reduced the number of noncompliant states to fewer than ten.

- **Oral HIV Test:** Today the FDA will announce approval of an oral HIV test.

- **Ohio Waiver:** The Department and Ohio have agreed on a methodology for calculating budget neutrality -- the primary outstanding issue -- for Ohio's statewide health care reform demonstration proposal. Discussions on other outstanding issues, including payment for family planning services and treatment of federally qualified health centers, are nearing conclusion. The Department expects to make a final decision on OhioCare by the end of December.

- **Maryland Waiver:** The Department is close to reaching a decision on Maryland's "Demonstration Project for Family Planning and Preventive Reproductive Services." The five-year project would extend Medicaid eligibility for family planning and preventive reproductive services to women who are on Medicaid solely due to their pregnancy and would otherwise lose their eligibility. Maryland expects to generate Medicaid savings by reducing the number of unplanned births and improving the health status of the participants.

- **Louisiana Waiver:** The Department expects Louisiana to submit a Medicaid managed care demonstration proposal by the end of December. In a presentation on December 7, Louisiana officials indicated that they would be seeking a block grant of federal funds to assure a fixed federal contribution over the life of the five-year program. The Department has indicated that this financing arrangement is not legally possible and that we have policy concerns with such an arrangement.

- **First Meeting of Commission on Child and Family Welfare:** From January 10-12, the first meeting of the Commission on Child and Family Welfare will take place. The Commission was established to study and provide recommendations on the placement of children, child custody, access and visitation, and domestic issues such as family relations and abuse. The fifteen-member Commission has come under attack in recent weeks from Republicans who claim that its members, eleven of whom were appointed by Democratic leaders prior to the election, is no longer an appropriate representative entity.

Housing and Urban Development

- **Empowerment Zone Travel:** Yesterday and today, the Secretary is participating in formal press announcements with mayors of six of the empowerment zone cities. He will visit: Baltimore, MD, Philadelphia, PA, New York, NY, Cleveland, OH, Detroit, MI, Chicago, IL. Next week he will visit Kansas City, MO.

Office of National Drug Control Policy

- **FOIA Request on Federal Drug-Free Workplace Program:** ONDCP and HHS last year commissioned a review by Lewin-VHI of the status of drug-free workplace programs in 25 Executive Branch agencies. The results are mixed. Thirteen agencies achieved excellent implementation of the drug-free workplace program. Eleven had achieved adequate overall implementation but with some residual problems. The Executive Office of the President was in this "adequate" category and was judged to need better supervisory training. EPA was found to have inadequate implementation. So far, only the Washington Times has run this story. But ONDCP has an outstanding FOIA request for the report, which could lead to other press. The report has been disseminated to federal departments already.

Department of Education

This is important to be careful w/

- **Gun-Free Schools Act:** Secretary Riley received a letter from Congressman Bill Goodling's office (incoming Chair of the House Education Committee) expressing concern about the Department's implementation of the Gun-Free Schools Act. The Department is currently preparing guidance on this law to be issued in mid-January and will work closely with Congressman Goodling.

- **Proposition 187:** On December 14, a federal district court in California issued a preliminary injunction ordering California not to implement those sections of Proposition 187 that call for the exclusion of undocumented aliens from public elementary and secondary schools and from public health service. The court also enjoined implementation of the requirement that State employees report undocumented aliens seeking such services. California has until January 4, 1995 to file an appeal.

Department of the Interior

- **Grazing:** On Wednesday, December 21, Secretary Babbitt released the final Environmental Impact Statement (EIS) on Rangeland Reform '94. The final regulations are on schedule for publication in January. However, in response to a request from Senators Craig and Domenici, Secretary Babbitt decided to delay the effective date of the final regulations for six months to allow Congress time to enact any appropriate changes.

Also, the final EIS-preferred alternative includes a fee proposal that the Department will not include in the final regulations. Congress has expressed a strong interest in examining the full pricing of natural resources in its upcoming session. Secretary Babbitt believes that the grazing fee is best handled by Congress in this context.

Department of Energy

- **Gore-Chernomyrdin Commission:** The 4th meeting of the Gore-Chernomyrdin Commission was held in Moscow last week. Major advances were made in protecting nuclear materials, shutting down Russia's production reactors that produce weapons grade material, and developing a legal infrastructure to encourage energy efficiency and investment in Russia's energy sector.

Department of Agriculture

However these are terrific announcements the WH should at least consider putting out

- **Wheat and Corn Sales to China:** This week, USDA announced that China had purchased approximately 1.8 million metric tons of wheat and 1.45 million tons of corn. The USDA Commodity Credit Corporation accepted the bids from U.S. exporters under the Export Enhancement Program. These are among the largest U.S. exports sales in history on a single day.

- **Imported Cattle from Mexico:** The final rule concerning identification of cattle imported from Mexico, which will permit freeze branding in the tail area, instead of hot-iron branding on the face, is tentatively scheduled for publication in the *Federal Register* today. This issue generated considerable interest among animal welfare groups, including publication of full-page advertisements in national newspapers.

- **Court Ruling on "Fresh" Poultry Case:** Last week, the Ninth Circuit Court of Appeals affirmed a lower court's ruling that prohibited the state of California from limiting the use of the term "fresh" to poultry products with an internal temperature above 26 degrees F. The court held that federal law preempted the state's ability to change the label. Current USDA policy permits poultry to be labeled "fresh" if it is under a specified temperature level. This policy is currently under review and the Department has conducted public hearings on the issue. The Department is also developing a proposed rule which would amend the federal poultry products inspection regulations to further define when the term "fresh" may be used on labeling.

Department of State

- **North Korea:** Yesterday Representative Richardson briefed by telephone the families of Chief Warrant Officer Hilemon and Hall. The State Department has informed the North Koreans formally through their UN mission, and also at Panmunjom, that any failure to provide information on or access to Chief Warrant Officer Hall will affect the atmosphere in which we hope to improve our relations.

- **Japan:** The Japanese informed the State Department this week that the final Japanese Defense Agency budget will include full funding for Japanese Host Nation Support, which will exceed $4 billion in 1995; funding of about $200,000 for a Theatre Missile Defense study, to which the U.S. will contribute expertise; and the purchase of two Gulfstream passenger planes worth $72 million.

Department of Defense

- **Russia:** President's Yeltsin's assault on the Chechnya capital is consuming the attention of the Russian leadership. A worsening of the crisis in the Chechen area (caused either by failing to establish Russian control or by excessive casualties) could produce a leadership crisis in Russia with strong implications for the defense establishment.

- **Migrants:** The interagency working group is crafting a ~~plan to offer jobs in Haiti~~ to ~~Haitian migrants~~ currently at Guantanamo to facilitate voluntary repatriation. The proposal calls for the State Department to transfer funding to AID which will develop public works-related projects with the Government of Haiti. The projects will be open to all Haitian migrants at Guantanamo who volunteer to repatriate before January 8.

- **GAO Report:** The GAO has completed its report on peacekeeping and circulated it for DoD comment. The report strongly suggests that DoD participation in peace operations is undercutting our ability to fight and win two nearly simultaneous major regional conflicts. GAO recommends that DoD explore options other than our current practices to meet the demands of peace operations, including changing the mix of active and reserve forces and making greater use of reserve component forces and contractors. Coming on the heels of the GAO report on the Bottom Up Review, this is likely to further spur Congressional criticism of our peacekeeping policy.

United Nations

- **Upcoming Security Council Agenda:** Argentina will take over the Presidency of the UN Security Council when it reconvenes in January. By January 13, the Council will need to deal with the review and renewal of the observer missions in Liberia and Georgia; another full Iraq Sanctions Review; and the 100-day review of the decision to ease sanctions on Belgrade will be undertaken. The Council will need to decide whether to continue the sanctions-easing regime or reimpose stronger sanctions.

cc: Vice President Gore
Leon Panetta

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Staff Secretary
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rs3115

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THE PRESIDENT HAS SEEN
12/27

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

94 DEC 21 P6:11

December 21, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: MARTIN N. BAILY Martin N. Baily

SUBJECT: Response to your Query about the Worsening Trade Deficit

The October trade report was not as bad as it looked because the figures for July, August and September were all revised to show smaller deficits for goods and services than previously had been reported. The worsening of the trade deficit in October was, therefore, relative to a September number that was a little better than we thought. Despite this silver lining, there has been a deterioration of the U.S. balance of trade in goods and services since 1992 and a substantial worsening in 1994. Why is this?

The U.S. economic recovery this year has prompted both businesses and consumers to increase their spending on goods and services of all types, including imports. We have increased our imports from Japan, but also our imports from Europe and many other countries. The U.S. has a high "propensity to import," meaning that a high fraction of each additional dollar of spending goes to imports. Between October 1993 and October 1994, imports of goods and services increased by 10.8 percent in current dollars--even faster than the rate of increase of current-dollar GDP of 6.7 percent (third quarter 1993 to third quarter 1994).

U.S. exports of goods and services also increased in the last year (by 8.4 percent from October 1993 to October 1994) but at a slower pace than imports. The main reason U.S. exports have not grown more rapidly is that the economic recoveries in Europe and Japan have lagged behind the recovery in the U.S. This situation appears to be changing (although very slowly in Japan), so U.S. export growth may well pick up in the coming year. U.S. producers are currently thought to be very competitive on world markets.

The bilateral trade deficit with Japan has increased for two main reasons. First, the Japanese economy has grown only about one percent over the past year. The growth of all spending has been weak and so it is not surprising that the growth of Japanese imports has been slow also. Second, the appreciation of the yen has actually contributed to a deterioration in the dollar value of our trade deficit with Japan in the short term.

The yen appreciation causes a short term worsening in the dollar value of our bilateral deficit because the prices of imports from Japan rise in dollar terms. U.S. businesses and consumers will trim their purchases of Japanese goods and services eventually, but these quantity adjustments may take a while to happen. In the short term (meaning a year or two) the effect of Japanese goods becoming more expensive outweighs the reduction in quantity and the deficit with Japan worsens.

Structural features of the Japanese economy make it difficult to reduce the bilateral deficit even over longer time horizons. Their markets are more difficult for outsiders to sell into than are U.S. markets. Further, their leading industries, such as autos, auto parts and machine tools, are very productive, allowing them to sell in the U.S. market despite the rise in the value of the yen. In addition, the links between the two economies are now very strong, and many U.S. companies and Japanese transplants in the U.S. are dependent on Japanese suppliers.

Variations in the U.S. trade deficit from month to month or even from year to year depend on such factors as the strength of the U.S. recovery relative to other countries. But the persistent U.S. trade and current account deficits, deficits that have been going on since 1981, are the result of an imbalance between our national saving and national investment. This, in turn, reflects our low personal saving rate and our federal budget deficit. These force us to borrow overseas to finance U.S. investment demand, and the counterpart to this borrowing is a deficit in trade. If we can raise national saving, public and/or private, we will eventually cure the current account deficit. The surest means to do this is to reduce the federal budget deficit. Even when we are able to restore overall balance to our trade with the rest of the world, however, there will continue to be surpluses and deficits with individual countries. We may run a deficit with Japan indefinitely, offset by a surplus with other regions. We should aim for overall balance and not bilateral balances.

THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

December 20, 1994

94 DEC 23 P1:40

To the President —
FYI following.

MEMORANDUM

TO: LEON PANETTA

FROM: MARK GEARAN MG

SUBJECT: FOLLOW-UP TO OVAL OFFICE ADDRESS

I attach for your information a summary of the communication tools implemented last week to support the President's Oval Office address. With the assistance of Cabinet members, senior staff, and other Administration officials, we were able to enhance the President's speech through briefings, radio and tv appearances, and conference calls.

Tab A	Background Briefings
Tab B	Network Appearances
Tab C	Radio Coverage
Tab D	Specialty Press Conference Calls

This is good

Need to do more radio
talk shows incl. GOP leaning
ones and shows get list
of all papers that endorsed us
and call them early next yr
and shows
Do a series of events next yr
in all papers e.g. mid &
smaller ones that
endorsed us —

BC

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO MARK GEARAN

FROM: DAWN ALEXANDER
DATE: DECEMBER 16, 1994
RE: SPEECH PRESS

THURSDAY, DECEMBER 15, 1994

5:20 P.M. Panetta holds background briefing (embargoed for 6:30 p.m.)
with the following:
AP, Tom Raum
UPI, Helen Thomas
Reuter, Gene Gibbons
BNA Publications, Alexis Simendinger
Bloomberg Business News, Tina Stage
Washington Post, Ann Devroy
Washington Times, Frank Murray
Wall Street Journal, Jeff Birnbaum
New York Time, David Rosenbaum
USA Today, Bill Nichols
Boston Globe, Peter Gosselin
Los Angeles Times, John Broder
Houston Chronicle, Cragg Hines
Dallas Morning News, Kathy Lewis
Newsday, Charles Zahrer
Chicago Tribune, Bill Neikirk
Baltimore Sun, Carl Cannon
Knight Ridder, Bob Rankin
Scripps Howard, Ann MCFeaters
Copley News Service, Mark Barabak
Newhouse News Service, Mike Shanahan
Cox Newspapers, Julia Malone
Hearst Newspapers, Stewart Powell
McLatchey Newspapers, Leo Rennert
Westwood Radio, Peter Maer
AP Radio, Wendell Goler
CBS Radio, Mark Knoller

FRIDAY, DECEMBER 16, 1994

8:00 a.m.	Reich/Tyson appear at Sperling Breakfast Associated Features, Warren Rogers Boston Globe, Peter Gosselin Chicago Tribune, Jim Warren Cleveland Plaindealer, Jennifer VanDoreen Cox Newspapers, Andrew Glass Dallas Morning News, Robert Dodge Hearst Newspapers, Chuck Lewis Houston Chronicle, Cragg Hines McLatchey Newspapers, Larry O'Rourke Media General, Mark Johnson Newsday, Lars Erik Nelson Newsweek, Bob Cohn New York Times, Todd Purdum Scripps Howard, Ann Mcfeaters St. Louis Post-Dispatch, John Sawyer Time Magazine, Adam Zagorin Wall Street Journal, Asra Nomani Washington Post, Clay Chandler Columnist, Mark Shields Christian Science Monitor, Linda Feldman Christian Scoience Monitor, Jonathan Landay Christian Science Monitor, Godfrey Sperling
1:00 p.m.	Reich does Cleveland Plaindealer Editorial Board
1:30 p.m.	Reich does Editorial Board call with the Boston Globe
2:30 p.m.	Panetta meets with columnists Mark Shields, Paul Gigot, Alan Murray, E.J. Dionne, Peter Milius, Ron Brownstein
2:30 p.m.	Tyson does Los Angeles Times editorial board call
3:00 p.m.	Rivlin meets with business magazines Fortune, Business Week, Forbes, Money, Economist, National Journal, Nation;s Business, Barron's, Journal of Commerce, Congressional Quarterly

...more editorial board calls week of 12/19

December 16, 1994

MEMORANDUM FOR MARK GEARAN

FROM : Vicki Rivas-Vazquez

RE : Middle Class Tax Cuts - Scheduled Television Interviews

THURSDAY, DECEMBER 15TH
Charlie Rose Show(PBS)
Guest : George Stephanopoulos

Nightline(ABC)
Guests : Secretary Robert Reich and Senator Fred Thompson

FRIDAY, DECEMBER 16TH:
CBS This Morning
Guest : Leon Panetta
Other Guest: Rep. John Kasich

TODAY Show(NBC)
Guest : Leon Panetta
Other Guest: Senator Trent Lott

CNBC 7:00am
Guest : Gene Sperling

CNN 7:15am
Guest : Leon Panetta

FOX AM 7:25am
Guest : Leon Panetta

CNBC 12:00pm
Guest : Laura Tyson

MacNeil/Lehrer(PBS)
Guest : Leon Panetta

Moneyline(CNN)
Guest : Secretary Reich

SATURDAY, DECEMBER 17TH
Both Sides with Jesse Jackson(CNN)
Guests : Secretary Henry Cisneros and Senator Don Nickles

Evans & Novak(CNN)
Guest : Leon Panetta

December 16, 1994

MEMORANDUM FOR MARK GEARAN

FROM : Vicki Rivas-Vazquez

RE : Middle Class Tax Cuts - Tongs and Press Calls

THURSDAY, DECEMBER 15TH
Leon Panetta briefing with Network Correspondents.

Gene Sperling made telephone calls to Congressmen on television programs.

FRIDAY, DECEMBER 16TH AND SATURDAY, DECEMBER 17TH
Laura Tyson, George S., Gene Sperling and Robert Reich will make telephone calls to weekend shows' anchors, columnists, and guests.

December 16, 1994

MEMORANDUM FOR ALL CONCERNED

FROM : Vicki Rivas-Vazquez

RE : Weekend Shows - Scheduled Television Interviews

SATURDAY, DECEMBER 17TH
Both Sides with Jesse Jackson(CNN)
Guests : Secretary Cisneros and Senator Don Nickels
Re : Domestic Legislative Agenda including tax cuts

Evans and Novak(CNN)
Guest : Leon Panetta
Re : Domestic Legislative Agenda including tax cuts

Newsmaker Saturday(CNN)
Guests : Reps. David Dreier(R-CA) amd Charles Rangel(D-NY)
Re : Overall Tax Cuts

Capitol Gang(CNN)
Guest : Rep. Charles Schumer
Reporters: Mark Shields, Bob Novak, Margaret Carlson and Mona Charen

SUNDAY, DECEMBER 18TH:
Face the Nation(CBS)
Guest : Secretary Federico Pena
Re : Airline Safety
Other Guest : Senator Patrick Moynihan
Re : Legislative Agenda for '95, Welfare Reform and Tax Cuts
Moderator : Bob Scheiffer

Meet the Press(NBC)
Guests : Senators Bob Packwood and Pete Domenici and Representatives Bill Archer and John Kasich
Re : Republican Legislative Agenda and Tax Cuts
Anchor/Reporters: Tim Russert, Wall Street Journal's Allan Murray, Washington Post's E.J.Dionne

This Week with David Brinkley(ABC)
Guest : FAA Director David Hinson
Re : Airline Safety(possibly)
Guests : Reps. Dick Armey(R-TX) and Dick Gephardt
Re : Tax Cuts, Finance and Budget Issues '95
Moderator/Reporters: David Brinkley, Cokie Roberts, Sam Donaldson, George Will

Late Edition(CNN)
Guest : CIA Director Woolsey
Re : Behind the scenes at the CIA

THE WHITE HOUSE

WASHINGTON

TO: Lorrie McHugh
FR: Richard Strauss, Rica Rodman
CC: Distribution
DT: December 19, 1994
RE: Radio Interviews Set Up For President's Nationwide Address

Beginning on Thursday evening following the President's speech to the nation, and continuing with an all out radio talk show blitz throughout the morning and afternoon on Friday, we were able to saturate the airwaves with follow-up to the President's speech. Each of the interviews was positive and produced favorable reactions from the hosts.

In all, 12 different Administration members participated in 49 separate interviews covering 27 markets. Additionally, we executed interviews with 7 separate syndicated shows representing a total of 998 stations and three radio networks representing more than 1,600 stations.

POST PRESIDENTIAL SPEECH RADIO

THURSDAY NIGHT LIVE INTERVIEWS

MARK GEARAN 10:10 - 10:30 PM

1. The Jim Bohanan Show, Nationally syndicated on approximately 350 stations. Second highest rated syndicated political talk show in nation.
2. WABC, New York City, The Lynn Samuels Show **(9:45 PM)**

DEE DEE MYERS 10:30 - 10:45 PM

1. The Gil Gross Show, Nationally syndicated on approximately 150 stations.

GENE SPERLING 11:15 - 11:30 PM

1. The Michael Reagan Show, Nationally syndicated on approximately 80 stations.

FRIDAY

SECRETARY REICH 9:15 - 9:45 AM

1. WBZ, Boston
2. WRKO, Boston, The Clapprood & Whitley Show (LIVE)
3. KABC, Los Angeles, The Ken and Barkley Show (LIVE)
4. WTIC, Hartford, Ray Dunaway Show (LIVE)

GEORGE STEPHANOPOULOS 3:00 - 3:40 AM

1. WWDB, Philadelphia, The Irv Homer Show (LIVE)
2. Jay Severin, Nationally syndicated (LIVE)
3. KMOX, Kansas City, Barbara Whiteside Show (LIVE)
4. WGST, Atlanta, Dennis O'Hare Show (LIVE)

ERSKINE BOWLES 11:00 - 11:50 AM

1. WBBR, New York City
2. KTAR, Phoenix
3. Alan Colmes Show, Nationally Syndicated to 80 stations.
4. North Carolina Network, Statewide to 65 stations.
5. KSDO, San Diego

ACTING TREASURY SECRETARY FRANK NEWMAN 10:45 - 11:30 AM

1. KOA, Denver (LIVE)
2. WLW, Cincinnati (LIVE)
3. WILM, Wilmington, DE (LIVE)
4. WOKV, Jacksonville, FL

DR. LAURA TYSON 11:00 - 11:50 AM

1. KNX, Los Angeles (LIVE)
2. KGO, San Francisco, The Ron Owens Show (LIVE)
3. KCBS, San Francisco (LIVE)
4. KABC, Los Angeles, The Michael Jackson Show (LIVE)

ALEXIS HERMAN 8:30 - 9:00 AM

1. KCMO, Kansas City (LIVE)
2. WGCI, Chicago (African-American station)
3. The American Urban Radio Network (African American network)
4. WLIB, New York City (African-American station)

3:00 - 3:30 PM

1. WOL, Washington, D.C. (African American station)(LIVE)
2. WCHB, Detroit (LIVE)
3. WLOK, Memphis

6:00 PM

1. WDAS, Philadelphia (LIVE African American station)

BO CUTTER 3:45 - 4:30 PM

1. WISN, Milwaukee
2. WBBM, Chicago
3. WKVN, Youngstown, OH (LIVE)
4. The USA Radio Network, Over 1,000 stations nationwide

GENE SPERLING 7:10 - 8:10 AM

1. WXYT, Detroit (LIVE)
2. WRC, Washington, (LIVE)
3. WOOD, Grand Rapids, MI (LIVE)
4. WJR, Detroit, The J.P. McCarthy Show (LIVE)
5. Good Day USA, Nationally syndicated on 88 stations(LIVE)

GREG SIMON 8:00 - 9:00 AM, 9:30 - 10:00 AM

1. WBEN, Buffalo
2. The Doug Stephan & Ellen Ratner Show, Nationally syndicated to 115 stations.
3. WINK, Knoxville (LIVE)
4. KFOR, Lincoln
5. KOMO, Seattle (LIVE)
6. KVI, Seattle
7. WGOW, Chattanooga (LIVE)
8. WHAM, Rochester (LIVE)

JOE MINARIK 2:30 - 3:00 PM

1. Pat Buchanan Show (w/guest host Pat Korton), Nationally syndicated.
2. KRLD, Dallas

NOTE: ALL TIMES EASTERN

December 16, 1994

MEMORANDUM FOR MARK GEARAN

FROM: MEDIA AFFAIRS

SUBJECT: SPECIALTY PRESS CONFERENCE CALLS

The following conference calls with specialty press are being arranged for Alexis Herman on next Tuesday and Wednesday.

AFRICAN AMERICAN
Chicago Defender
Atlanta Voice
Cleveland Call & Post
Houston Defender
Michigan Chronicle
Crisis Magazine (NAACP)
Black Issues in Higher Education
Ivy Leaf (Alpha Kappa Alpha sorority)
Sphynx (Alpha Phi Alpha fraternity)
Delta Journal & Delta Newsletter (Delta Sigma Theta sorority)

DC AFRICAN AMERICAN
Emerge
NNPA
JET
Washington Afro-American
Washington Informer
Capitol Spotlight
BET
Washington News Observer
The Final Call

YOUTH/PARENTING
Young Children's Journal
Ithaca Child
Exploring Magazine (boy scouts)
Youth Today
Youth News Service
State of America's Children (Children's Defense Fund)
Children's Voice (Child Welfare League)

WOMEN
National Business Woman
Working Woman
Working Mother
National Organization for Women

Black Experience

REAL ESTATE/HOUSING
Real Estate Finance Today
Real Estate Today/Realtor News
NAHRO Newsletter
Housing and Development Reporter
Housing Affairs Letter
Journal of Housing
Real Estate Investment Trusts Report
Real Estate News Service

Although the Press Office conducted conference calls with Alice Rivlin and the major business magazines today, we could still focus on smaller publications such as:

BUSINESS
Minority Business Journal
Black Enterprise
Tax News Magazine
Women in Business

THE PRESIDENT HAS SEEN
12/27

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

94 DEC 21 P6: 11

December 21, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: MARTIN N. BAILY Martin N. Baily

SUBJECT: Response to your Query about the Worsening Trade Deficit

The October trade report was not as bad as it looked because the figures for July, August and September were all revised to show smaller deficits for goods and services than previously had been reported. The worsening of the trade deficit in October was, therefore, relative to a September number that was a little better than we thought. Despite this silver lining, there has been a deterioration of the U.S. balance of trade in goods and services since 1992 and a substantial worsening in 1994. Why is this?

The U.S. economic recovery this year has prompted both businesses and consumers to increase their spending on goods and services of all types, including imports. We have increased our imports from Japan, but also our imports from Europe and many other countries. The U.S. has a high "propensity to import," meaning that a high fraction of each additional dollar of spending goes to imports. Between October 1993 and October 1994, imports of goods and services increased by 10.8 percent in current dollars--even faster than the rate of increase of current-dollar GDP of 6.7 percent (third quarter 1993 to third quarter 1994).

U.S. exports of goods and services also increased in the last year (by 8.4 percent from October 1993 to October 1994) but at a slower pace than imports. The main reason U.S. exports have not grown more rapidly is that the economic recoveries in Europe and Japan have lagged behind the recovery in the U.S. This situation appears to be changing (although very slowly in Japan), so U.S. export growth may well pick up in the coming year. U.S. producers are currently thought to be very competitive on world markets.

The bilateral trade deficit with Japan has increased for two main reasons. First, the Japanese economy has grown only about one percent over the past year. The growth of all spending has been weak and so it is not surprising that the growth of Japanese imports has been slow also. Second, the appreciation of the yen has actually contributed to a deterioration in the dollar value of our trade deficit with Japan in the short term.

We've been saying this for 2 yrs

The yen appreciation causes a short term worsening in the dollar value of our bilateral deficit because the prices of imports from Japan rise in dollar terms. U.S. businesses and consumers will trim their purchases of Japanese goods and services eventually, but these quantity adjustments may take a while to happen. In the short term (meaning a year or two) the effect of Japanese goods becoming more expensive outweighs the reduction in quantity and the deficit with Japan worsens.

Yes

Structural features of the Japanese economy make it difficult to reduce the bilateral deficit even over longer time horizons. Their markets are more difficult for outsiders to sell into than are U.S. markets. Further, their leading industries, such as autos, auto parts and machine tools, are very productive, allowing them to sell in the U.S. market despite the rise in the value of the yen. In addition, the links between the two economies are now very strong, and many U.S. companies and Japanese transplants in the U.S. are dependent on Japanese suppliers.

Variations in the U.S. trade deficit from month to month or even from year to year depend on such factors as the strength of the U.S. recovery relative to other countries. But the persistent U.S. trade and current account deficits, deficits that have been going on since 1981, are the result of an imbalance between our national saving and national investment. This, in turn, reflects our low personal saving rate and our federal budget deficit. These force us to borrow overseas to finance U.S. investment demand, and the counterpart to this borrowing is a deficit in trade. If we can raise national saving, public and/or private, we will eventually cure the current account deficit. The surest means to do this is to reduce the federal budget deficit. Even when we are able to restore overall balance to our trade with the rest of the world, however, there will continue to be surpluses and deficits with individual countries. We may run a deficit with Japan indefinitely, offset by a surplus with other regions. We should aim for overall balance and not bilateral balances.

THE WHITE HOUSE

Chief of Staff

[redacted]

94 DEC 23 P1:40

Leon

Boxer has asked
if you would
personally deliver
this to POTUS
today.

To the President

[redacted]

JP 12/27

THE PRESIDENT HAS SEEN

Leon - we need a
strategy & I need
a reply — B.

[redacted]

12-19-94 17:21

BARBARA BOXER
CALIFORNIA

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

COMMITTEE ON THE BUDGET

JOINT ECONOMIC COMMITTEE

DEPUTY WHIP

THE PRESIDENT HAS SEEN
12/27

United States Senate

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

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

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

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

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

December 20, 1994

President Bill Clinton
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President,

I hope this holiday season brings you and Hillary and Chelsea and your extended family, peace and love and comfort.

Although I hate to contribute to your challenges and pressures, I need to tell you of my deep concern regarding the designation of empowerment zones and the status of Los Angeles in that process.

Mr. President, I will be blunt and to the point:

1) If it hadn't been for the riots following the Rodney King trial, there would have been no impetus for Congress to pass the empowerment zone legislation.

2) The high unemployment rate and the lingering recession in the Los Angeles area cry out for such designation.

3) The Mayor of the city of Los Angeles--Mayor Richard Riordan--has proven his ability to work in a bipartisan fashion with the two Senators and with the Administration and was led to believe, in unequivocal terms that the designation would be forthcoming. Backing down on a promise like this is not acceptable.

I urge you in the strongest possible terms to analyze the recommendations of your staff on this crucial matter and keep in mind the three points I have made. Whatever excuses I am being given simply do not hold up under scrutiny given the above facts.

In closing, it would be the height of cruel irony if the very city that called attention to poverty and hopelessness was denied this opportunity to participate in the empowerment zone program. Please telephone me at any time, night or day, if you wish to discuss this matter further.

Sincerely,

Barbara Boxer

Barbara Boxer
United States Senator

THE PRESIDENT HAS SEEN
12/27

AN INDEPENDENT NEWSLETTER

Yellow Dog DEMOCRAT

Vol. I, No. 1 December 15, 1994

BEHIND GOP CLOSED DOORS

"In matters of national security, the best politics is no politics," said the late Senator Henry Jackson in a quotation which appears on a brochure of the American Security Council. Through its foundation, the ASC, which claims that "for close to four decades it has worked to foster a bipartisan national security strategy for the United States," cosponsored a "National Security Briefing for new Republican Members of the 104th Congress." The House Republican Research Committee and The National Security Caucus Institute also cosponsored the December 4th event which featured remarks by Rep. Floyd Spence (R-SC), Rep. Randy "Duke" Cunningham (R-CA), former secretary of state Lawrence Eagleburger and author Tom "Globeman" Clancy.

Did the briefing, which was held at the Capitol Hill Hyatt Regency Hotel, actually foster a bipartisan national security strategy? In the spirit of Newt Gingrich's call for openness it was not surprising that this event was declared off limits to the press. Undaunted, *Yellow Dog Democrat* managed to cover the briefing and now reports on what happened behind GOP closed doors.

(continued, p.2)

YDD'S LETTER TO NEWT

Dear Mr. Gingrich:

By way of introduction, I'm the journalist who recently asked you whether House Republicans will make available within a reasonable period transcripts of all committee and subcommittee hearings. I thought, after all, that this guy is all for openness and here is one way of improving upon the way the Democrats ran the place. Heck, your call for transparency is in THE CONTRACT. Well, I wasn't surprised when you begged the question. Plan on hiding some things, Mr. Gingrich?

Sorry for digressing. Let me get to the point of my letter. You seem overly fond of painting with too broad a brush stroke - specifically, your constant references to "elitist" journalists. Since your use of "elitist" is calculated to disparage a

(continued, p. 3)

UNCOMMON SENSE
(Opinion - Part 1)

Watch out America - the Republicans are waging a none too subtle attack on open government. The new GOP leadership, followed by an array of congressional minions and sycophants, aims to cut a swath of destruction through "all Laws which shall be necessary and proper for carrying into Execution the [enumerated] Powers, and all other Powers vested in [the] Constitution in the Government of the United States, or in any Department or Officer thereof."

The House GOP's "cost cutting" apparatus is poised to excise sizable numbers of legislative committee staff, the

(continued, p. 6)

INSIDE - **Sen. George Mitchell & Commerce Secretary Ron Brown on GATT** *(Page 2, column 2)*

Yellow Dog Democrat = a Democrat who is so loyal to the Democratic party that he would vote for a yellow dog before any Republican.

THE PRESIDENT HAS SEEN 12/27

The Hill

Vol. 1, No. 13 Price $2.50

The Capitol Newspaper Wednesday, December 14, 1994

'Yellow dog Democrat' pierces GOP session

A new independent newsletter, "Yellow Dog Democrat," which began publication this week, penetrated a closed-door briefing for freshman Republicans, sponsored by the American Security Council.

The publication will provide a Democratic perspective on the 104th Congress, according to Jeff Winograd, editor and publisher. Its first issue included the following excerpts from the ASC briefing:

Tom Clancy, author: "I'm glad the House Foreign Affairs Committee will no longer be called foreign affairs because we have a president who thinks it means dating a girl from out of town."

Rep. Floyd Spence (R-S.C.), incoming chairman of the new National Security committee: "The liberals have been trying to do their best to ruin this country. We have been given the job of restoring democracy to America. William Perry's main disability is being appointed by the president."

[illegible]
Fyi - Bz

THE PRESIDENT HAS SEEN 12/27

Great news
Good Work
Thanks

12/27

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

94 DEC 23 P2:55

DECEMBER 23, 1994

MEMORANDUM TO THE PRESIDENT

FROM: KATIE MCGINTY

CC: LEON PANETTA

RE: OEP WEEKLY REPORT

Northwest Forest Plan

This Wednesday, Judge William Dwyer ruled to uphold the Northwest Forest Plan. This decision is a significant victory and allows us to continue to move forward in pursuit of our commitment to the people of the Pacific Northwest and Northern California. In his opinion, Dwyer said, **"All claims and arguments asserted by plaintiffs...have been considered, and none would justify invalidation of the plan..."** Judge Dwyer also noted in his decision that **"given the current condition of the forests, there is no way the agencies could comply with the environmental laws without planning on an ecosystems basis."** In an affirmation of the balance struck between jobs and the environment he said, **"any more logging sales than the plan contemplates would probably violate the laws."** Finally, Judge Dwyer identified the true spirit of our efforts to reinvent government when he said, **"The FSEIS and ROD are the result of a massive effort by the executive branch of the federal government to meet the legal and scientific needs of forest management. They reflect unprecedented thoroughness in doing this complex and difficult job."**

The media response has been generally positive. Most reports make a special note of the fact that neither the timber industry nor the environmental community could prove the plan was illegal. Attached are a couple news clips.

Environmental Breakfast

On Thursday, the Vice President and members of the Cabinet held a follow-up breakfast with CEOs of the major environmental groups to discuss areas of cooperation in the coming year. The breakfast was generally successful in identifying potential issues and common responses. However, the CEOs also said they needed the following from the Administration as soon as possible: (1) a clear statement about its environmental priorities and principles; and (2) information about the adverse effects that the Contract with America would have on public health and the environment.

Strong Agree — Hurry

Vice President Hosts Environmental Political Appointees

On Wednesday, the Vice President hosted all the environmental political appointees at a reception to thank them for all the hard work they have done to date. The event was highly attended and very well received. The Vice President delivered a brief speech in which he recapped the environmental accomplishments of the past two years. Carol Browner, Dr. James Baker and I also delivered brief remarks commending the group on their outstanding work.

Positive Press

Attached are a couple of editorials giving praise to our Bay Delta settlement and Summit of the Americas.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

21-Dec-1994 05:16pm

TO: Matthew M. Gentile
TO: Michael L. Davis
TO: Catherine R. Zoi
TO: Kathleen A. McGinty

FROM: Brian J. Johnson
Office on Environmental Policy

SUBJECT: JUDGE UPHOLDS CLINTON PLAN FOR MANAGING NORTHWEST'S FORESTS

Date: 12/21/94 Time: 15:36

Judge Upholds Clinton Plan for Managing Northwest's Forests

SEATTLE (AP) A federal judge upheld the Clinton administration's logging plan for the Northwest's national forests on Wednesday, saying environmentalists and the timber industry both failed to prove it was illegal.

''All claims and arguments asserted by plaintiffs ... have been considered, and none would justify invalidation of the plan,'' U.S. District Judge William Dwyer wrote.

Dwyer ruled in 1991 that the Bush administration was breaking U.S. environmental laws and ordered a halt to logging across millions of acres of national forests that contained the threatened northern spotted owl. That injunction was lifted earlier this year.

After the Clinton administration proposed a new plan, known as Option 9, both environmental and timber industry groups sued.

Clinton projected the plan would result in about 1 billion board feet of logging annually in federal forests in Oregon, Washington and Northern California, less than one-fourth the rate of the 1980s.

Conservationists said that was still too much and the plan violated federal laws and provided little assurance the owls or troubled fish species would survive.

The timber industry said the plan was illegally prepared in secret and should be thrown out so a new plan allowing more logging could be developed. Clarence Moriwaki, spokesman for the Office of Forestry and Economic Development in Portland, Ore., said the ruling acknowledges the plan is ''a desirable balance between protecting the environment and also providing economic opportunities for the region.''

Both sides predicted Dwyer would throw out the plan, based on questions he had posed to their lawyers last month.

''The question is not whether the court would write the same plan, but whether the agencies have acted within the bounds of the law,'' Dwyer wrote. ''On the present record the answer to that question is yes.''

He said if his order is upheld on appeal, it ''will mark the first time in several years that the owl habitat forest will be managed by the responsible agencies under a plan found lawful by the courts.''

Dwyer also said Option 9 contains the highest level of logging that would be allowed under the law, and that ''any more logging sales than the plan contemplates would probably violate the laws.''

Lawyers representing the environmentalists told Dwyer the best plan would be a variation of an option that government scientists projected would produce about 100 million board feet of timber annually.

That plan, known as Option 1, was the most restrictive of 10 proposals the Clinton administration considered. It would place about 11.4 million acres in new, no-logging reserves, compared with the 7.4 million acres proposed under Option 9.

APNP-12-21-94 1534EST

FILE No. 418 12/21 '94 23:57 ID:FORESTRY & ECONOMIC DVLP 503 326 6254 PAGE 4
12/21/94 16:05 ☎503 231 2122 PUB AFF/FWS PTLD ☑001/002

The Oregonian

THURSDAY

FIRST EDITION
DEC. 22, 1994
PORTLAND, OREGON
35 CENTS

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

# of pages ▸ 2	
To Clarence Mariwoski	From D. Klinger
Dept./Agency	Phone # FWS
Fax #	Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

U.S. judge upholds forest plan

District Judge William Dwyer rejects arguments by both environmentalists and the timber industry

The Associated Press

SEATTLE — A federal judge Wednesday upheld the Clinton administration's plan for managing national forests in the Northwest, saying environmentalists and the timber industry both had failed to prove it was illegal.

"All claims and arguments asserted by plaintiffs ... have been considered, and none would justify invalidation of the plan or a remand" to the government agencies to rewrite it, U.S. District Judge William Dwyer wrote.

There was mixed reaction to the ruling from environmentalists, who wanted less logging than what Clinton's plan allows, and the timber industry, which wanted more.

Jim Pissot of the National Audubon Society in Seattle, one of the plaintiffs, said his group was "disappointed the judge didn't take stronger action in response to our complaint."

But, he added: "This does lift some of the smoke from this debate. It gives us a very clear signal to confer with colleagues regarding appeal and in the interim to insist as we have all along that implementaion meets the highest standards."

"It's business as usual. I'm sure industry will not take that lightly," said Bill Pickell, general manager of the Olympia-based Washington Contract Loggers Association, representing about 600 companies. "We see" Clinton's plan "from the logging side as extremely biased and put together by the government closes."

Dwyer was the judge who first ruled in 1991 that the Bush administration was breaking U.S. environmental laws by failing to protect the threatened northern spotted owl and other rare species. He ordered a halt to logging across millions of acres of national forests that contained the owl in Washington, Oregon and northern California.

In response, the government submitted its management plan in July 1993, and the no-logging injunction was lifted earlier this year.

But environmentalists and timber industry groups alike filed lawsuits challenging the plan, known as "Option 9." It would allow about 1 billion board feet of timber to be logged annually on those federal forests — one-fourth the rate of the annual averages of the 1980s.

"The question is not whether the court would write the same plan, but

Please turn to FORESTS, Page A20

Forests: Management gain seen

Continued from Page One

whether the agencies have acted within the bounds of the law," Dwyer wrote. "On the present record the answer to that question is yes."

Dwyer wrote that his order, if upheld on appeal, "will mark the first time in several years that the owl habitat forest will be managed by the responsible agencies under a plan found lawful by the courts."

"It will also mark the first time that the Forest Service and" Bureau of Land Management "have worked together to preserve ecosystems common to their jurisdictions."

Dwyer noted that Option 9 contains the highest level of logging that would be allowed under the law, and that "any more logging sales than the plan contemplates would probably violate the laws."

"Whether the plan and its implementation will remain legal will depend on future events and conditions," he wrote.

Clarence Moriwaki, spokesman for Clinton's Office of Forestry and Economic Development in Portland, said the ruling acknowledges that the plan is "a desirable balance between protecting the environment and also providing economic opportunities for the region."

"It gives us the chance to move this region forward and end 12 years of gridlock," he said. "At least we have now a predictable future that will move this region forward."

Conservationists had said the plan still would allow for too much logging in violation of a series of federal laws, providing little assurance the owls or troubled fish species would survive.

Industry lawyers said the plan was prepared secretly in violation of open meetings laws and should be thrown out so a new plan could be developed allowing for more logging.

Both sides had predicted Dwyer would throw out the plan, based on questions he had posed to the lawyers last month.

In response, lawyers representing several of the environmental plaintiffs had told Dwyer the best plan would be a variation of an option government scientists earlier projected would produce about 100 million board feet of timber annually.

That option, known as "Option 1," was the most restrictive of logging among the 10 options the Clinton administration considered last year. It would place about 11.4 million acres in new, no-logging reserves, compared with the 7.4 million acres Clinton proposed.

Dwyer had asked both sides whether "Option 1" would be acceptable.

aren't addressing layoffs that must be part of any

local self-government in this city.

Big Win in California

THE CLINTON administration keeps grinding out likely settlements to some of the nation's largest and longest-running environmental disputes. It deserves more credit for the mega-deals than it has received. In the Northwest, it proposed an old-growth timbering compromise that appears to be holding, though a federal judge has yet to rule on parts of it. In the southeast corner of the country, it has helped to put in place a restoration plan for not just the Everglades but the degraded environment of most of the southern third of Florida. Now, perhaps hardest of all, it seems to have brokered a plan for the allocation among competing users of the most valuable natural resource in all of California—water.

An agreement was announced last week. The administration of Gov. Pete Wilson (R) concurred in it, as—miraculously—did all the other major interest groups involved: agricultural, urban, environmental, the wetter northern part of the state that supplies the water and the arid central and southern parts that consume it. If it holds, it will end the largest and most important of all western water fights.

Most of California's surface water is in the north; the rivers arise in the mountains and come together in the San Francisco delta and bay. The federal and state governments years ago determined to move part of the water south to reclaim the central and southern deserts. They built an enormous system of dams, pumps and canals to do so. The desert prospered. The shifted water made California the nation's leading agricultural state and sustains in the desert one of the world's most extensive metropolitan areas. The bay and delta, however, have paid the price. Together they are or were a vast plant and animal breeding ground. But the pumping-away of so much fresh water allowed salt water to invade; spawning grounds have been harmed; fish stocks have dwindled, and some species have become endangered.

Federal law—the clean water and endangered species acts—requires that more fresh water be reserved in the north for environmental purposes. The state has primary responsibility for putting together a plan; states have traditional jurisdiction over water rights. Because the state had repeatedly refused, the Clinton administration last year found itself under a court order to do the job instead. The principal agencies involved, the Environmental Protection Agency and Interior Department, decided to coordinate their efforts—they called themselves Club Fed—and try to work out a comprehensive plan that might satisfy all statutory requirements at once and could last. They seem to have done so. All sides gave up some of what they wanted. The negotiations were helped along in part by a Standard & Poor's report last March warning that without a water settlement, the state's credit rating could suffer—and perhaps by the election results as well. The Endangered Species Act and other environmental statutes are under sharp attack. It's very much in the administration's interest to show that the laws can be enforced without the enormous disruption that their critics claim. That's just what this sensible settlement does show; it's a timely lesson all around.

The Good and the Bad of JOBS

ALMOST EVERY new report issued on the problems facing welfare recipients tells a story that few want to hear right now: that moving long-term welfare recipients into jobs is hard, complicated and costly. Welfare recipients who fall onto the rolls because of temporary setbacks usually get back to work quickly, and almost always within a couple of years. But people who are on welfare a long time usually face large range of problems confronting so many of the country's poorest people? It ought not be a shock that scarce JOBS funds are more likely to be spent on recipients without this huge load of difficulties, since they probably stand the best chance of getting and keeping jobs. The GAO report covered 16 states containing most of the nation's teenage mothers on the Aid to Families With Dependent Children ...

assessments—that the agency's participation in the process has saved U.S. taxpayers billions of dollars, contributed significantly to maintaining reasonable stability in the world balance of nuclear forces and made nuclear arms control agreements possible.

The point is not that CIA analysts to justify sufficient superiori sure victory. But it is a clear c more than enough to do the j necessarily better. Indeed, at tional policy level the DoD ap military intelligence analysis checked by the competitive analysis of CIA—as proposed

Orphanages: A Head Start (

Richard Cohen is to be commended for his balanced view of "orphanages" for welfare children ["Orphanages: Giving Gingrich the Dickens," op-ed, Dec. 6]. If we describe them as 24-hour Head Start programs or kibbutzim, heads nod in approval. Yet all of these do the same thing: They take the child out of one environment and put him in another. The difference is in the quality and the psychology.

I am familiar with some spectacular results that have been obtained with this approach. For example, in Iran just after World War II, a free, voluntary 24-hour day-care center was set up to serve Jewish infants and children in the poverty-stricken ghetto of Tehran. Those still dwelling there were Iranian peasants, illiterate and without opportunity to improve their lives.

The goal of the center was to educate and prepare the children for eventual emigration to Israel. This day-care center provided all meals, clothes, health care and developmental education to the children, who spent their days in it and went home at night.

About 15 years later, I visited Tehran and met some of the first products of this program—young people who had been raised in it from infancy to about age 7. They were finishing public school. Healt ulate, literate in Hebrew a their native Farsi, they wer plete break from the past, preparing for a future in Isra

In 1969 the psychologis Bettelheim proposed this s for welfare children. He wa to point out the many probl this approach. If done pro does not knit families tog creates children educated to potential with quite differen tions and abilities than their and indeed casts these paren These hazards and risks weighed against the advanta

CLAIRE L

■

This is in reply to Richar column in which he discusses h life in "the home" and Newt proposal to resume use of or As Mr. Cohen wisely advise hooves us all to approach less-than-detailed proposal w caution and lots of skepticism."

Newt Gingrich's War

On the sample page of Newt Gingrich's soon-to-be-published novel "1945" [front page, Dec. 2], there is the line: "The thundering diesel engines of the Tiger and Panther tanks . . ." World War II German panzer divisions were never equipped with diesel engines in their combat tanks, to the Wehrmacht's great regret.

Monumen

The proposal to erect a tennis star Arthur Ashe alon memorials to Confederate ge Richmond's Monument ["Richmond is Still Not at Pe Its Monumental Past," Metro would honor a man whose tions were undeniable. But t view a Civil War museum as tive and inappropriate" to Americans do a great disserv 200,000 men of African desc fought for freedom and the our nation's bloodiest confl like Richmond-born Powhatan

L.A. Times

EDITORIALS

Saving the State's Lifeblood: That Historic Water Accord

How the embattled Endangered Species Act helped force the big delta deal

The 20-year-old Endangered Species Act has long been a target for those who denounce many of its provisions as too inflexible. But last week's historic accord on the use of fresh water from San Francisco Bay and the Sacramento-San Joaquin Delta demonstrates anew why America is better off with it and why Congress should not eviscerate it, as some congressional Republicans have suggested.

The agreement, signed by California and the federal government, will protect the bay-delta estuary ecosystem, yet provide reliable water supplies to farms and cities across the state. The accord ends decades of conflict among water users and environmentalists and follows a year of often-intense negotiation involving municipal and agricultural water users, environmental groups and government officials.

The pact covers the delta inland from San Francisco Bay to the confluence of the Sacramento, the San Joaquin and a host of smaller Northern California rivers. It establishes limits on how much fresh water can be diverted from the estuary to agriculture and municipal water users. The accord aims also to protect imperiled fish species by ensuring that the young survive migration through the delta and that diversions do not make breeding waters too salty.

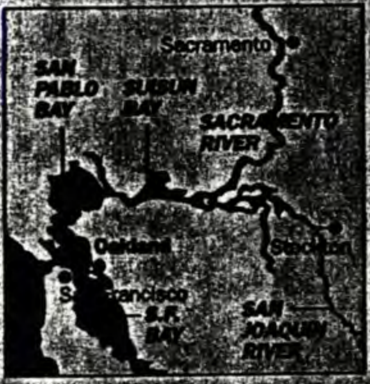
The delta is perhaps the state's most important water resource. The largest wetland habitat in the western United States, the delta collects half of the state's annual runoff, provides 60% of the fresh water used in California and is the source of irrigation water for almost half of the nation's fruits and vegetables. But population growth, urbanization and water-intensive crops, combined with a string of drought years, have degraded water quality in the delta and threatened some of the more than 120 species of fish that live there.

Four federal agencies stepped in a year ago and said they would impose a water quality plan on the whole region unless state and federal officials could agree on an alternative to continuing water diversions. That alternative was unveiled last week.

The bargaining that produced the pact took place in the shadow of a sword of Damocles: the Endangered Species Act. No one wanted the onerous restrictions that would follow if that act were invoked now or later on behalf of an endangered species such as the delta smelt. Thus the accord was designed to safeguard the entire delta habitat as well as the individual species currently at risk. It forced dialogue, compromise and, most important, a truce among water users that is in everyone's long-term interest. That is the way the act works best—as a threat of tough and arguably punitive action to save endangered species.

Delta Agreement

State and federal officials announced a plan to restore the environmental health of the estuary that stretches from San Francisco Bay to the Sacramento-San Joaquin Delta.



Los Angeles Times

The act must have real teeth to do that. Defanging it would strip away incentive to compromise, and certainly end its value as a last-ditch tool to protect threatened wildlife.

Because application of the Endangered Species Act is cumbersome, it has become a lightning rod for those who desire a less intrusive federal presence. But undeniably, the threat of its invocation in the delta case worked.

Some years back, the writer Wallace Stegner pondered: "... What do you do about aridity if you are a nation accustomed to plenty and impatient of restrictions and led westward by pillars of fire and cloud? You may deny it for a while. Then you must either try to engineer it out of existence or adapt to it." We in California have done as much engineering as anywhere, witness the massive pumps and aqueducts that carry fresh water hundreds of miles from the delta to Southern California and the Central Valley. Now, with more than a nudge from the Endangered Species Act—and some good will and hard work among the negotiating parties—the bay-delta accord stands as a signal that we have, at last, begun to adapt.

Central America's tree hug

IN PRO-NATURE PACT

To enhance its free-trade prospects, Central America pledges to work hard at improving its natural environment.

One of the most promising agreements reached at Miami's Summit of the Americas pertains to the environment. Hemispheric leaders vowed to work together to "guarantee sustainable development" and "to preserve the environment for future generations."

Environmental abuse is a universal problem; it demands universal solutions. In this hemisphere, that problem has been exacerbated by decades of wars in Central America. They have taken a huge toll not solely on human lives but on all forms of natural life.

Hence the pro-environment awareness that resulted from the Miami gathering is quite welcome — especially hemispheric leaders' support for Central America's badly mistreated ecosystem. The 34 heads of states approved that region's Alliance for Sustainable Development, an accord signed by Central American and U.S. officials in Managua in October.

This agreement calls for Central American governments to protect the environment through new laws and concrete actions, and for Washington to help them in that effort with financial aid and technical know-how. In Miami, other countries such as Canada pledged to support the environmental crusade in Central America.

One crucial question remains unsettled, however. Some Central Americans apparently don't think that the Miami accords link environmental protection with their nations' prospects for joining a hemispheric free-trade zone. Says Honduras's President Carlos Roberto Reina: "There is not any link between free trade and the environment" in the Miami accords.

Washington rightly disagrees. Indeed, any nation hoping to join the hemispheric free-trade zone needs to develop a sensible plan to restore and protect the environment so that its exportable goods conform to international safety standards. With due diligence and enough goodwill, every hemispheric government should be able to meet that reasonable requirement by 2005.

Miami Herald
12/16/94

THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

December 1, 1994 94 DEC 5 P7:42

MEMORANDUM FOR THE PRESIDENT

THROUGH: LEON PANETTA
CHIEF OF STAFF

FROM: JOEL KLEIN
DEPUTY COUNSEL TO THE PRESIDENT

STEPHEN NEUWIRTH
ASSOCIATE COUNSEL TO THE PRESIDENT

Attached is a copy of the proposed Workplace Religious Freedom Act.

What's your recommendation on this?

103D CONGRESS
2D SESSION

H. R. 5233

To amend title VII of the Civil Rights Act of 1964 with respect to religious accommodation in employment.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1994

Mr. NADLER (for himself, Mr. SCHUMER, Mr. SAXTON, Mr. LIPINSKI, Mrs. MALONEY, Mr. ENGEL, Mr. HASTINGS, Mr. CARDIN, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To amend title VII of the Civil Rights Act of 1964 with respect to religious accommodation in employment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Workplace Religious Freedom Act of 1994".

SEC. 2. AMENDMENT.

Section 701(j) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(j)) is amended—

(1) by inserting "(1)" after "(j)",

(2) by inserting ", after initiating and engaging in an affirmative and bona fide effort," after "unable", and

(3) by adding at the end the following:

"(2) For purposes of paragraph (1), an accommodation by the employer shall not be deemed to be reasonable if—

"(A) such accommodation does not remove the conflict between employment requirements and the employee's religious observance or practice; or

"(B)(i) the employee or prospective employee demonstrates to the employer the availability of an alternative accommodation less onerous to the employee that may be made by the employer without undue hardship on the conduct of the employer's business; and

"(ii) the employer refuses to make such accommodation.

"(3) It shall not be a defense to a claim of unlawful employment practice for failure to provide a reasonable accommodation that such accommodation would be in violation of a bona fide seniority system if, in order for the employer to reasonably accommodate to such observance or practice—

"(A) an adjustment is made in the employee's work hours (including an adjustment that requires the employee to work overtime in order to avoid working at a time that abstention from work is necessary to satisfy religious requirements), shift, or job assignment, that would not be available to any employee but for such accommodation; or

"(B) the employee and any other employee voluntarily exchange shifts or job assignments, or voluntarily make some other arrangement between or among them.

"(4) As used in this subsection, the term 'undue hardship' means an action requiring significant difficulty or expense. For purposes of determining whether an action requires significant difficulty or expense—

"(A) the identifiable cost of the accommodation in relation to the size and operating cost of the employer; and

"(B) the number of individuals who will need a particular accommodation to a religious observance or practice;

shall be included in the consideration of other factors.

"(5) An employer shall not be required to pay premium wages for work performed during hours to which such premium wages would ordinarily be applicable, if work is performed during such hours only to accommodate religious requirements of an employee.".

SEC. 3. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by section 2 shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by section 2 shall not apply with respect to conduct occurring before the date of the enactment of this Act.

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THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

94 DEC 23 P3:22

December 23, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: HAROLD ICKES
Deputy Chief of Staff

HI

SUBJECT: Summary of Weekly Cabinet Reports for the next two weeks. December 23, 1994 through January 6, 1995

CABINET-WIDE ACTIVITY

Middle Class Bill of Rights Media

During the next ten days, members of the Cabinet will conduct radio interviews in approximately 36 markets throughout the country promoting the Middle Class Bill of Rights.

DEPARTMENT SUMMARIES

Department of the Treasury

- **White House Security:** The White House Security Review Advisory Committee is scheduled to meet on January 6.

Department of Commerce

- **U.S. Israel Science and Technology Commission:** As co-chair, Secretary Brown addresses the Commission on January 5 and will attend a meeting in Israel in mid-February.

- **Exports:** Commerce is expected to transmit to you by December 31 its report on the Bureau of Export Administration's investigation of the effects of imports of crude oil and refined petroleum products on our national security.

Department of Labor

- **OSHA Citations:** On December 21, the Occupational Safety and Health Administration (OSHA) issued citations with a penalty of $358,200 to Chris-Craft Industries Inc., in Waterford, New York. Also on December 21, OSHA issued citations with a penalty of $550,000 to Sony Magnetic Products, Inc., of America (SONY) in Dothan, Alabama. OSHA plans to issue citations with a penalty of $130,625 to Riverwood International, in Macon, Georgia on or about January 4, 1995. Riverwood International is a unionized producer of paperboard products such as linerboard and coated carrierboard.

- **Major Speeches/Announcements:** On January 5, the Secretary will make his final speech on the "Anxious Class". On January 9, the Department hopes to release the recommendations of the Commission on the Future of Worker Management Relations (Dunlop Commission). On January 18, the Secretary will present the Francis Perkins-Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management to Xerox Corp. This Presidential Award recognizes a company that has been exemplary in its efforts to diversify and promote minorities and women into decision-making positions.

- **Congress:** On January 11, the Secretary will testify before the House Economic & Education Opportunities Committee on the federal government's role in employment and training reform. On January 12, he will testify before the Senate Labor & Human Resources Committee on the federal government's role in employment and training reform.

Department of Transportation

- **ATR Aircraft Testing:** FAA officials continue to work closely with French government officials and the French manufacturer of ATR-42 and ATR-72 aircraft regarding potential problems in icing conditions. Specific solutions to potential control problems emanating from icing conditions are being developed and tested at Edwards Air Force Base. The National Transportation Safety Board continues to work to determine the exact cause of the recent accident involving an American Eagle ATR-72 in Indiana.

- **Code Sharing Study to be Released:** The Department anticipates releasing a contractor-conducted study of code sharing practices in international aviation. This is the first such study on this practice, a major issue in commercial aviation. The study found that, in general, the practice provides consumer benefits.

Health and Human Services

- **Mississippi Waiver:** On December 22, the Department approved Mississippi's welfare waiver. The project extends AFDC eligibility to two-parent families statewide and requires young children to be immunized and school-age children to be enrolled in school. It also supports projects (in selected counties) to encourage work and promote personal savings.

- **South Carolina Waiver:** Within the next two weeks, the Department may have completed negotiations with South Carolina, resulting in approval of the State's welfare waiver proposal. Provisions of the proposal include an increase in certain income disregards; disregard of the cash value of one vehicle and life insurance; and the requirement that participants comply with individualized, time-limited self-sufficiency plans as a condition of welfare receipt, placing recipients in public or private work experience if an unsubsidized job is not found.

- **Hyde Amendment Letters:** During the last week of the year, the Department is planning to inform states which are not in compliance with the Hyde Amendment that they must comply with the law. The Hyde provision of the FY 1994 Appropriations Act added the requirement that States provide abortions to Medicaid beneficiaries whose pregnancies resulted from rape or incest. The Department has worked with the 30 states whose programs were originally out of compliance with the FY 1994 provisions and has reduced the number of noncompliant states to fewer than ten.

- **Oral HIV Test:** Today the FDA will announce approval of an oral HIV test.

- **Ohio Waiver:** The Department and Ohio have agreed on a methodology for calculating budget neutrality -- the primary outstanding issue -- for Ohio's statewide health care reform demonstration proposal. Discussions on other outstanding issues, including payment for family planning services and treatment of federally qualified health centers, are nearing conclusion. The Department expects to make a final decision on OhioCare by the end of December.

- **Maryland Waiver:** The Department is close to reaching a decision on Maryland's "Demonstration Project for Family Planning and Preventive Reproductive Services." The five-year project would extend Medicaid eligibility for family planning and preventive reproductive services to women who are on Medicaid solely due to their pregnancy and would otherwise lose their eligibility. Maryland expects to generate Medicaid savings by reducing the number of unplanned births and improving the health status of the participants.

- **Louisiana Waiver:** The Department expects Louisiana to submit a Medicaid managed care demonstration proposal by the end of December. In a presentation on December 7, Louisiana officials indicated that they would be seeking a block grant of federal funds to assure a fixed federal contribution over the life of the five-year program. The Department has indicated that this financing arrangement is not legally possible and that we have policy concerns with such an arrangement.

- **First Meeting of Commission on Child and Family Welfare:** From January 10-12, the first meeting of the Commission on Child and Family Welfare will take place. The Commission was established to study and provide recommendations on the placement of children, child custody, access and visitation, and domestic issues such as family relations and abuse. The fifteen-member Commission has come under attack in recent weeks from Republicans who claim that its members, eleven of whom were appointed by Democratic leaders prior to the election, is no longer an appropriate representative entity.

Housing and Urban Development

- **Empowerment Zone Travel:** Yesterday and today, the Secretary is participating in formal press announcements with mayors of six of the empowerment zone cities. He will visit: Baltimore, MD, Philadelphia, PA, New York, NY, Cleveland, OH, Detroit, MI, Chicago, IL. Next week he will visit Kansas City, MO.

Office of National Drug Control Policy

- **FOIA Request on Federal Drug-Free Workplace Program:** ONDCP and HHS last year commissioned a review by Lewin-VHI of the status of drug-free workplace programs in 25 Executive Branch agencies. The results are mixed. Thirteen agencies achieved excellent implementation of the drug-free workplace program. Eleven had achieved adequate overall implementation but with some residual problems. The Executive Office of the President was in this "adequate" category and was judged to need better supervisory training. EPA was found to have inadequate implementation. So far, only the Washington Times has run this story. But ONDCP has an outstanding FOIA request for the report, which could lead to other press. The report has been disseminated to federal departments already.

Department of Education

This is important to be careful! w/

- **Gun-Free Schools Act:** Secretary Riley received a letter from Congressman Bill Goodling's office (incoming Chair of the House Education Committee) expressing concern about the Department's implementation of the Gun-Free Schools Act. The Department is currently preparing guidance on this law to be issued in mid-January and will work closely with Congressman Goodling.

- **Proposition 187:** On December 14, a federal district court in California issued a preliminary injunction ordering California not to implement those sections of Proposition 187 that call for the exclusion of undocumented aliens from public elementary and secondary schools and from public health service. The court also enjoined implementation of the requirement that State employees report undocumented aliens seeking such services. California has until January 4, 1995 to file an appeal.

Department of the Interior

- **Grazing:** On Wednesday, December 21, Secretary Babbitt released the final Environmental Impact Statement (EIS) on Rangeland Reform '94. The final regulations are on schedule for publication in January. However, in response to a request from Senators Craig and Domenici, Secretary Babbitt decided to delay the effective date of the final regulations for six months to allow Congress time to enact any appropriate changes.

Also, the final EIS-preferred alternative includes a fee proposal that the Department will not include in the final regulations. Congress has expressed a strong interest in examining the full pricing of natural resources in its upcoming session. Secretary Babbitt believes that the grazing fee is best handled by Congress in this context.

Department of Energy

- **Gore-Chernomyrdin Commission:** The 4th meeting of the Gore-Chernomyrdin Commission was held in Moscow last week. Major advances were made in protecting nuclear materials, shutting down Russia's production reactors that produce weapons grade material, and developing a legal infrastructure to encourage energy efficiency and investment in Russia's energy sector.

Department of Agriculture

However there are thinking announcements the WH should always consider putting out

- **Wheat and Corn Sales to China:** This week, USDA announced that China had purchased approximately 1.8 million metric tons of wheat and 1.45 million tons of corn. The USDA Commodity Credit Corporation accepted the bids from U.S. exporters under the Export Enhancement Program. These are among the largest U.S. exports sales in history on a single day.

- **Imported Cattle from Mexico:** The final rule concerning identification of cattle imported from Mexico, which will permit freeze branding in the tail area, instead of hot-iron branding on the face, is tentatively scheduled for publication in the *Federal Register* today. This issue generated considerable interest among animal welfare groups, including publication of full-page advertisements in national newspapers.

- **Court Ruling on "Fresh" Poultry Case:** Last week, the Ninth Circuit Court of Appeals affirmed a lower court's ruling that prohibited the state of California from limiting the use of the term "fresh" to poultry products with an internal temperature above 26 degrees F. The court held that federal law preempted the state's ability to change the label. Current USDA policy permits poultry to be labeled "fresh" if it is under a specified temperature level. This policy is currently under review and the Department has conducted public hearings on the issue. The Department is also developing a proposed rule which would amend the federal poultry products inspection regulations to further define when the term "fresh" may be used on labeling.

Department of State

- **North Korea:** Yesterday Representative Richardson briefed by telephone the families of Chief Warrant Officer Hilemon and Hall. The State Department has informed the North Koreans formally through their UN mission, and also at Panmunjom, that any failure to provide information on or access to Chief Warrant Officer Hall will affect the atmosphere in which we hope to improve our relations.

- **Japan:** The Japanese informed the State Department this week that the final Japanese Defense Agency budget will include full funding for Japanese Host Nation Support, which will exceed $4 billion in 1995; funding of about $200,000 for a Theatre Missile Defense study, to which the U.S. will contribute expertise; and the purchase of two Gulfstream passenger planes worth $72 million.

Department of Defense

- **Russia:** President's Yeltsin's assault on the Chechnya capital is consuming the attention of the Russian leadership. A worsening of the crisis in the Chechen area (caused either by failing to establish Russian control or by excessive casualties) could produce a leadership crisis in Russia with strong implications for the defense establishment.

- **Migrants:** The interagency working group is crafting a ~~plan to offer jobs in Haiti~~ to ~~Haitian migrants~~ currently at Guantanamo to facilitate voluntary repatriation. The proposal calls for the State Department to transfer funding to AID which will develop public works-related projects with the Government of Haiti. The projects will be open to all Haitian migrants at Guantanamo who volunteer to repatriate before January 8.

- **GAO Report:** The GAO has completed its report on peacekeeping and circulated it for DoD comment. The report strongly suggests that DoD participation in peace operations is undercutting our ability to fight and win two nearly simultaneous major regional conflicts. GAO recommends that DoD explore options other than our current practices to meet the demands of peace operations, including changing the mix of active and reserve forces and making greater use of reserve component forces and contractors. Coming on the heels of the GAO report on the Bottom Up Review, this is likely to further spur Congressional criticism of our peacekeeping policy.

United Nations

- **Upcoming Security Council Agenda:** Argentina will take over the Presidency of the UN Security Council when it reconvenes in January. By January 13, the Council will need to deal with the review and renewal of the observer missions in Liberia and Georgia; another full Iraq Sanctions Review; and the 100-day review of the decision to ease sanctions on Belgrade will be undertaken. The Council will need to decide whether to continue the sanctions-easing regime or reimpose stronger sanctions.

cc: Vice President Gore
Leon Panetta

THE PRESIDENT HAS SEEN 12/27

THE WHITE HOUSE

WASHINGTON

December 2, 1994

94 DEC 23 A11 : 48

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT E. RUBIN

SUBJECT: GATT and Child Labor

You should write Quindlen a letter addressing smart her points – this is a [illegible]

You asked for further information about the criticisms raised in a New York Times column by Anna Quindlen regarding child labor and the Uruguay Round agreement. As you may recall, Quindlen highlights the abuses of child labor in developing countries and criticizes the GATT agreement for not addressing this problem. She concludes, "If GATT passes, an opportunity to end these children's servitude will have been shunted aside for the alleged bonanza of free trade."

Quindlen's allegations about the exploitation of child labor are largely correct. However, rejecting the GATT agreement would not have done anything to mitigate the problem. In fact, defeating the bill would have made it impossible to use the WTO to address this issue. More generally, this problem arises in countries that are facing conditions of poverty and social injustice which have been exacerbated by trade restrictions and backward economic policies. The Administration has taken a number of steps to address this issue:

- The law on the Generalized System of Preferences (GSP) program and other preference programs (e.g., CBI) require that beneficiary countries take steps to afford internationally recognized worker rights, including a minimum age for the employment of children. Pursuant to the GSP program, the Administration has formally reviewed worker rights practices in more than 30 countries. Child labor practices have been a particular issue in our GSP reviews of Bangladesh, Pakistan and Thailand.

- We have launched a multilateral effort to incorporate internationally recognized labor standards, including a minimum age for child labor, within the rules of the global trading system. After years of effort, this Administration finally secured the agreement of the GATT members to discuss internationally recognized labor standards in the WTO Preparatory Committee.

- The Administration also is contributing resources and expertise to the International Labor Organization's (ILO) program to eliminate child labor. The Labor Department recently completed the first-ever review of international child labor practices. The report provides an overview of the causes of child labor around the world and documents child labor practices in 19 countries.

- Finally, your advisers currently are reviewing whether to sign the U.N. Convention on the Rights of the Child. This Convention provides for the "right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

The exploitation of child labor is a serious problem which we will continue to address on a number of fronts.

Attachment
Tab A   Anna Quindlen Column

THE PRESIDENT HAS SEEN

In America

BOB HERBERT

At Last, A Truce

The cold war has ended. Governor-elect George Pataki and Mayor Rudolph Giuliani are going to sit down and talk. The blood feud, provoked by Mayor Giuliani's decision to cross party lines and endorse Mario Cuomo for re-election, is being put aside — at least for the time being.

Political egos being what they are, it took nearly a week to negotiate the cease-fire. The word began to filter out early yesterday:

"Something may happen soon," said a Pataki aide.

"We may have it resolved," said a voice from the Giuliani camp.

You might have thought they were talking about Grant and Lee at Appomattox.

However it was arranged, the agreement comes not a moment too soon. Mr. Pataki is on a working vacation in Florida, no doubt trying to figure out how to keep his promise to cut income taxes by 25 percent now that he knows the state will face a $4 billion shortfall next year.

Mr. Giuliani is in City Hall, trying to close a billion-dollar budget gap right now. The Mayor's cuts are no longer surgical in nature. Most fat has already been removed. Each new cut is a ghastly gouging of services needed by New Yorkers — in some cases, desperately needed.

With both the city and the state in deep financial trouble, there was no time for a feud between the Mayor and the Governor-elect.

Ramon Cortines, the city's Schools Chancellor, was on the verge of tears Monday as he testified before the City Council about the latest cuts to hit the school system. "We are standing at the edge of an abyss," he said. "With each new round of cuts our footing grows more precarious."

Council leaders are fighting drastic budget cuts on a wide front. They are trying to prevent the elimination of city funding for mental retardation and substance abuse programs. They are trying to block the dismissal of civilians from the police force and prevent further cuts to the over-burdened Department of Corrections.

Pataki and Giuliani need each other.

Youth programs are hemorrhaging. Programs that feed the hungry are hurting. And Comptroller Alan Hevesi contends that the city could face another shortfall, of $400 million, before the end of the fiscal year.

The feud between Mr. Pataki and Mr. Giuliani had gone far beyond the usual antipathy between governors and mayors. Mr. Giuliani took an enormous gamble with his endorsement and he lost. It was inevitable that he would be punished. But there were other elements to the feud — big slights and little slights, some public, some private. And there was always the specter of U.S. Senator Alfonse D'Amato, Mr. Pataki's patron, hovering in the background. The feud was threatening to seriously interfere with the work of running the city and the state.

I once asked Dizzy Gillespie how close he had been to Charlie Parker. He replied, "How close are two coats of paint?" The same can be said about the interests of New York City and New York State. Each is dependent upon the other.

Mr. Giuliani's continuing budget problems cannot be worked out without the help of the state. Mr. Pataki's effort to cut taxes and streamline government haven't a prayer without the cooperation of the city.

The mutual interests go far beyond issues of budget and taxation. Mayors and governors have no choice but to work together in good faith on economic development, on transportation issues, on law and order.

(One example: As soon as a convict in New York City is sentenced to a year or more in jail, he goes into the state prison system.)

The links are endless. The city's health and social welfare systems are monitored and regulated by the state. And while there are many who are reluctant to admit it, the city is the dynamic force that gives the entire state its national and international stature.

"You can't separate the two," said a former state official. "Without a hand-in-glove kind of interaction, neither jurisdiction can be effective in achieving its objectives."

New York City is particularly vulnerable now because of the tax-cutting, anti-urban, anti-social welfare policies of the national Republican Party. Although Mr. Pataki and Mr. Giuliani are Republicans, they have an obligation to fight for the legitimate interests of city residents.

That can begin to happen when they finally sit down next week. It could have begun sooner, if either man's ego had allowed him to just pick up the telephone. □

Public & Private

ANNA QUINDLEN

Out of the Hands of Babes

Would you buy a rug if you knew that it had been woven in India by 10-year-olds beaten if they didn't work fast enough? Would you wear a shirt if it had been sewn by a 9-year-old locked into a factory in Bangladesh until production quotas for the day had been met? Would you eat sardines if the cans had been filled by 12-year-old Filipino children sold into bonded servitude?

The General Agreement on Tariffs and Trade, known as GATT, is the most sweeping free-trade pact in history. But like many agreements among different nations with different agendas, much has been lost in the translation. One of the losses in the GATT negotiations was the right of children not to be exploited, overworked and underpaid as a source of cheap and compliant labor around the world.

From the children who make carpets in India, sometimes 16 hours a day, seven days a week, to those who sew in Bangladesh for as little as five cents an hour, the International Labor Organization estimates that there may be as many as 200 million child laborers worldwide. Some are working in sweatshops that contract to make American goods. In testimony before the Senate earlier this year, a 15-year-old from Honduras told of girls working up to 80 hours a week at a factory manufacturing Liz Claiborne sweaters.

Child labor is the dirty little secret of foreign imports. Senator Tom Harkin, who wants to outlaw U.S. imports of all products made by children under age 15, says the problem is that Americans don't know that some of what they buy, including toys for their own kids, has been manufactured by children working the kind of hours, under the kind of conditions, that many still associate with the darkest days of the Industrial Revolution.

"You give me any cross-section of 100 Americans," says the Senator, "people from any income level, any area of the country, and I think the reaction would be overwhelmingly against buying the products."

Mr. Harkin is a voice crying in the wilderness, and the wilderness is the gilded thicket of free trade, thorny with U.S. concessions. Mr. Harkin's bill to keep products made with child labor out of the United States would probably be a violation of GATT, which provides only for those restrictions spelled out in the trade pact.

During various GATT negotiations, developing countries successfully argued against child labor provisions, insisting that children have always worked in their cultures, that to try to interfere with child labor is protectionist and punitive when a child may be the only wage-earner in a desperately poor family.

But the tradition of children helping on small farms and the innovation of locking them into a hotbox of a factory for 14 hours a day are worlds apart. The reason they may be the only wage-earner in some areas is because adult workers have

Child labor, free trade.

been laid off in favor of children, who are infinitely more exploitable and provide bigger profits for prosperous factory owners. And nations that really want to compete in a global economy will educate their kids, not work them half to death before they've even reached puberty.

After the bad publicity of the Senate hearings, Liz Claiborne announced that it was ditching the Honduran contractor, then decided instead it would "work with the facility" to "meet our human rights standards." A few American companies have been ahead of the curve; Levi Strauss and Reebok, for instance, had already demanded that their contractors overseas hire only workers over age 14. In India a consortium of carpet makers has started an industry campaign that tags those products made without child labor. That's the least Americans deserve, some assurance that what they buy has not been manufactured by kids.

Amid attempts to protect elephants from ivory poachers and dolphins from tuna nets, the rights of children go remarkably unremarked. "This is the last vestige of slavery sanctioned in the world today," said Senator Harkin. If GATT passes, an opportunity to end these children's servitude will have been shunted aside for the alleged bonanza of free trade. But consumers can vote with their credit cards only if products are labeled. At the very least the slogan "Not Manufactured with Child Labor" should shame those companies not in a position to affix it to their products. □

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