

3-29-95

Mr. John Podesta
Staff Secretary
The White House Staff
1600 Pennsylvania Ave NW
Washington, DC 20500

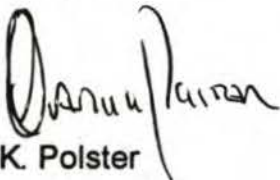
Mark K. Polster
1001 Coulson Place
Socorro, NM 87801

Dear Mr. Podesta;

I am writing to express my outrage at the attitude and infringement of policies by the highly self-interested ranchers. I have lived in Socorro, New Mexico for eleven years and know the ranchers very well. I tell you with earnest that there is not one foot of New Mexico soil, whether on top of South Baldy or down on banks of the Rio Grande that doesn't have cow pies on it. My point being that these people have been given more than a fair shake and use of public lands. Let them get the message in no uncertain terms, that those lands belong to the citizens of the United States and if they are going to use them they are going to obey the law.

These lands once supported the American Indian and abundant wildlife and we are not going to let ranchers (almost entirely white anglos) start prying it away from the general public. Even the slightest of this would be nothing more than the final and ultimate indignity to the Indians and ourselves. I have seen first hand ranchers shoot every kind of wildlife including raptures, deer, all the way to small ground animals. I have found so many dead animals and empty cartridges around their water tanks. I have talked with them and they have the idea that any animal on land they are grazing can be shot at their discretion at any time of the year. They also think nothing of threatening or attacking anybody that opposes them. If we need to use force then let force be used. We will not cave in to threats by this special interest group. Never, never, never! Timothy E. Wirth gave some good advice Harold Ickles, and it's time to stop listening to the self-interest demonstrations of ranching, mining, and timber. Listen instead to quiet plea of nature and the cool headed and environmentally aware citizens like myself. Thank you for your prudence and the outstanding service you are providing. God bless you.

Respectfully,



Mark K. Polster



Harold
Dogg

Has the advice
arrived yet?

TJH

3-31-95

THE WHITE HOUSE

WASHINGTON

Port-au-Prince

March 31, 1995

Dear Mr. Speaker:

I am writing to urge you to take prompt action on the supplemental appropriations bill for the Department of Defense. I know that you and all Members of Congress have been working at a heavy pace the past three months and that you have many issues on your agenda. But I know you share the view that it is extremely important that the defense supplemental be addressed before Congress adjourns next Friday.

Both the House and Senate have passed defense supplemental appropriations to pay for ongoing contingency operations. I applaud those actions and agree with the Senate's decision to meet our full commitment to Jordan, in furtherance of the Middle East peace process, in this legislation. Unfortunately, these matters seem tied up in the Conference, and a deadline is looming that requires immediate congressional action to recognize the emergency nature of this supplemental bill and minimize offsetting reductions.

Secretary Perry and General Shalikashvili have repeatedly told me and have reported to Congress that unless supplemental funds were appropriated by March 31, the readiness of our Armed Forces would be adversely affected. That deadline has not been met. As you know, Secretary Perry has told Congress that he will be forced to take specific actions that will impair the readiness of our forces if Congress fails to act by April 7. I realize the respective committees are meeting and are making some progress, but the Conference is still not resolved and time is very short.

I am also concerned about reports that the emergency defense supplemental may be combined with rescission legislation now pending before you. I know you will not permit the Congress to hold the readiness of our Armed Forces hostage to other debates. It is imperative that the Congress approve the supplemental before you adjourn for the Easter/Passover recess.

Sincerely,



The Honorable Newt Gingrich
Speaker of the
House of Representatives
Washington, D.C. 20515

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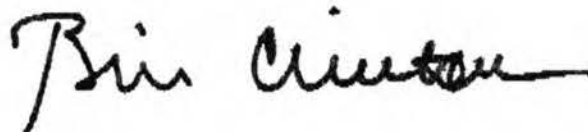
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Democratic Leader
House of Representatives
Washington, D.C. 20515

March 23, 1995

Suggested Conferees to H.R. 889

For consideration of Senate amendments numbered 3, 5, 6, 7, and 10 thru 25, and the Senate amendment to the title of the bill:

Mr. Livingston
Mr. Myers
Mr. Young of Florida
Mr. Regula
Mr. Lewis of California
Mr. Porter
Mr. Rogers
Mr. Wolf
Mrs. Vucanovich
Mr. Callahan

Mr. Obey
Mr. Yates
Mr. Stokes
Mr. Wilson
Mr. Hefner
Mr. Coleman
Mr. Mollohan

For consideration of Senate amendments numbered 1, 2, 4, 8, and 9:

Mr. Young of Florida
Mr. McDade
Mr. Livingston
Mr. Lewis of California
Mr. Skeen
Mr. Hobson
Mr. Bonilla
Mr. Nethercutt
Mr. Neuman

Mr. Murtha
Mr. Dicks
Mr. Wilson
Mr. Hefner
Mr. Sabo
Mr. Obey

***** STATUS REPORT -- LATEST MAJOR ACTION *****

MEASURE: HR889

SPONSOR: Livingston (R-LA)

BRIEF TITLE: Supplemental Appropriations and Rescissions Act.

LEGISLATIVE ACTION:

03/16/95 BROWN, R-Co., unanimous consent request providing for the consideration of HR889 and amendments thereto, agreed to by unanimous consent. (CR p. S4009)

03/16/95 Considered and amended by the Senate. (CR p. S4009-S4074)

03/16/95 Measure, as amended, passed Senate by yea-nay vote: 97-3. (see CR p.S4074) (title amended) (Senate Vote 108) (CR p. S4070-S4074) (WR p. 827)

03/16/95 HATFIELD, R-Ore., motion that the Senate insist on its amendments and request a conference with the House, agreed to by voice vote. (CR p. S4074)

03/16/95 Senate conferees named: HATFIELD, R-Ore.; STEVENS, R-Alaska; COCHRAN, R-Miss.; GRAMM, R-Texas; DOMENICI, R-N.M.; MCCONNELL, R-Ky.; GORTON, R-Wash.; SPECTER, R-Pa.; BOND, R-Mo.; BURNS, R-Mont.; BYRD, D-W.Va.; INOUE, D-Hawaii; HOLLINGS, D-S.C.; JOHNSTON, D-La.; LEAHY, D-Vt.; HARKIN, D-Iowa; LAUTENBERG, D-N.J.; MIKULSKI, D-Md.; and REID, D-Nev. (CR p. S4074)

To: Jim (62993)
From: Fran

95 MAR 31 P4: 09

Donald Dunn
66257

3/29

attached letter did
not go out. POTUS did
not sign.

Deb

S. cl ~~to~~ have
a call into
Donald to see
what the deal

John -

~~is with this letter.~~

I am "under fire" over this
letter. Ellison's people want to
know why he did not get a
response. Can you pls tell me
what to say? Thank you

— Karen Hancock

August 10, 1994

Mr. Lawrence J. Ellison
Oracle Corporation
500 Oracle Parkway
Redwood Shores, California 94065

Dear Larry:

Thank you for bringing to my attention your concern about expanding the Foreign Sales Corporation (FSC) benefit to include the licensing of computer software.

I understand how important your industry is to the economic well-being of our country, and I appreciate your concern about continuing the existing regulatory policy. Since the industry's loss would be our loss as well, we want to do what we can to assure the industry's health and well-being.

As Secretary Bentsen indicated in his May 6 letter to Congressman Lantos, Treasury is concerned that Congress did not intend to expand FSC benefits to computer software licensed abroad. As Secretary Bentsen indicated, the Administration believes that the best way to address this issue is through legislation to clarify the 1987 FSC language. Let me assure you that we will be receptive to any legislative proposal that extends FSC benefits to software licensed with a right of reproduction, assuming that appropriate offsetting revenue measures can be identified.

I always value your input and insight, and I am confident that we can work together to guarantee the strength of our nation's computer software industry.

Sincerely,

BC/LMP/JAD/ps (Corres. #1672456)
(7.ellison.lj)
cc: Tom Kalil, NEC

Xeroxed copy of personally signed original to NH through John Podesta

CLEAR THRU JOHN PODESTA
PRESIDENT TO SIGN

per Dorshind
(2) different
responses were
fwd'd to
P. neither
came back.
3/31 FW

THE WHITE HOUSE
WASHINGTON

March 29, 1995

95 MAR 29 P 1: 09

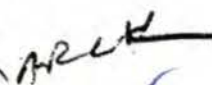
MEMORANDUM FOR JOHN PODESTA

FROM:

PHIL CAPLAN 

SUBJECT:

Department of Education's First Strategic Plan

COPY
KAM 
3.29.95

The first segment of Education's reinvention plan was sent to me by Secretary Riley and Deputy Secretary Kunin. They felt that the President should see it.

Thank you.



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202-

February 13, 1995

95 MAR 23 P1:09

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are pleased to send you the U.S. Department of Education's first strategic plan, a major milestone in the Department's reinvention efforts. While not intended to cover all of the Department's activities, the strategic plan provides a clear focus for the future direction of the Department. One aspect of the plan is the inclusion of performance measures to assess our progress.

This first strategic plan sets forth objectives and strategies for four Department priorities:

- (1) helping all students reach challenging academic standards;
- (2) school-to-work transition;
- (3) postsecondary education and lifelong learning; and
- (4) transforming the Department into a high performance organization.

Also included are the organizational values agreed upon by the Department's employees.

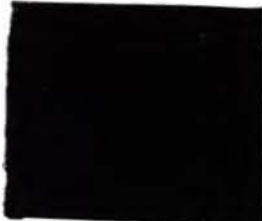
This plan should be viewed as an evolving document that will change over time based on our experiences and feedback from our customers. Although the Department's mission and the four priorities will not change, some modifications probably will occur in how we accomplish our priorities and how we measure our performance. Department employees are expected to engage in continuing dialogue about the plan and to participate in training sessions on selected aspects, including customer service.

We are very interested in your comments on the strategic plan -- its goals, priorities, implementation, and performance indicators -- and would greatly appreciate hearing from you.

Sincerely,

Madeleine M. Kunin
Deputy Secretary

Richard W. Riley
Secretary



STRATEGIC PLAN FOR THE U.S. DEPARTMENT OF EDUCATION

December 1994

HIGHLIGHTS



By adopting the goals, objectives, and performance indicators in this strategic plan, the Department of Education is entering into a performance agreement with the President of the United States and with the American people. The measure of our success will be the progress we make toward our goals.



Richard W. Riley, Secretary of Education
Madeleine M. Kunin, Deputy Secretary
Marshall S. Smith, Under Secretary

The U.S. Department of Education's Mission

To ensure equal access to education and to promote educational excellence throughout the nation.

Our Goals

- Achieve the National Education Goals.
 - Ensure equity.
 - Build partnerships with customers.
-

Our Values

1. We support the Department's mission and the National Education Goals in all of our work.
 2. Our most important customers are learners of all ages.
 3. We are committed to providing high-quality service to all our customers.
 4. We foster learning, innovation, and teamwork throughout the Department.
 5. Every employee matters—we cooperate and we treat one another with trust and respect.
-

Priorities, Objectives, and Selected Performance Indicators

Priority 1: Help all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment.

Objective 1: Build public understanding of the need for challenging academic standards, and promote family involvement and broad-based community support in helping all students reach these standards.

Objective 2: Help create safe, disciplined, healthy, and drug-free environments for learning.

Objective 3: Support the development and adoption by states and local schools of challenging academic

standards, occupational standards, and assessment systems linked to these standards.

Objective 4: Promote excellent teaching that will enable students to meet challenging state and local academic standards.

Objective 5: Change the way the Department works in order to support coordinated implementation of elementary and secondary programs.

Objective 6: Promote federal, state, and local efforts that bring about excellence and equity in educational opportunities for all students, to enable them to achieve at higher levels.

Objective 7: Promote the use of technology in education.

Selected Performance Indicators:

- *Between 1994 and 1998, the proportion of students who meet or exceed proficiency levels in reading and math on such measures as the National Assessment of Educational Progress will increase by at least 10 percentage points.*
 - *Student drug use, drinking, and violence in school will decline significantly.*
 - *Family involvement in learning will improve in all types of schools and communities.*
 - *The number of schools actively working to enable students to reach high standards will increase each year.*
 - *Greater use of technology in the classroom will help students achieve challenging standards.*
 - *The Department will take effective steps to simplify or eliminate bureaucratic requirements.*
 - *Research findings on promising practices and "what works" will be extensively disseminated to people who need and will use the information.*
-

Priority 2: Create a comprehensive school-to-work opportunities system in every state.

Objective 1: Provide national leadership to states and communities in the design and implementation of school-to-work systems through technical assistance, research and evaluation, coordination with other federal initiatives, and outreach to employers, educators, workers,

community groups, elected officials, parents, and students.

Objective 2: Ensure that *all* students—including students who are disadvantaged, have limited English proficiency, have dropped out of school, or have a disability—have opportunities to participate in school-to-work systems that prepare them for college and careers.

Objective 3: Promote high-quality learning and teaching that integrate academic and occupational learning, link secondary and postsecondary education, connect school- and work-based education, and promote the use of technology.

Objective 4: Ensure that youth in school-to-work systems have the opportunity to earn a high school diploma and a skills certificate tied to challenging academic and occupational standards, and are prepared for postsecondary education and training and for high-wage jobs with career ladders.

Objective 5: Align school-to-work opportunities systems with the Goals 2000: Educate America Act, Improving America's Schools Act, Carl D. Perkins Vocational and Applied Technology Education Act, Adult Education Act, Individuals with Disabilities Education Act, Job Training Partnership Act, and related federal programs.

Selected Performance Indicators:

- *By fall 2000 at least 450,000 youth, 50 percent of high schools and community colleges, and 50,000 employers will be participating.*
 - *A coordinated federal system supporting education and job training for in-school and out-of-school youth will be in place by 1997.*
 - *Employers will express a high degree of satisfaction with graduates of school-to-work systems and with the quality of the systems.*
 - *States, communities, and major stakeholder organizations will be satisfied—measured through a customer survey in early 1996—with the federal administration of the initiative and the timeliness and quality of response to requests for information and assistance.*
-

Priority 3: Ensure access to high-quality postsecondary education and lifelong learning.

Objective 1: Remove financial barriers by providing an appropriate combination of grants, loans, and work-study funds to enable students at all income levels to finance postsecondary education.

Objective 2: Provide the necessary leadership, oversight, and support services to ensure that all students have access to postsecondary education programs that develop their academic and vocational skills.

Objective 3: Enable adults to have access to a system of lifelong learning in order to advance literacy, employment, and personal development.

Objective 4: Provide opportunities and access to postsecondary education by ensuring civil rights for all students.

Selected Performance Indicators:

- The gap in college participation between high-performing secondary students with high and low income will decrease significantly.
 - The percentage of learners who complete adult secondary education programs or the equivalent and who then enroll in two- or four-year college programs will increase significantly.
 - When fully implemented, the Direct Loan program will save taxpayers more than \$1 billion a year.
 - Both short-term and long-term measures will be taken to reduce management and paperwork burdens on institutions and students.
 - Student loan defaults, which decreased by 33 percent from 1990 to 1992, will continue to decline significantly—by at least 5 percent a year.
-

Priority 4: Transform the U.S. Department of Education into a high-performance organization.

Objective 1: Manage the Direct Loan program in an enterprising and efficient way that gets results.

Objective 2: Build partnerships with our customers and provide maximum flexibility in the administration of federal programs.

Objective 3: Empower our employees.

Objective 4: Develop a world-class information system for the Department and our customers.

Objective 5: Allocate the Department's resources to achieve strategic plan priorities.

Objective 6: Increase accountability through performance measures, improved financial management, and evaluation.

Selected Performance Indicators:

- Surveys of institutions and borrowers will indicate high degrees of customer satisfaction with all facets of the Direct Loan program.
 - By 1998 our customers' ease of access to the Department through the gateway 1-800-USA-LEARN number will double (as measured by the times in which service is received as the result of one call).
 - A survey of external customers will indicate a high level of satisfaction with the Department's services and administration of programs and with their ease of access to the Department.
 - Periodic "test runs" by evaluators will indicate that Department staff provide quick and reliable information.
 - By 1998 the Department will have implemented a redesigned, integrated financial management system.
 - By 1996 the cycle time for the personnel office to fill a position, once posted, will be reduced by 25 percent.
 - By 1995 performance measures will be used to guide policy and program improvement efforts for the Department's 15 largest programs.
 - Organizational layers will be reduced to five layers by 1995 and to three layers by 1997.
-

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STRATEGIC PLAN
for the
U.S. DEPARTMENT
OF EDUCATION

Working Document
December 1994

The U.S. National Education Goals

In 1990, the President and the Governors of the 50 states agreed upon a set of six national education goals that would guide the federal government, states, local communities, and the private sector as they worked together to improve the education system in the United States.

In 1994, the Congress passed the 'Goals 2000: Educate America Act, with strong bipartisan support and the backing of almost every major national parental, educational, and business organization as well as the nation's governors and legislators. Part of the act commits the federal government to support eight ambitious national goals (the original set plus two new ones on teacher training and parental involvement):

By the year 2000:

1. All children in America will start school ready to learn.
2. The high school graduation rate will increase to at least 90 percent.
3. All students will leave grades four, eight, and twelve having demonstrated competency in challenging subject matter including English, mathematics, science, foreign languages, civics and government, economics, the arts, history, and geography; and every school in America will ensure that all students learn to use their minds well, so that they may be prepared for responsible citizenship, further learning, and productive employment in our nation's modern economy.
4. United States students will be first in the world in science and mathematics achievement.
5. Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
6. Every school in America will be free of drugs, violence, and the unauthorized presence of firearms and alcohol and will offer a disciplined environment conducive to learning.
7. The nation's teaching force will have access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.
8. Every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional, and academic growth of children.

The Department of Education's Mission

To ensure equal access to education and to promote educational excellence throughout the nation.

Message on Accomplishing the Department's Strategic Plan

The U.S. Department of Education has developed a new mission statement based on the following principles:

- To ensure excellence in education for all American students, standards of academic learning need to be raised.
- All students must have access to high-quality education.

The Department does not provide educational services directly; it supports states, local communities, and higher education institutions to improve education nationwide. The Department's roles include leadership and financial support for education to agencies, institutions, and individuals in situations where there is a national interest; monitoring and enforcement of civil rights in the area of education; and support for research and evaluations and dissemination of findings to improve the quality of education. We work in partnership with neighborhoods, schools, colleges, educators, parents, business leaders, and communities and states across the country.

To accomplish our mission, the Department has developed an ambitious set of initiatives that support comprehensive, community-based reforms aimed at safe, well-disciplined schools and high academic and occupational achievement. These initiatives emphasize yardsticks against which states and local communities can measure their progress. They offer catalytic funding, partnerships, and flexibility to encourage state and local improvement efforts throughout the United States. They provide financial support to help ensure that needier students are included in these academic reforms. They streamline the financial aid system for postsecondary education students and make it more accountable.

To accomplish our agenda and reform the way we do business, we have prepared a strategic plan with goals, priorities, strategies, and performance indicators plus a set of organizational values to guide implementation. *The strategic plan does not cover every important activity in the Department—the plan focuses attention on a few areas that have been selected as priorities, primarily as a result of legislative successes and recommendations from the National Performance Review.* The plan is not a static document—it will be refined as the Department develops better indicators of performance and gathers new feedback data from our customers.

Achievements—Our Education Agenda in Place

During the 103rd Congress, the President proposed and the Congress enacted a historic set of new laws. These laws are tools for states, communities, and schools to help our students meet the challenges of the 21st century.

- The *Goals 2000: Educate America Act* promotes safe and disciplined schools that use the best teaching practices and appropriate technology. In these schools, children will learn basic and advanced skills that meet challenging state standards. *Goals 2000* provides financial support to states and local communities to strengthen their schools and cuts federal red tape in favor of local creativity and initiative.
- The *Improving America's Schools Act* brings additional improvements, providing (1) federal support for at-risk children to help them achieve the challenging standards in core academic subjects set by states and communities; (2) greater involvement of parents and communities in

learning; (3) improved teaching through better professional development; (4) new assistance to make schools safer and drug-free; and (5) support for effective changes in school practice and management, such as using technology to improve teaching and learning and initiating charter schools.

- The *School-to-Work Opportunities Act* is helping communities and states put in place high-quality systems of academic and occupational education to give students the opportunity to graduate with the knowledge, skills, and workplace experience necessary for productive employment and further education.
- The *Student Loan Reform Act* streamlines the college student financial aid system by cutting out inefficiencies and by authorizing direct lending and income-contingent payback systems to ensure that students have access to high-quality postsecondary education, regardless of their means. The act will save students and taxpayers billions of dollars in the next five years.
- The reauthorization of the Department's Office of Educational Research and Improvement creates a system of research institutes that will develop new knowledge on how to help all students reach challenging standards and will make educational research useful and relevant to teachers, parents, and principals.

In their first year, these legislative initiatives received substantial budgets from Congress—in addition to bipartisan support for the basic authorizing legislation. At the same time, the Department received Congressional approval to eliminate a number of other programs identified by the National Performance Review as having low educational impacts. Our legislative successes are providing a framework and sound strategies for reauthorization of other key legislation next year.

Along with the successful legislative agenda, the Department has launched a new family involvement partnership for learning. We have formed a broad-based partnership led by the National Coalition for Parent Involvement in Education (NCPIE) to encourage and support American families as they seek to prepare their children for an information-based, "high-tech" economy. The alliance includes such organizations as the National PTA, the National Alliance of Business, the U.S. Catholic Conference, and the Boys and Girls Clubs of America.

These initiatives herald the start of a new era in education leadership—a more balanced role for the federal government and empowerment of neighborhoods, communities, schools, colleges, and states to improve education for all Americans.

Achievements—Streamlining the Department and Responding to Our Customers

In addition to our legislative and program initiatives, we have made long-needed improvements in our management and operations:

- The Department's implementation of the new Direct Loan program for student financial aid has been enthusiastically received by the initial set of participating institutions.
- A historic labor-management partnership now provides the means for all of us to work together on common goals and initiatives.
- A new core financial management system will be in place by 1998 to put the Department's payment, grant and contract, and audit tracking systems in the mainstream of business practice.
- The Department has implemented an integrated strategic planning and performance measurement process to develop this plan and individual office plans aligned with overall goals and priorities.

- Offices developed initial performance measures for many key programs in the Department as part of the fiscal year 1996 budget development process. The budget and program performance indicators were closely coordinated with the Department's strategic plan.
- The Department's customer service team developed a brochure describing the Department's commitment to its customers. The brochure was distributed to customers, such as chief state school officers and school superintendents, and major stakeholders, such as business and community representatives, in addition to all Department staff.
- The number of days the Office for Civil Rights (OCR) takes to resolve cases is decreasing dramatically. In the past year alone, OCR's New York office reduced the time needed to resolve complaints by 24 percent. OCR now responds to complaints within five days after receipt, offering a range of complaint procedures such as mediation, early complaint resolution, and fact-finding conferences.
- In October 1994, the Department prepared a streamlining plan that identified seven key priorities to guide simplification and reductions in all aspects of our operations. The streamlining plan is closely linked to the priorities and goals of the Department's overall strategic plan. It sets forth office by office plans for reducing staff, especially in categories targeted by the National Performance Review.
- Cross-cutting management teams are addressing critical problems to make us the best organization in government and the private sector. For example:
 - The Department has streamlined its grant award process by giving grantees much earlier notification of their status, by distributing many grant funds electronically, and by eliminating unnecessary negotiations affecting 6,000 continuation grants a year.
 - A special management-union team is overhauling the Department's personnel system—reengineering the processes for filling jobs, promoting staff, and separating staff. Pilot innovations are already under way between the Office of Management and four offices, including delegation of classification authority and testing of classification system software.
 - Greater and more creative use of technology is helping to improve services within the Department. For example, e-mail, including Internet e-mail, is now available to 65 percent of all Department employees.
 - Technology is also being used to support innovative technical assistance activities for external customers. For example, the Department has developed on-line computer systems and discussion forums, including the Grants and Contracts Service's interactive computer bulletin board, the National Library of Education's on-line library, and a teacher forum sponsored by the Office of the Secretary.
- Customers will soon be able to call one toll-free number—1-800-USA-LEARN—and reach our one-stop shopping line for information on all our programs and initiatives, applications for grants, and publications.
- "Low-hanging apples" teams have identified more than 60 unnecessary and burdensome procedures and practices that can be easily fixed or eliminated—like apples on the lowest branches of the tree that are the ripest and easiest to pick. Most of these procedures are being changed or eliminated.

These actions are helping us transform the Department into a high-performance, customer-responsive, results-oriented organization.

Key Strategies and a Promise

To date, the Department's leadership and staff have accomplished many important reforms, but much more remains to be done.

- The most critical task now facing us is to implement our new and reauthorized programs in a way that supports improvements in teaching and learning and reduces regulatory burdens on our customers.
- We will work with Congress to complete our legislative agenda for key programs, including improvements in vocational and adult education and in education for individuals with disabilities.
- We must continue to build strong partnerships with the American people and the nation's educational institutions.
- We must work with other government agencies to develop more coherent and effective policies in broad, cross-cutting areas such as inner-city education, early childhood education, and lifelong learning.
- Finally, the Department must continue to transform itself into a high-performance institution capable of providing the necessary leadership and support for this ambitious program.

This document sets out the strategic plan to carry out our agenda. *By adopting the goals, objectives, and performance indicators in this plan, the Department of Education is entering into a performance agreement with the President of the United States and with the American people. The measure of our success will be the progress we make toward our goals.*

Richard W. Riley, Secretary of Education

Madeleine M. Kunin, Deputy Secretary

Marshall S. Smith, Under Secretary

U.S. Department of Education Goals and Priorities

Implementation Priority 1:

Help all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment.

Implementation Priority 2:

Create a comprehensive school-to-work opportunities system in every state.

Goals:

**Achieve the National Education Goals.
Ensure Equity.
Build Partnerships with Customers.**

Implementation Priority 3:

Ensure access to high-quality postsecondary education and lifelong learning.

Implementation Priority 4:

Transform the U.S. Department of Education into a high-performance organization.

Example of an Academic Content Standard

NCTM Standard Number 12: Geometry

The following is drawn from the National Council of Teachers of Mathematics (NCTM) standards for mathematics. At each of three grade spans (1-4, 5-8, 9-12), the standards try to set out clear expectations for what students should know about mathematics and be able to do with their knowledge.

In grades 5-8, the mathematics curriculum should include the study of the geometry of one, two, and three dimensions in a variety of situations so that students can—

- Identify, describe, compare, and classify geometric figures;
- Visualize and represent geometric figures with special attention to developing spatial sense;
- Explore transformations of geometric figures;
- Represent and solve problems using geometric models;
- Understand and apply geometric properties and relationships;
- Develop an appreciation of geometry as a means of describing the physical world.

Example of State Systemic Reform

Kentucky Education Reform Act of 1990

In 1990, Kentucky overhauled its state education system in response to the state supreme court's ruling that found the state's public school financing unconstitutional and the entire system inequitable. Under the banner "world-class standards for world-class kids," the state developed a 10-point program of education reform.

Through the Kentucky Education Reform Act, the state created new assessments and set challenging performance levels; upgraded curriculum and professional development; and established a performance accountability system with multiple components. Changes at the elementary school level included ungraded primary classrooms and family resource centers. The state also overhauled its school finance system. Local school systems responded with reforms of their own.

Kentucky's comprehensive school reforms are showing encouraging preliminary results. Kentucky's 4th, 8th, and 12th graders demonstrated dramatic improvement on the 1993-94 annual assessments. In all grades tested, the percentage of students performing at or above the proficient level in mathematics, reading, science, and social studies increased from the previous year. For example, in grade 4, the average of the scores across these four subjects plus writing increased from 26 points in 1993 to 33 points in 1994.

More remains to be done, however, to reach the high standards the state has set for its students. While reading scores increased substantially, just 12 percent of 4th graders were reading at the proficient level in 1994.

Priority 1

Help all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment.

The key to improving student performance is comprehensive and sustained education reform based on challenging academic standards for every child. We have learned, after decades of trying, that piecemeal reform and fads do not work. We have learned that reform requires leadership and support at all levels:

- Parents, principals and teachers, community members, school districts, higher education institutions, the business community, states, and the federal government—all have key roles to play.
- Greater family and community involvement, knowledgeable teachers, a demanding, substantive curriculum, accessible technology, assessment aligned with the standards, and better leadership are all necessary if students are to meet more challenging standards.

There is broad agreement that high expectations and challenging standards for academic performance must replace the low expectations and watered-down standards too common in our school systems today. Furthermore, these standards need to be set by states and communities—not the federal government. The U.S. Department of Education's main roles are leadership, encouragement, and support for state and local efforts, not regulation and control.

New national initiatives—including the Goals 2000: Educate America Act, the Improving America's Schools Act, the School-to-Work Opportunities Act, and the National Family Involvement Partnership for Learning—provide the support, encouragement, and partnerships for states and communities to strengthen their schools to meet challenging standards and be more effective. The recent reauthorization of the Office of Educational Research and Improvement provides significant additional support, as will upcoming reauthorizations, including the Carl D. Perkins Vocational and Applied Technology Education Act and the Individuals with Disabilities Education Act.

Objectives and Strategies

Objective 1: Build public understanding of the need for challenging academic standards, and promote family involvement and broad-based community support in helping all students reach these standards.

- Communicate to the public the importance of having challenging standards for all children and the need to improve teaching and learning.
- Work with parental, educational, and business organizations and states to engage key partners and the public in improving schools.
- Encourage and support family, community, business, and religious organization partnerships to promote learning at home and at school.

Objective 2: Help create safe, disciplined, healthy, and drug-free environments for learning.

- Support state and local efforts to create and maintain safe, disciplined, and drug-free schools and school surroundings.
- Promote comprehensive approaches in which schools are linked with community resources to support academic achievement and healthy and safe child development.
- Engage families, community centers, housing developments, cultural and scientific institutions, religious organizations, and libraries in creating out-of-school environments that support learning.

Objective 3: Support the development and adoption by states and local schools of challenging academic standards, occupational standards, and assessment systems linked to these standards.

- Help state and local reformers develop and implement challenging standards for academic content and performance.
- Encourage the development of high-quality, voluntary, national academic and occupational standards.
- Share information with states and local schools as they develop and implement valid and reliable assessments that are aligned with challenging standards and are designed to improve student learning.

Objective 4: Promote excellent teaching that will enable students to meet challenging state and local academic standards.

- Strengthen professional development efforts of states, schools, colleges, and teacher networks in order to enable teachers to teach to challenging standards.
- Engage teachers and other educators in examining, using, and assessing effective teaching and learning strategies.
- Coordinate and integrate state and national technical assistance to improve professional development.
- Encourage more people—particularly people of diverse backgrounds—to enter the teaching profession.

Objective 5: Change the way the Department works in order to support coordinated implementation of elementary and secondary programs.

- Create an effective process for integrating reviews of state plans and waivers, program monitoring, and technical assistance across the Department.
- Promote greater flexibility for state and local grant recipients and expanded waiver authority in exchange for accountability for results.
- Implement streamlined, customer-oriented processes for managing reform initiatives across traditional organizational boundaries. For example, the Office of Elementary and Secondary Education is revising its monitoring procedures to establish cross-cutting teams that will handle integrated monitoring and technical assistance across categorical program boundaries.
- Collect and analyze information for feedback on the progress of reform and its impact on student performance.
- Develop and disseminate guidance on effective education policies, practices, and processes based on research and evaluation.
- Develop and institute a comprehensive system of technical assistance centers (the “Super TACs”) to offer “one-stop” access to information, technical assistance, and training about strategies for improvement contributed by schools and researchers throughout the country.

Objective 6: Promote federal, state, and local efforts that bring about excellence and equity in educational opportunities for all students, to enable them to achieve at higher levels.

- Focus federal resources and research on helping all children to meet challenging standards through support for enriching curricula, well-prepared teachers, family involvement in learning, and safe and drug-free learning environments.
- Work with the U.S. Department of Health and Human Services and the U.S. Department of Labor to strengthen the links between Head Start and schools, between schools and employers, and between high schools and postsecondary institutions in order to ensure extended and enhanced learning opportunities in schools and communities served by federal education programs.
- Promote greater flexibility, assistance, and accountability at the school level for improved performance, including intensive assistance and other strategies in schools that do not meet challenging performance standards.
- Enforce Title VI (Nondiscrimination in Federally Assisted Programs) of the Civil Rights Act and other civil rights laws—working constructively with states and local school districts to achieve remedies that promote both equity and excellence.
- Support the creation of charter school initiatives across the country.
- Work with parents, educators, civil rights organizations, and other groups to ensure educational access and opportunity for all students.

Objective 7: Promote the use of technology in education.

- Promote the use of technology in the classroom to help all students achieve to challenging standards.
- Promote the use of educational technologies in professional development and preservice instruction in support of high-quality teaching.
- Support expanded access to educational technology by low-income families, including access through libraries and community centers.
- Support research and evaluation of effective uses of technology that advance improvements in classrooms and schools and promote strengthened connections between home and school.
- Encourage the development of the next generation of technological learning tools.

**Performance Indicators for School Improvement
Focused on Challenging Standards**

Improved Learning:

- Student achievement nationally and in high-poverty schools will show significant improvement in at least two core subjects.
 - Between 1994 and 1998, the proportion of students who meet or exceed proficiency levels in reading and math on such measures as the National Assessment of Educational Progress will increase by at least 10 percentage points.
 - Students in high-poverty schools will show improvement comparable to that for the nation, dramatically reversing the decline in disadvantaged communities in recent years.
 - Students targeted by other federal programs, including Native American students, limited-English-proficient students, and migrant students, will show gains comparable to those for students overall; students with disabilities will show gains indicating that they are achieving to their full potential.

Performance Indicators for School Improvement Focused on Challenging Standards (continued)

Greater Support for Learning:

- Student drug use, drinking, and violence in schools will decline significantly.
 - The percentage of high school students who engage in illicit drug use or drinking will decline each year starting in 1995—in marked contrast to trends in the last few years.
 - The incidence of school violence and student and teacher victimization will decline steadily each year.
- Family involvement in learning will improve in all types of schools and communities.
 - By 1998 the proportion of young children whose parents read to them regularly will increase significantly (from 66 percent in 1993).
 - Surveys of parents will indicate that larger percentages say that schools are more open and responsive to their involvement.
 - Surveys of parents in high-poverty schools will show increased percentages aware of their importance in their children's education and more actively involved in learning activities in the home and at school, including participation in family-school compacts.

Increased Participation in Improvement:

- The number of schools actively working to enable students to reach high standards will increase each year.
 - By school year 1996-97, as many as 20,000 individual schools—about one quarter of the public schools in the country—will actively participate in locally developed reform. For school year 1998-99 the target is 60,000 schools.
 - The increasing number of Title I schoolwide programs, charter schools, and comprehensive bilingual education programs will indicate growing innovative and integrated approaches to improve teaching and learning.
 - By 1997-98, surveys of principals and teachers will indicate that at least 25 percent of the schools and classrooms have aligned curriculum, instruction, professional development, and assessment to meet challenging state or local standards. Improvement in aligning classroom practice with challenging standards will be recognized by staff in at least half of all high-poverty schools.
 - By 1997-98, at least half of all Title I schoolwide program plans will show comprehensive approaches to improving curriculum, instruction, and assessment aligned with challenging state and local standards.
- More states will use high-quality standards to guide student assessment and curriculum frameworks.
 - By school year 1995-96, at least 25 percent of the states will have content and performance standards in place for two or more core subjects; 80 percent of the states will have them by 1997-98.
 - Independent evaluations in an anonymous sample of states will show that their standards are comparable to benchmarks for high standards, such as voluntary national, international, or recognized state standards.
 - By 1996-97, at least 25 percent of the states will have aligned assessments and provisions to assess all students for two core subjects; by 1998-99, 50 percent of the states will have them.

Performance Indicators for School Improvement Focused on Challenging Standards (continued)

- Greater use of technology in the classroom will help students achieve challenging standards.
 - In fall 1995 the Department will present to the President and to Congress a long-range plan for using technology in education.
 - In each of the next five years, the number of students who use interactive technologies, telecommunications networks, and new tools that address state standards will increase significantly. Use of technology in high-poverty schools will be comparable to that in other schools; students with disabilities will have equitable access to appropriate technologies.
- Challenging state content and performance standards will lead to improvement in the quality and coherence of professional development and to revision of teacher certification.
 - Surveys of teachers will show larger percentages engaged in intensive, sustained professional development that is enabling them to teach to challenging standards.
 - Teachers in high-poverty schools will participate in intensive, sustained professional development at rates comparable to or higher than the rates for teachers in other schools.
 - By 1996-97, 75 percent of the states will review state licensing/certification standards for teachers; by 1996-97 at least 50 percent of the states will make noticeable progress in aligning and raising teacher licensing standards consistent with their student academic standards.

Increased Public Participation and Support for Improvement:

- Public awareness of the importance of challenging academic standards and the need for parental involvement in school improvement will increase significantly.
 - Surveys of the general public and of parents will show increased awareness among Americans of the importance of challenging standards for all children and of the need for improved teaching and learning.
 - Surveys of national organizations and states will show that increased outreach has produced greater understanding and engagement of key partners and all segments of the public in school improvement.

Enhanced Federal Support for Improvement:

- The Department will take effective steps to simplify or eliminate bureaucratic requirements.
 - Approval processes for plans submitted for the Goals 2000 and Elementary and Secondary Education Act programs will require much less red tape and regulations.
 - New waiver authority and flexibility will stimulate increasing numbers of schools to implement promising innovations and integrated approaches to respond to the needs of children, while suggesting areas for policy change and regulatory streamlining at all governance levels.
 - Research findings on promising practices and "what works" will be extensively disseminated to people who need and will use the information.
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Examples of School-to-Work Systems

Rindge School of Technical Arts, Cambridge, Massachusetts

The Rindge School has about 13 percent of its seniors in highly structured school-to-work programs. The curriculum integrates academic and vocational learning, and prepares students for the world of work as well as for further education. Over the past four years 85 percent of the school-to-work students have entered college upon graduation.

- *In 9th and/or 10th grade:* School-to-work students take the CityWorks program, examining their urban community and the inner workings of local industries. Students create various artifacts such as three-dimensional maps and models, photographic essays, video tapes, and oral histories. In humanities, students read and discuss texts related to their investigations and write about their experiences and ideas. Math and science are fully integrated with the CityWorks program.
- *In 10th grade:* The Pathways program gives students opportunities for classroom exploration of the role of work in four broad career paths (health and human services, business and entrepreneurship, arts and communications, and industrial technology). Courses involve job shadowing and preparation of work biographies, student exhibitions, and academic studies.
- *In 11th and 12th grades:* Students take an academic course taught in the workplace through internships (at Polaroid, Harvard University Facilities Management, a Cambridge hospital, or as part of the Careers in Education program) in addition to their vocational and academic programs.

Roosevelt High School, Portland, Oregon

Roosevelt High School students were being suspended and expelled at rates higher than those at any other public school in Portland. Absentee and dropout rates were very high. Most students were not going on to college. And employers made it very clear—graduates weren't prepared for work either. Ninety percent of Roosevelt teachers felt that the school curriculum needed a technical dimension that expanded the learning environment for the students. To address these problems, Roosevelt teachers developed a comprehensive school-to-work program:

- *In 9th grade:* Students do hands-on projects and team-oriented classwork in core academic classes. They see how adults use what the students are learning in class—how a builder uses math formulas, how business people change styles of writing for different purposes and audiences. The students explore six career pathways and select one to concentrate on at the end of the year.
 - *In 10th grade:* Teachers design assignments in core academic subjects around the six pathways. In English, students may read biographies about leaders in their career pathways. In history, they may research events and developments that shaped that field. All students take a class specific to their pathway—for example, a business student might take introduction to computers.
 - *In 11th grade:* Teachers continue to integrate academic skills with the student's career pathway. Students take advanced academic classes and additional pathway classes to prepare for four-year college as well as careers. Trade and tourism students might take a foreign language; manufacturing technology students might take statistics.
 - *In 12th grade:* Students continue to take core academic subjects such as civics and economics and advanced academics, while participating in more structured work experience. Every senior gets a part-time field experience for a school quarter, coupled with community service. Many will take community college courses as well.
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Priority 2

Create a comprehensive school-to-work opportunities system in every state.

To prepare for the technology-oriented, highly competitive economy of the 21st century, our nation's young people will need a higher level of academic and occupational knowledge and skills. Today, too many American youth do not receive the education they need to successfully pursue postsecondary education and training or to prepare for a career. Most of our international competitors recognized some time ago that economic competitiveness depends primarily on their ability to upgrade and continually improve the skills of their workforce. Building partnerships between education and business, they have developed comprehensive systems that provide a smooth transition from school to the labor market. While other nations are refining and improving their school-to-work systems, the United States is just beginning to build one.

President Clinton made the development of a comprehensive school-to-work system for American youth one of the major goals of his administration. With bipartisan support in Congress, the School-to-Work Opportunities Act was signed into law on May 4, 1994. A historic partnership between the Departments of Education and Labor is promoting the creation of comprehensive systems in every state.

Objectives and Strategies

Objective 1: Provide national leadership to states and communities in the design and implementation of school-to-work systems through technical assistance, research and evaluation, coordination with other federal initiatives, and outreach to employers, educators, workers, community groups, elected officials, parents, and students.

- Establish mechanisms for implementing and administering the school-to-work initiative jointly with the Department of Labor.
- Build a knowledge base through a national program of rigorous research, demonstration, and evaluation of best practices in designing and implementing school-to-work systems.
- Provide national leadership to encourage the active participation of employers, educators, workers, community organizations, and elected officials to promote the design and implementation of high-quality school-to-work systems in states and local communities.

Objective 2: Ensure that *all* students—including students who are disadvantaged, have limited English proficiency, have dropped out of school, or have a disability—have opportunities to participate in school-to-work opportunities systems that prepare them for college and careers.

- Work closely with states and communities to “roll out” school-to-work systems that reach all students.
- Through national research and demonstration activities, promote the development and adoption of effective school-to-work systems that serve a diverse range of students.
- Launch a national outreach effort to encourage all parents and students to promote and participate in school-to-work programs.

Objective 3: Promote high-quality learning and teaching that integrate academic and occupational learning, link secondary and postsecondary education, connect school- and work-based education, and promote the use of technology.

- Implement national technical assistance and research and development strategies to promote curriculum development, professional development, assessment practices, and other measures critical to high-quality school-to-work systems.
- Develop and implement a comprehensive strategy for using technology in support of school-to-work reforms.
- Work with leaders in states, communities, and businesses to ensure meaningful employer participation in designing and implementing school-to-work systems.

Objective 4: Ensure that youth in school-to-work systems have the opportunity to earn a high school diploma and a skills certificate tied to challenging academic and occupational standards, and are prepared for postsecondary education and training and for high-wage jobs with career ladders.

- Encourage states and communities to adopt comprehensive skills standards developed in cooperation with industry and the National Skills Standards Board.
- Conduct a national evaluation of the School-to-Work Opportunities initiative to determine its effects on a range of student performance measures, including academic achievement, high school completion, earning a skills certificate, postsecondary attendance and completion, and employment.
- To continually assess the progress of students and programs, build performance measurement systems with states and communities.

Objective 5: Align school-to-work opportunities systems with the Goals 2000: Educate America Act, Improving America's Schools Act, Carl D. Perkins Vocational and Applied Technology Education Act, Adult Education Act, Individuals with Disabilities Education Act, Job Training Partnership Act, and related federal programs.

- Work with states to integrate education reform strategies developed under Goals 2000 with those developed under the School-to-Work Opportunities initiative.
- Reauthorize the Perkins Act to support the School-to-Work Opportunities initiative and to become an important agent for improvement in secondary schools and postsecondary institutions.
- Establish procedures for approval of waivers, administration, and accountability that are coordinated with other federal education and training initiatives for youth.
- Develop a legislative proposal that links Perkins and the Job Training and Partnership Act (JTPA) in a coordinated, coherent school-to-work system for in-school and out-of-school youth.

Performance Indicators for School-to-Work Opportunities Systems

Increased Participation:

- By the end of the 1996-97 school year, at least 20,000 students (including disadvantaged students, students with disabilities, and school dropouts); 5 percent of high schools; 10 percent of community colleges; at least half of the states; and at least 8,000 employers will be participating in school-to-work initiatives in diverse geographic areas throughout the nation. These figures will represent significant increases from the baseline of 2,000 to 3,500 students and 1,000 employers estimated to be participating in school-to-work programs in 1994.
- By fall 2000 at least 450,000 youth, 50 percent of high schools and community colleges, and 50,000 employers will be participating.

Improved Student Performance:

- By fall 2000 a national evaluation will indicate that School-to-Work Opportunities systems have increased high school graduation rates, increased student achievement, decreased school dropout rates, increased the number of students completing a postsecondary certificate or degree program, and increased the number of students prepared for and participating in career ladder jobs upon completion of their chosen course of study.

Excellent Support and Coordination:

- By fall 1996 state and local plans, requests for waivers, technical assistance, program guidance, and research and evaluation will be coordinated with the Goals 2000: Educate America Act, Improving America's Schools Act, Carl D. Perkins Vocational and Applied Technology Education Act, Individuals with Disabilities Education Act, and Adult Education Act.
- States that have received school-to-work implementation grants and Goals 2000 grants for implementation in years 2-5 will report in a customer survey that they are able to administer these initiatives as part of an integrated approach to improve their schools and educate all youth to challenging standards.
- The Department, jointly with the Department of Labor, develops, submits, and receives approval for legislation to streamline federal education and job training programs to promote a coherent, coordinated training system for in-school and out-of-school youth.
- A coordinated federal system supporting education and job training for in-school and out-of-school youth will be in place by 1997.

High Customer Satisfaction:

- Employers will express a high degree of satisfaction with graduates of school-to-work systems and with the quality of the systems.
 - States, communities, and major stakeholder organizations will be satisfied—measured through a customer survey in early 1996—with the federal administration of the initiative and the timeliness and quality of response to requests for information and assistance.
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Direct Loan Examples: Repayment Options and Comments on the Program

Repaying a \$20,000 Student Loan

The Direct Loan program will allow borrowers to choose a repayment schedule that best fits their circumstances. *Under the old system*, a borrower leaving school with \$20,000 in debt who wanted to take a public service job at \$10,000 a year would be faced with monthly payments of \$232—more than one-fourth of his or her monthly income.

Under the Direct Loan program, the same borrower would have the following repayment options:

- Standard repayment (\$232 a month) — repayment over about 10 years.
- Extended repayment (\$155 a month) — repayment over about 15 years.
- Graduated repayment (\$119 a month) — starting out low and increasing payments later, under the assumption that the graduate will earn more after a few years.
- Income-contingent repayment (\$44 a month in the first year of earning \$10,000 a year and adjusted each year thereafter to reflect actual income).

Each option has advantages and disadvantages depending on the borrower's circumstances. Information will be made available to support informed choices by student loan borrowers.

Customer Comments on the New Direct Loan Program

(From Internet e-mail and newspaper accounts)

Phyllis Hooyman, director of financial aid at Hope College in Michigan: "Believe it or not, this is a government program that works!"

Jerry Sullivan, University of Colorado at Boulder: "Now we are finding that many things that we did before in processing aid were designed to accommodate how we related to other agencies. . . . The big savings will come as we adjust to not having to do certain things any more. People often ask how many staff do you have to add? Sallie May indicated in their study of last year that we would need dozens more. I have news for them. We did it with one less staff person this year, and we and the bursar will do it with fewer fall and spring start-up staff than ever before next year."

Harriet L. Rojas, associate director of financial aid, University of Idaho: "The biggest joy of Direct Lending is having the money ready for the students when they expect to receive it. . . . We figure that we are 4 to 6 weeks ahead of last year's schedule in terms of students getting their funding and numbers of loans processed. . . . We are very pleased with the program, and our students have definitely been the beneficiaries of better service."

Karen Feeks, financial aid director for the University of Florida: "Our real savings will come in reducing the number of players in the process. We are actively involved with 200 banks and 35 guarantee agencies around the country. With direct lending, there will be only one entity to deal with—the Department of Education."

Priority 3

Ensure access to high-quality postsecondary education and lifelong learning.

In many respects the American postsecondary education and research system is among the best in the world. Enrollment in postsecondary education is high—in 1991, 63 percent of high school graduates enrolled in postsecondary education—and enrollment has increased steadily in recent years. American research universities have been the source for many critical scientific and technological breakthroughs in the 20th century.

Recent reforms in federal financing of student aid will support our already strong system and ensure that any capable student who is interested in attending postsecondary education can do so, without undue financial burden.

- At the federal level, the new Direct Loan program for college students is expected to produce important benefits, including simplified administration of student aid, improved information to borrowers, and substantial savings to students and the public.
- Between 1990 and 1992, student loan default rates were cut by one-third and collections were doubled, saving taxpayers almost \$2 billion in fiscal year 1994.

However, there is still room for improvement.

- Economically disadvantaged students continue to have less access than others to postsecondary education and training. While enrollment in postsecondary education in America is high and has increased steadily in recent years, large disparities remain in the enrollment rates of low- and high-income students.
- Students often fail to complete their course of study. Only one-half of high school graduates who enroll in a four-year college immediately after high school complete their bachelor's degree within six years.
- It appears that some institutions are abusing students' trust and the institutions' basic responsibility for the taxpayer's dollar. These institutions are providing a substandard level of education—as documented in a number of Congressional hearings, General Accounting Office (GAO) investigative reports, Inspector General findings, and, in some cases, by very high default rates.
- The postsecondary financing and training system is fragmented. Currently, private business-supported training is not readily available to lower-skill employees, and major federal training programs are spread out among at least three agencies—Education, Labor, and Health and Human Services—with little or no coordination. The move to a high-skill, information-based economy will require all Americans to have access to a set of opportunities to improve their workforce skills that is more coherent than that which is currently available to most people.

Objectives and Strategies

Objective 1: Remove financial barriers by providing an appropriate combination of grants, loans, and work-study funds to enable students at all income levels to finance postsecondary education.

- Successfully implement the Direct Loan program to reduce the cost of borrowing to students and the public and to simplify the process of obtaining a student loan.
- Help borrowers repay loans by providing a variety of options for repayment, including income-contingent repayment.
- Explore additional means to reduce the financial barriers to participation in postsecondary education.

Objective 2: Provide the necessary leadership, oversight, and support services to ensure that all students have access to postsecondary education programs that develop their academic and vocational skills.

- Revitalize efforts to improve the quality and integrity of institutions eligible to participate in student aid programs while reducing the regulatory burden placed on high-performing institutions.
- Enhance student educational attainment by providing funds for nonfinancial services that disadvantaged students may need in order to take advantage of further educational opportunities. The TRIO programs support services such as advanced academic and lab tutoring, remedial education, mentoring, and financial, academic, and career counseling.
- Help higher education institutions to keep improvement of instructional quality at the top of their agenda.

Objective 3: Enable adults to have access to a system of lifelong learning in order to advance literacy, employment, and personal development.

- Develop lifelong learning and adult education policies for providing an integrated system of high-quality education and training opportunities for individuals at various stages of their lives.
- Improve "second chance" education and training opportunities by increasing the intensity of training, expanding the availability of needed support services, and contextualizing instruction.
- Raise standards to improve the quality and rigor of adult education.

Objective 4: Provide opportunities and access to postsecondary education by ensuring civil rights for all students.

- Help students, parents, and schools get the information they need to secure equal access to high-quality education.
- Institute a balanced enforcement approach that includes proactive examinations of broad or acute incidences of discrimination and reactive investigations responding to specific complaints.

Performance Indicators for Postsecondary Education and Lifelong Learning

Improved Student Access to and Completion of Postsecondary Education:

- The percentages of students enrolling in a four-year college who graduate within six years and in a two-year college who graduate within two years will increase significantly.
- The gap in college participation between high-performing secondary students with high and low income will decrease significantly.
- The percentage of learners who complete adult secondary education programs or the equivalent and who then enroll in two- or four-year college programs will increase significantly.
- The Department will develop and implement effective systems for informing students about and for handling flexible loan repayment options that result in manageable repayment burdens for all borrowers.
- The Department will disseminate useful information regarding the best practices to improve program quality, encourage broader access to and student success in postsecondary education, and reward successful programs with increased support.
- The Department in partnership with the Department of Labor will prepare a long-term, coherent strategy for lifelong learning that rationalizes the resources and requirements of programs in both agencies to promote broad access to a range of high-quality, non-duplicative education and training programs.
- Respondents to Office for Civil Rights surveys will show greater understanding of their civil rights to education.

Improved Quality:

- The Department will develop and implement an effective method for coordinating efforts of the gatekeeping "triad"—the federal government, states, and accrediting agencies. As a result, the quality of institutions participating in student aid programs will increase and the regulatory burden placed on high-performing institutions will be reduced.
- An institutional data system that will provide information about eligible institutions will be fully operational in 1995.

Improved Management:

- The average error of grant and loan program cost estimates will be no more than 5 percent.
- Data systems to ensure that defaulters are prevented from receiving new loans or grants will be established and used.
- Systems that accurately track program expenditures and result in auditable financial statements will be developed and implemented.

Reduced Costs:

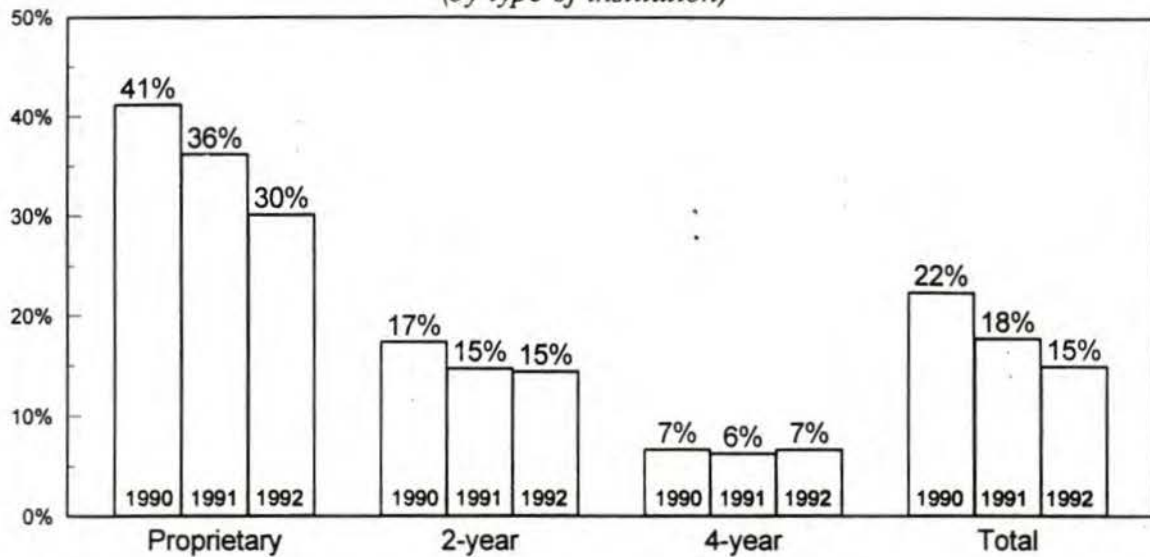
- When fully implemented, the Direct Loan program will save taxpayers more than \$1 billion a year.
 - The amount of assessed liabilities collected from borrowers will increase by 75 percent.
 - Both short-term and long-term measures will be taken to reduce management and paperwork burdens on institutions and students.
 - Between 1994 and 1996, collections from recovered defaulted loans will increase by more than \$100 million—from \$473 million to \$587 million.
 - Student loan defaults, which decreased by 33 percent from 1990 to 1992, will continue to decline significantly—by at least 5 percent a year.
-

Examples of Management Reforms for Priority 4

The Department has six objectives for management reform. Two indicators that will show how well we are doing are student loan default rates and improved access to and use of technology.

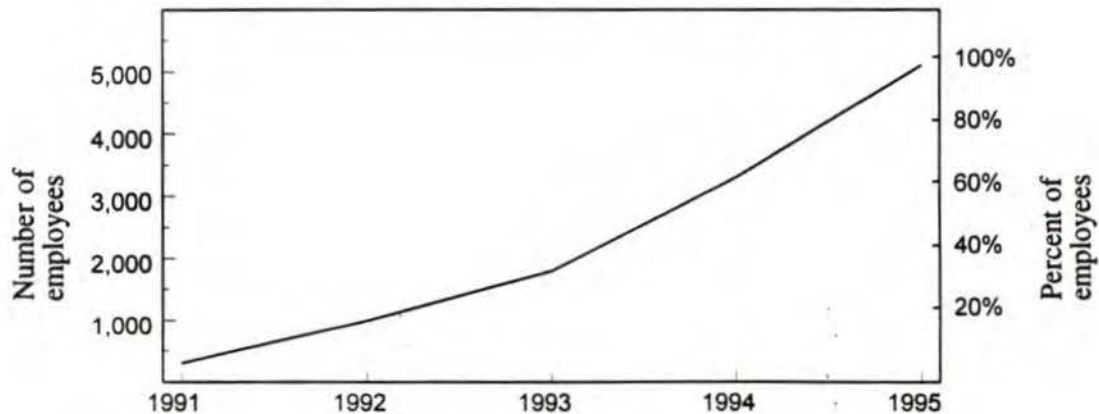
Decrease in Borrower Default Rates for Student Loans

(by type of institution)



Improvements in Department management and program operations have resulted in dramatic changes to the default rate for student loans and large savings to the taxpayer.

Number of Department Employees with Computer Connections



By the end of 1995, all Department employees, including those in our regional offices, will have computers and be connected to the Department's network. Employees on the network can also send e-mail through Internet to customers throughout the nation.

Priority 4

Transform the U.S. Department of Education into a high-performance organization.

In recent years, demands placed on the Department of Education have increased. New resources have become scarcer, confirming the National Performance Review's conclusion in 1993 of the need to "do more with less." In the past, the Department has been criticized for a lack of vision, an absence of leadership, weak management systems, and low morale. The Department is evolving from an agency focused on compliance and auditing to a leader in a national movement to enhance the quality of education in the United States.

To respond to these challenges, the Department must change its management principles and improve its operations. The Department's systems and staff must grow to meet the changing needs for national leadership and efficient, responsive service to the education community, parents, and the public.

Objectives and Strategies

Objective 1: Manage the Direct Loan program in an enterprising and efficient way that gets results.

- Provide participating institutions with timely and accurate information and technical assistance to implement direct loans effectively.
- Introduce state-of-the-art information systems with simplified origination and payment transfers.

Objective 2: Build partnerships with our customers and provide maximum flexibility in the administration of federal programs.

- Redirect the Department's regulatory and grants administration practices to reduce unnecessary administrative burden on recipients of federal funds, encouraging them to concentrate resources on improving student achievement and performance.
- Simplify regulations for all of the major federal education programs.
- Provide easy access to information about the Department's programs and about strategies to improve program effectiveness.
- Gather feedback from our customers and use it to improve the quality of our work.

Objective 3: Empower our employees.

- Streamline the Department's personnel process.
- Encourage teamwork.
- Flatten the bureaucracy by reducing organizational hierarchy and increasing supervisors' span of control.
- Make the Department a "learning organization" in which staff at all levels engage in a constant process of self-improvement and cultural change.
- Support diversity by ensuring fairness in employment and by respecting and incorporating human differences.
- Recognize and reward employees for performance.

Objective 4: Develop a world-class information system for the Department and our customers.

- Apply systems design to support the effective integration of technology into office operations.
- Make advanced technology available to employees.
- Use technology to build knowledge and communicate with the public.

Objective 5: Allocate the Department's resources to achieve strategic plan priorities.

- Establish annual budget priorities linked to federal and Department priorities.
- Increase the effectiveness of discretionary grants.
- Align salary and expenses resources to support the key priorities of the Department's leadership.

Objective 6: Increase accountability through performance measures, improved financial management, and evaluation.

- Emphasize improved performance through strategic planning.
- Implement performance agreements for all employees that reflect relevant priorities and objectives in the Department and office strategic plans.
- Implement new strategies for financial management that provide financial, budgetary, and performance data to program managers in a flexible way.

Performance Indicators for Transforming the Department of Education

Excellent Management of the Direct Loan Program:

- Surveys of institutions and borrowers will indicate high degrees of customer satisfaction with all facets of the Direct Loan program.

Improved Customer Service:

- By the end of 1995, customer service standards will be developed for all core services the Department provides.
- A survey of external customers will indicate a high level of satisfaction with the Department's services and administration of programs and with their ease of access to the Department.
- Periodic "test runs" by evaluators will indicate that Department staff provide quick and reliable information.
- By 1998 the standard response time for controlled correspondence will be met in 98 percent of all cases.
- By 1998 our customers' ease of access to the Department through the gateway 1-800-USA-LEARN number will double (as measured by the times in which service is received as the result of one call).

Key Systems Redesigned:

- By 1998 the Department will have implemented a redesigned, integrated financial management system.
- By the beginning of 1995, key components of the personnel system will be in the process of being redesigned to simplify and expedite personnel processes; and four program offices will have been selected for pilots.
- By 1996 the cycle time for the personnel office to fill a position, once posted, will be reduced by 25 percent.
- By 1996 a representative sample of individual performance agreements reviewed by joint management-union teams will show a direct relationship to the Department's strategic plan.
- By 1996 a comprehensive training and employee development strategy will be developed.

Performance Indicators for Transforming the Department of Education (continued)

- The annual employee survey will show increased satisfaction with the Department's commitment to training employees.
- The amounts of training budgets unused at year's end or used for other purposes will decline across the Department by 50 percent yearly through 1998.

Involvement of Employees in Management Reforms:

- An employee survey in 1995 will show that most employees believe that management supports and rewards employees for creativity, initiative, and teamwork.
- The number of teams established to carry out major implementation changes will continue to increase.

Alignment of Resources with Priorities:

- By 1995 significant steps will have been initiated to redeploy personnel to support high-priority new initiatives.
- Each year the annual budget process will continue to link strategic plan priorities to the departmental budget.

Wide Use of Performance Measurement:

- By 1995 performance measures will be used to guide policy and program improvement efforts for the Department's 15 largest programs.

Widely Available and Easily Accessible Information Systems:

- By 1996 the one-stop shopping line for information on Department programs (1-800-USA-LEARN) will be fully operational, covering all programs.
- Monthly town meetings with the Secretary and Deputy Secretary will continue to expand their audience and usage.
- By 1996 public use of the Department's electronic information systems (e.g., computer bulletin boards and Internet nodes) will quadruple.
- By 1995, 10 program offices will have received appropriate hardware and training to store program office records electronically rather than on paper.
- By 1998, 50 percent of new official grants and contracts files will be maintained electronically.

Enhancement of Labor-Management Partnerships:

- By 1996 labor-management partnerships will be implemented and councils and/or agreements will be in place in every bargaining unit of the Department.
- Annual surveys of union leadership and management will indicate that each believes the relationship to be productive and to facilitate employee input.

Streamlined Operations to Complement Reinvention:

- The Department will meet commitments outlined in the 1994 streamlining plan and will continue to improve customer service and integrate functions to achieve efficiency. In particular, head counts in targeted functional areas will be reduced by the following percentages from 1993 to 1999:
 - Personnel specialists down by 24 percent by 1999.
 - Budget specialists down by 25 percent.
 - Acquisition specialists down by 21 percent.
- Organizational layers will be reduced to five layers by 1995 and to three layers by 1997.
- The number of supervisors will decrease from more than 700 to 425 by 1998.
- Span of control will increase steadily from the current 1:6 ratio to a 1:10 ratio by 1997, and a 1:12 ratio in 1999.

The U.S. Department of Education's Organizational Values

- 1. We support the Department's mission and the National Education Goals in all of our work.*
 - 2. Our most important customers are learners of all ages.*
 - 3. We are committed to providing high-quality service to all our customers.*
 - 4. We foster learning, innovation, and teamwork throughout the Department.*
 - 5. Every employee matters—we cooperate and we treat one another with trust and respect.*
-

For a copy of the Department's strategic plan—

Write to: U.S. Department of Education
Room 2421, FB10B
Washington, D.C. 20202-0498

Telephone: 1-800-USA-LEARN (1-800-872-5327)

Or, fax your request to: 1-202-401-0689

ROUTE SLIP

White House Correspondence
Room 94 - OEOB
Phone 456-7610

TO:

John P.

FROM:

J. Ficklin

ext.

cc: John Ficklin w/ attachment

- ☐ For your information only
- ☐ For appropriate action
- ☐ Please draft a reply and return within 5 days
- ☐ For your approval or suggestions
- ☐ ASAP please! This material is time sensitive

COMMENTS:

Did you notice the date
on this when you sent it to
me? (12/15/92) NSC may
be interested, but it seems late
to respond now. Pls let me
know you're wishes.

N RN

FEDERAL FREEDOM FRONT (BURMA)

19 S.Garfield Ave, Suite 'E', Alhambra, CA91801,Tel(818)289-9025,Fax(818)289-5477

DEAR MR. BILL CLINTON(PRESIDENT ELECTED UNITED STATES)

DECEMBER 15,1992.

*-Dorskind
-WS
8/28/95
JAO*

LAST 4 YEARS AGO, 1988 ,BURMESE STUDENTS & PEOPLE DEMANDED, 'FREEDOM ,DEMOCRACY & HUMAN RIGHTS IN 'BURMA' BURMESE MILITARY SHOT TO KILL, ABOUT 10000 PEOPLE NATIONWIDE,INCLUDING SCHOOL BOYS,GIRLS,(11,14YEARS OLD)UNIVERSITY STUDENTS INFRONT OF UNITED STATES EMBASSY IN RANGOON, BURMA.ABOUT 12000 BURMESE PEOPLE & STUDENTS FLED TO BURMA-THAILAND BORDER AREA BURMA-BANGLADESH BORDER AREA & TOOK UP ARMS TO FIGHT BACK,BURMESE MILITARY REGIME.

LAST 1990 ,MAY 27,SLORC HOLD, 'NATIONWIDE GENERAL ELECTION.'DAW AUNG SAN SUU KYI,WHO IS SECRETARY GENERAL OF N.L.D PARTY WON 80%VOTES & OVER 82% CONGRESS SEATS,BUT SLORC(MILITARY STILL REFUSE TO TRANSFER OF POWER TO N.L.D PARTY).

DAW AUNG SAN SU KYI,WHO IS OUR LEADER WAS UNDER HOUSE ARREST FOR NO REASON,SINCE 1989 JULY & N.L.D CHAIRMAN THURA U TIN CO,WHO IS FORMER DEFENSE MINISTER ALSO IN JAIL SINCE 1989.

WE WOULD LIKE TO REQUEST YOU THAT,WE BURMESE PEOPLE LIVING IN UNITED STATES WANTS ANY KIND OF SUPPORT FROM UNITED STATES GOVERNMENT FOR 'REFREEDOM OF BURMA'.OUR PEOPLE LIVING IN BORDER AREA NEEDS FOOD,CLOTHS,MEDICINE(E.T.C).

WE HOPE THAT,YOU ARE THE PRESIDENT OF UNITED STATES(VERY SOON)(ALREADY ELECTED)CAN DO SOMETHING FOR OUR COUNTRY REFREEDOM.

GOD BLESS YOU.

MARY CHRISTMAS & HAPPY NEW YEAR.

Michael Zarni Nyunt Aung

MICHAEL ZARNI NYUNT AUNG

FEDERAL FREEDOM FRONT(BURMA)

CO-CHAIRMAN OF "ASIAN-PACIFIC AMERICAN COALITION ASSOCIATION".

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: March 10, 1995

95 MAR 11 PM 12:03

Date of Request: 3/01/1995
Request for: POTUS/FLOTUS
Type of Request: Honorary Co-Chairs of
the Presidential Tribute Committee
Requestor Name: Mr. and Mrs. Norman Brinker
Title: Honorary Co-Chairs
Organization: Cultural Diversity, Public Policy
and Survivorship
5th Biennial Symposium on Minorities, the
Medically Underserved & Cancer
1720 Dryden
Suite C
Houston, Texas 77030
Contact Tel. #: 713/798-4617
Event Date: 4/24/1995
Event Description: Gala reception to unveil the Dorothy I.
Height Lifetime Achievement Award.

Notes:

Recommendations:

MW _____

JP _____

EB _____

John-

3/28/95

Maggie Williams has
approved for the FL.

Do you want to
reconsider?

OK
Jessica 3/29/95



Gran/Melny

B.

THE PRESIDENT HAS SEEN

3/28/95



Arkansas
Times
3/3/95
TO POTUS
via Nancy H
flem
HCC

ARKANSAS ALBUM PAGE 12

THE INSIDER

WAR STORIES

Radical right-wing GOP Congressman **Bob Dornan** of California, in Arkansas last weekend for a spate of fund-raising appearances for Fourth District Congressman **Jay Dickey** of Pine Bluff, also went to Fayetteville to meet with **Col. Eugene Holmes**.

"They had dinner and told war stories far into the night, so I heard," said Dickey, who didn't accompany Dornan to Fayetteville.

Dornan, a prospective candidate for the 1994 Republican presidential nomination, has been an unrelenting critic of President Clinton for avoiding military service during the Vietnam War. It was Holmes, former head of ROTC at the University of Arkansas, who revealed, during the 1992 presidential campaign, a letter showing how the president avoided the draft by obtaining, then giving up, a place in the UA ROTC program.

THE CONDITION

Jay Dickey said Bob Dornan made it one of the conditions of his visiting Arkansas that he could meet Col. Holmes. Dornan was interested in meeting Holmes because Holmes is a war hero, a survivor of the Bataan Death March during World War II. Dickey said Dornan wasn't looking to dig up more anti-Clinton material.

Dornan spoke in five cities for Dickey, who declined to reveal the financial bottom line.

FAREWELL ARENA

That Crystal ~~III~~ arena proposal? It's dead.

The entrepreneurs who dreamed up the \$200 million arena, convention center and hotel complex for western North Little Rock are now lending support to the downtown arena idea floated by elected officials.

Jack Fryer and Tom Adams of the Arkansas Cultural Complex Study, promoters of the Crystal

INSIDER Continued
on page 3



THE INSIDER

Continued from page 1

Hill project, confirmed that their option to buy the 1,000-acre site has expired. Land owners have asked for different development ideas.

Meanwhile, Adams has written Pulaski County Judge Buddy Villines, North Little Rock Mayor Pat Hays and Little Rock Mayor Jim Dailey offering his group's expertise in planning a proposed multi-event center in downtown North Little Rock and expanded convention facilities in downtown Little Rock.

POOR JUDGMENT

Chancellor Alice Gray is at it again, keeping the public in the dark about goings on in her courtroom. The latest episode stemmed from an *Arkansas Times* story about efforts by an employee of Judge Gray to dig up dirt on a lawyer in the multimillion-dollar Skokos v. Skokos divorce case, which the judge has put under a shroud of secrecy worthy of the KGB.

The lawyer under investigation, Bob Robinson, who represents Pam Skokos against Ted Skokos, asked that the judge step down for bias. The day after the *Times* called the judge for a no-comment on the matter, she abruptly scheduled a hearing on his motion.

When an *Arkansas Times* reporter showed up for the hearing, he was ordered to leave the courtroom. The reporter made a formal objection and Robinson tried to join the motion, but was told by the judge to refrain from such "foolishness."

Such "foolishness"—an open court—happens to be a fundamental tenet of Arkansas law. Judges have some limited discretion to close domestic matters, which the hearing on the recusal motion was not. No word on the outcome of the hearing. But we can guess.

MAULDEN MUM

At the same recent New York meeting in which the NAACP board of directors elected Myrlie Evers-Williams president, Jerry Maulden of Little Rock, president of Entergy Corp., was replaced as treasurer for the financially troubled civil rights organization. In an unprecedented display of disapproval before the board vote, rank-and-file NAACP members rejected as too vague Maulden's treasurer's report, which outlined a \$2.3 million deficit.

Frank Bourges, a Connecticut insurance executive who replaced Maulden, told the *Times* he was "asked to serve" about a week before the meeting "because Jerry had elected not to." Since then, board members have said an audit now being conducted by the accounting firm Coopers & Lybrand could raise the deficit to more than \$4 million. Maulden did not respond to a second request from the *Times* for an interview on the subject of the NAACP.

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Detroit Free Press

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Deputy Managing Editor
News

IN OUR OPINION

CLINTONOMICS

Clinton's economic policies have proved their worth

If the Clinton administration had predicted two years ago that the U.S. economy would do as well as the numbers now show, the claim would have been dismissed as political braggadocio. Surely those who so damned the administration's economic policies — and especially the budget package of 1993 — should admit that they were flat wrong.

At that time, you may recall, these critics said the budget package — which included spending cuts, a gas tax increase and a tax boost for people in the upper-income brackets — would kill off the recovery. It didn't. The Federal Reserve Board, in fact, intervened repeatedly last year to try to restrain the growth of the economy, citing inflation fears that have not begun to show up in the data.

So what really has happened? The economy had the best year of growth since

1984, and the lowest inflation of any year since the '60s. It has generated close to 6 million net new jobs over the last two years. In fact, the budget package has restrained and reduced the growth of federal deficits, despite the higher interest costs that result from the Fed's attempt to ratchet up short-term interest rates.

As the administration tries to work out an accommodation with the new Republican Congress about how to manage the economy and the federal budget for the next two years, it has a pretty good claim to a major voice in setting the nation's course. The record of the last two years would be remarkable under any circumstances.

It is doubly impressive when you remember how many Republicans were saying the president's policies were bound to fail. They didn't. In fact, they worked remarkably well.

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IN OUR OPINION

STATE OF THE UNION

Clinton reasserts a healthy sense of leadership

President Bill Clinton made it clear in his State of the Union message this week that he plans to do far more over the next two years than merely react to — or adopt — the agenda of the new Republican majority in Congress. That declaration, albeit a tad verbose, was a reassuring expression of presidential leadership.

Mr. Clinton acknowledged in his speech that the change demanded by cynical, disaffected voters last November will require him to cooperate with the GOP on a range of issues revolving around a central theme: a smaller, more efficient federal government that does not attempt to dictate solutions to every social problem — one that helps provide individual opportunity but demands greater personal and communitarian responsibility in return.

That centrist theme, in fact, was one of the foundations of the president's 1992 campaign, and it can work again for him next year. In the meantime, it provides plenty of room for productive bipartisan compromise with Congress on legislation dealing with such things as entitlement controls, illegal immigration, fiscal stabilization in Mexico, teen pregnancy, unfunded federal mandates for state and local governments, political finance and ethics reforms, a line-item budget veto for the president, incremental health care reform, and the effort to "reinvent" government.

At the same time, though, the president cited issues of core principle on which he is not prepared to capitulate: defending ratio-

nal firearms control measures against assaults by the gun lobby and its Capitol Hill apologists; challenging GOP tax or welfare "reform" that seeks mostly or solely to punish poor Americans; demanding that balanced-budget cheerleaders make clear the costs to their constituents of achieving one; proposing a reasonable increase in the

minimum wage; preserving his national service program and family-leave legislation; maintaining national education standards; exercising a consistent foreign policy in trouble spots such as North Korea.

President Clinton will not serve himself or the nation well either by blocking or embracing every GOP initiative that comes before him. His challenge is to decide which battles are worth fighting, either because he can win them

RON EDMONDS/AP

Clinton: Centrist theme

or because they are the right ones to wage on principle, or both.

As Republicans regularly argued when they were the minority in Congress, gridlock that prevents the enactment of bad legislation isn't necessarily a vice. And Americans have shown their willingness to respond to leadership that stands for something, even if it isn't something popular.

Mr. Clinton routinely has been counted out or written off throughout his political career; he just as often has demonstrated startling resilience. The comeback he must make from now until Election Day 1996 will be his toughest yet, but his address to the nation this week suggests that he knows where he wants to take the country — and, just as important, how to get there.



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321 W. Lafayette, Detroit, Mich. 48226
(313) 222-6400**IN OUR OPINION**

Stand and fight for Foster's nomination

Foster is being battered because that serves the ideological and political interests of a body of folks who want to marginalize anyone who is pro-choice.

If the Republican majority in the Senate is willing to defeat Dr. Henry Foster Jr.'s confirmation as surgeon general on the principle that any number of abortions should disqualify him, then let 'em go for it.

But spare me the nonsense that you are defeating this gentle Tennessee doctor, with a proven track record and a clear lifelong

emphasis on preventing teenage pregnancy, because of a lack of credibility or because the White House blew it. Whether Dr. Foster performed one abortion, or maybe a dozen, or perhaps 39, or maybe more than that, he did not thereby place himself outside the mainstream of American medicine.

A great many of the nation's obstetricians and gynecologists of Dr. Foster's age and

experience will have faced situations where the clear right thing to do was to abort a pregnancy. Many of them would have performed abortions.

I would not want to have attending my wife or daughter a doctor who refused to recognize that there are some circumstances when you might have to decide, in consultation with the patient, to end a pregnancy. It isn't a part of my theology that it is always absolutely wrong to end a pregnancy no matter what the circumstances.

The numbers game is incredibly silly. Could a surgeon tell you off the top of his head how many times he or she took out an appendix? Are records so perfect and so readily reviewable that you could be absolutely certain, even after review, that you were being precise about such numbers? Dr. Foster was and is saying that performing abortions has not been exactly central to his life.



DOUG MILLS/Associated Press

Dr. Henry Foster Jr. makes a point during remarks made after President Bill Clinton announced his nomination for U.S. surgeon general. Dr. Foster, an obstetrician and gynecologist, has come under heavy criticism because he performed abortions during his 38-year practice.

I know plenty of people believe precisely that what Dr. Foster admitted to doing in the course of a lifetime practice — or what I am saying here — is absolute sin and that we should burn in hell for it. I'm a little weary of that argument.

I do not regard life as cheap, and I'm sure Dr. Foster doesn't either. But I believe deeply that the state has no business trying to deny women that choice. It offends and angers me that there are people who are so sure they know what the law ought to tell us to do about abortions that they are willing to kill a doctor in an abortion clinic or to destroy a perfectly legitimate nominee to be surgeon general.

Sure, Bill Clinton ought to be smarter and more thorough in researching his nominees. He shouldn't be so obsessed with trying to appease his enemies that he gets trapped in a need for more precision than most humans can manage. But the New York Times editorial page reached a new level of silliness the other day when it defined the controversy about Dr. Foster as the result of a tainted nomination process.

Dr. Foster is being beaten to death not because he and the White House couldn't or didn't say right up front the precise number

of abortions he had performed. He is being battered because that serves the ideological and political interests of a body of folks who want to marginalize anyone who is pro-choice.

The Republicans in the Senate certainly can reject Dr. Foster if that's what they want to do. They can vote against confirmation for good reasons, bad reasons or no reason at all. They seem ready to vote to do a good many things that I think are not conservative but mean-spirited.

But the president and the Democrats in the Senate shouldn't collaborate in their own destruction. The president should fight for Dr. Foster, and Dr. Foster should fight for himself. Ronald Reagan fought for nominees who seemed from my perspective pretty marginal, and he was right to do so, if that's what he believed.

Sometimes it's better to fight and lose than to let the juggernaut roll over you. Sometimes you even win the hard ones because the basic sense of fairness is able to work to mitigate the propaganda campaign.

Withdraw the nomination? Let's call the roll and ask the senators how they're really going to stand.

JOE H. STROUD

THE PRESIDENT HAS SEEN
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Tony
~~But~~

The Long Road to Truth About Killings in Guatemala

By TIM WEINER

WASHINGTON, March 23 — In November, President Clinton's national security adviser, Anthony Lake, told Jennifer Harbury, an American lawyer married to a Guatemalan guerrilla, that the United States had no information that her common-law husband was alive.

That was the truth, but not the whole truth.

A month earlier, provoked by a long hunger strike Ms. Harbury had conducted in front of the American Embassy in Guatemala, State Department officials began searching their files. From October to January, they made a series of discoveries that horrified them.

The Clinton Administration possessed secret documents linking a paid informer of the Central Intelligence Agency — a Guatemalan Army colonel — to the killings of Ms. Harbury's husband and of an American innkeeper in Guatemala. The files had been in the possession of the C.I.A. and the State Department since the Administration took office.

The files said the intelligence agent, Col. Julio Roberto Alpirez, became a C.I.A. informer in the 1980's. He spent a year at an elite United States Army training program for foreign soldiers, the School of the Americas, in 1989. He had overseen the 1990 killing of Michael DeVine, an American citizen who ran a hotel in the Guatemalan rain forest and apparently had stumbled onto a smuggling operation involving the Guatemalan military.

Colonel Alpirez was not dropped from the C.I.A.'s payroll until 1992, about the time he supervised the interrogation and killing of the leftist guerrilla, Efraín Bamaca Velásquez, Government officials said.

By late January, when the State Department and the National Security Council pieced together what the C.I.A. knew, a struggle erupted at the intelligence agencies, Government officials said. The American Ambassador in Guatemala demanded the removal of the C.I.A.'s station chief, they said, and the National Security Council ordered an internal investigation at the intelligence agency.

The C.I.A. fought to stop disclosure of its relationship with the colonel in the Guatemalan military, generally considered to be the worst human-rights violator in the Western Hemisphere. Administration officials be-



Jennifer Harbury held a picture of her slain husband, Efraín Bamaca Velásquez, as Representative Robert G. Torricelli, whose hand is seen in foreground, spoke at a news conference in Washington yesterday.

gan to mistrust what the C.I.A. was saying about the case. They tried to find a way to release the information — or at least to tell Ms. Harbury what they knew.

In the end, both sides lost: The information was disclosed on Wednesday by Representative Robert G. Torricelli, a New Jersey Democrat who is a member of the House Intelligence Committee.

The story of the strange case of Colonel Alpirez, what and when Administration officials knew about his role in the two killings, was provided by several officials from the White House and the intelligence agencies and members of Congress briefed by the C.I.A. Most asked for anonymity.

Colonel Alpirez first came to the United States in 1970 as an army cadet to receive combat training at

the School of the Americas.

When he returned to the School of the Americas in 1989, to take the yearlong Command and General Staff course, he was already on the C.I.A. payroll, officials said.

He returned to Guatemala as a senior officer at a special-forces base in the northern town of Poptún. In June 1990, he crossed paths with Mr. DeVine, who ran an inn in Poptún. The encounter was fatal for Mr. DeVine, Government officials said.

Ms. Harbury's husband, Mr. Bamaca, who used the nom de guerre Comandante Edvardo, was captured by the Guatemalan military on March 12, 1992, tortured for an unknown time and killed. Colonel Alpirez was removed from the C.I.A. payroll around the time of the capture, Government officials said.

What happened next is in dispute.

Adm. William O. Studeman, the acting Director of Central Intelligence, said today that the C.I.A. had no information about the deaths of Mr. Bamaca or Mr. DeVine "at the time the deaths occurred."

But several members of Congress briefed by the C.I.A. said the agency's reports on the killing of Mr. Bamaca date from the summer and fall of 1992, and were not shared with senior diplomats.

On Oct. 19, 1994, as Ms. Harbury conducted her hunger strike in front of the Embassy in Guatemala, officials of National Security Council and State Department began searching their files on the case. They asked the C.I.A. for its records on Mr. Bamaca, which produced files. But when Mr. Lake briefed Ms. Harbury, he still did not know everything the C.I.A. knew about the case.

A few weeks later, someone thought to ask the C.I.A. for its files on "Comandante Edvardo" — same man, different name. That request produced far more files, and spawned more distrust between the Administration and the C.I.A. Finally, on Jan. 25, 1995, the C.I.A. produced information that linked its agent, Colonel Alpirez, to the killings.

Now the State Department agonized over what to tell Ms. Harbury. On March 7, the American Ambassador in Guatemala, Marilyn McAfee, told her: "Bamaca is dead. I am convinced he is dead, but I do not know what happened to him."

But others knew: he had died on the orders of Colonel Alpirez.

U.S. and Russia Agree to Try to Extend Fraying Bosnia Cease-Fire

By STEVEN GREENHOUSE

GENEVA, March 23 — Secretary of State Warren Christopher and Foreign Minister Andrei V. Kozyrev of Russia agreed today to try to extend the fraying cease-fire in Bosnia as American officials disclosed details of a revised peace plan that would no longer require Serbia to recognize Bosnia formally.

Under Washington's new plan, Serbia is being asked to approve constitutional principles that would keep Bosnia's territory intact, and in return Serbia would win a partial lifting of economic sanctions.

Administration officials said the new plan is intended to nudge President Slobodan Milosevic of Serbia closer toward recognizing Bosnia and to further isolate Bosnian Serbs. One official acknowledged that the plan aims to accommodate Mr. Milosevic, whom the Administration views as a wily, but important power broker who can apply substantial pressure on Bosnian Serbs.

The new proposal abandons the

stricter conditions in the Administration's previous plan, which demanded that Mr. Milosevic recognize Bosnia and Croatia in exchange for having the sanctions lifted. Mr. Milosevic flatly rejected that proposal.

"We're trying to find a way of nudging the parties toward a possible solution," Mr. Kozyrev told reporters after four hours of meetings today with Mr. Christopher.

Administration officials said they planned to make their new proposals over the next week at a meeting with Russian, British, French and German diplomats in the hope that the five-nation "contact group" would embrace it.

The United States is floating its new plan at a time when fighting has surged in Bosnia notwithstanding the four-month-old cease-fire that expires April 30. The foreign ministers of the United States, Russia and France all called this week for extending the cease-fire.

Indicating the direction in which

peace efforts are moving, diplomats from those three countries hinted this week that they might favor a gradual lifting of sanctions against Serbia as it takes steps to recognize Bosnia and support the peace effort.

Even though the new American proposal would not require Serbia to recognize Bosnia formally, several Administration officials said any agreement by Serbia to recognize constitutional principles about the future shape of Serbia would be close to recognizing Bosnia and its external borders.

"In theory, this would undercut the Bosnian Serbs a lot," said an official in Mr. Christopher's entourage. "They'd be totally isolated."

Several officials said that if Mr. Milosevic went a step further and recognized Bosnia, then there might be an additional step in lifting sanctions. A first step might be to lift the embargo on normal trade, and a second step might be to end the embargo on financial services or strategic goods, one official said.

After two days of meetings here, Mr. Christopher and Mr. Kozyrev emphasized that it was important to reinvigorate the contact group and to get the often-fractious group to develop a new common position on the war in the former Yugoslavia.

A senior Administration official said Mr. Kozyrev, who has close ties to the Serbs, told Mr. Christopher that he was convinced it would be hard to get an overall solution in the Balkans. As a result, Mr. Kozyrev said the best route now is to coax the warring parties to take small steps toward peace.

"In our discussions today, I took the opportunity to let the foreign minister know of our strong opposition to Russian nuclear cooperation with Iran," Mr. Christopher said.

He also criticized the Russian invasion of Chechnya, and American officials said Mr. Kozyrev did not indicate any plans to resolve the war there through negotiations, as the United States has urged.

THE NEW YORK TIMES

FRIDAY, MARCH 24, 1995

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**Potential Performance Indicators:
Differential Outcomes for African Americans**

Social Outcome	Indicator	Data Sources	Current Values
HOUSING & NEIGHBORHOODS			
Access to homeownership	homeownership rates for white & black families (with same incomes)	Decennial Census & American Housing Survey	all blacks 42.5% all whites 67.8%
	mortgage loan denial rates for white & black applicants with same incomes	annual Home Mortgage Disclosure Act (HMDA) data	high inc blacks: 18.2% high inc whites: 7.9%
Access to neighborhoods	degree of spatial separation between blacks & whites (with same incomes)	decennial Census	average segregation score for metro areas: 65 (100 = total segregation, 0 = none)
Housing choice	incidence of unequal treatment of similar blacks & whites by real estate agents/landlords	paired testing studies (HUD)	blacks treated less favorably than whites 46% of the time in national audit
Severe housing problems	incidence of "worst case needs" for blacks & whites with same incomes	biennial American Housing Survey (Census)	low inc blacks: 71.5% low inc whites: 65.5%
EDUCATION			
Access to Schools	Degree of educational separation of blacks & whites;	annual Dept. Ed data	not yet tabulated
Graduation Rates	Black & white graduation rates at high school & college	annual Dept. Ed data	not yet tabulated

THE PRESIDENT HAS SEEN
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Social Outcome	Indicator	Data Sources	Current Values
School Diversity	Black & white college enrollments as percent of high school graduates	Dept. of Ed & Census	not yet tabulated
EMPLOYMENT & INCOME			
Poverty	poverty rates for black and white children	annual Current Population Survey	black children: 45.9% white children: 17.0%
Joblessness	unemployment rates for blacks and whites (of same age, sex, & educational level)	annual Current Population Survey; Geographic Profiles of Employment	black men: 14.5% white men: 6.7% black women: 14.0% white women: 5.0%
Access to employment	degree of occupational disparity between blacks & whites with same education	decennial Census data; annual Current Population Survey	separation score for men: 33 for women: 50 (100 = total separation, 0 = none)
	incidence of unequal treatment of equally qualified black & white applicants	paired testing studies (Urban Institute)	black men treated less favorably than whites 20% of the time in Chicago & D.C. audits
Wages	ratio of wages for blacks & whites with same education and experience	annual Current Population Survey	avg weekly wages of black women 70% of white women with comparable experience

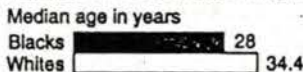
Educated black women make biggest strides

The state of black America: Gains but still lagging

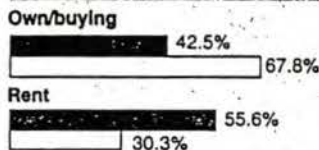
The U.S. Census Bureau today releases its most comprehensive statistical portrait of the USA's African-American population since the 1970s. Blacks, now numbering 33 million, are 12.7% of the population. The progress of blacks in the USA:

FAMILY

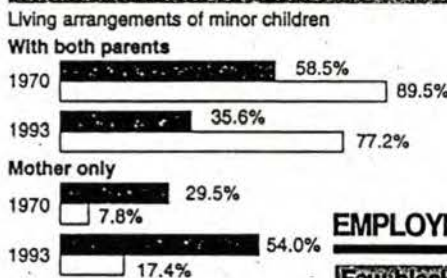
Blacks are younger



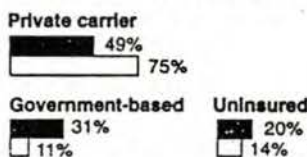
More whites own homes



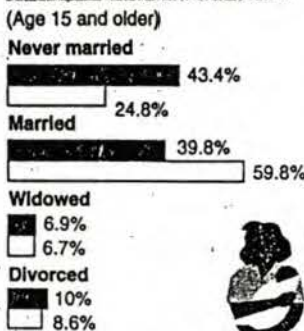
Majority of black children live only with mother



More blacks uninsured



Fewer blacks are married

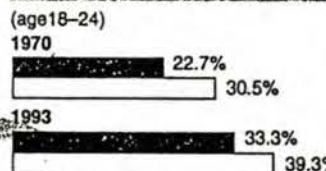


EDUCATION

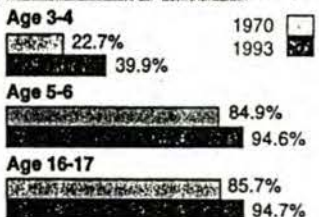
More blacks are graduating



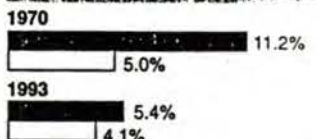
College enrollment climbs



More black children enrolled in school



Dropout rates are falling

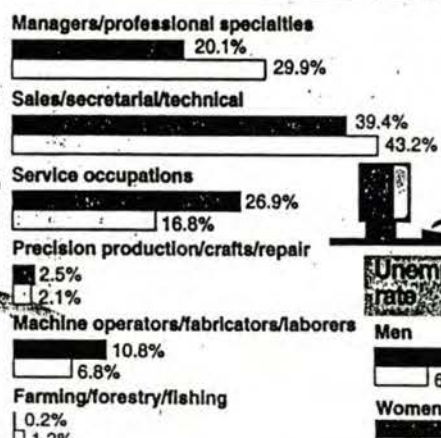


EMPLOYMENT

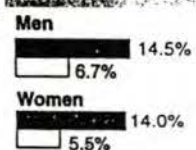
Few black men hold managerial jobs



Black women joining whites in offices



Unemployment rate



INCOME

Household incomes

(adjusted for inflation in 1993 dollars)

	1979		1993	
	Blacks	Whites	Blacks	Whites
Married couples	\$13,807	\$22,479	\$15,228	\$22,683
Female head of house ¹	\$13,405	\$22,323	\$11,905	\$20,003
Male head of house ²	\$24,243	\$34,487	\$19,476	\$28,274

1 - No spouse present
2 - With bachelors degrees or higher
Source: U.S. Census Bureau

Note: Statistics are for 1993, unless otherwise indicated. Some responses not shown.

More blacks live in poverty

	Blacks	Whites
All persons	33.1%	12.2%
Married couples	12.3%	5.8%
Female head of house	14.9%	29.2%
Male head of house	29.4%	13.9%
Elderly (65 and over)	28.0%	10.7%
All children	45.9%	17.0%
Children with mother only	65.9%	45.6%

Black female executives out-earn white women

	Median income
Men	\$46,980
Women	\$40,494
Black female executives	\$36,719

Essay

WILLIAM SAFIRE

You Lucky Seven

UP / Hickey / Sonich
literary
B.

WASHINGTON

Like Lucy in the comic-strip Peanuts, who dispenses wisdom to all comers under the sign "Psychiatric Help — 5¢," I offer herewith invaluable political-guru service to the seven Republican Presidential candidates for the price of a single newspaper.

To Phil Gramm: With Pat Buchanan slicing into your hard-right support, you cannot make it by reminding us of your triumph last year over Hillaryhealth, by out-grinching Gingrich, or by singing "Younger Than Doletime." A fresh, substantive appeal is needed.

You're an economist. Clintonites, joined by some nervous Republicans, are now saying "no spending cuts to finance tax cuts." This kicks Lord Keynes in the head.

You could explain how major spending reduction, unless accompanied by substantial tax reduction, would dangerously reduce aggregate demand — perhaps plunging the nation into recession. By becoming the only anti-recession candidate, you can say you told them so when the downturn comes this winter.

To Pat Buchanan and Arlen Specter: How to break out of single-digit, second-tier status? Upstage the field by staging a series of formal, town-hall, C-Spanned Specter-Buchanan debates.

Just the two of you — diametrically opposed on abortion rights and civil liberty and free trade — could put on sustained performances that would energize your disparate constituencies, capture media attention, hype your fund-raising and raise the intellectual content of the campaign to a Bryan-Darrow level. And by grimly maintaining civility and mutual respect, you could detoxify the natural party split.

To Lamar Alexander: Ignore all elitist pundit advice to abandon your flannel shirts and outsider shtick. Nobody else in the field is working the cybercornball side of the street and it could turn out to be effective in Iowa and New Hampshire.

Your initial anti-Congress theme — "Cut their pay and send them home" — may be boring to the cognoscenti but could be appealing to voters when their hopes for term limits are dashed. As we will see, the problem of Congressional paralysis was not solved in 1994; by February, the term-limits candidate may find supporters resonating with resentment.

To Richard Lugar: To run as the

Thinking Person's Candidate would have won press plaudits but no primary votes, but your strategy of double-hawkishness is intriguing.

Your hard line on Saddam — send back those two American hostages or face real consequences — dovetails with being a deficit hawk on seemingly untouchable farm subsidies. Nobody else has the foreign-policy hand and Hoosier eye to frame this symmetry, and there may be more interventionist budget-squeezers than pollster's suspect.

To Bob Dole: Drop the defensive deal-making about your age; promise to serve two full terms without one afternoon nap.

You're the legislative doer, so do: Get the Balanced Budget Amendment this fall by winning Hatfield's abstention, and send Clinton a welfare reform bill he'll hate to have to sign. Work secretly with Packwood to match spending cuts with a sur-

Advice to the G.O.P. field.

prise tax package featuring flatter rates on both income and capital gains, with caps on future mortgage deductions. And stop running rightward against Gramm when your main competition is Wilson.

To Pete Wilson: Remember how Eisenhower wrested the G.O.P. nomination from Senator Taft — appeal to the Republican lust to win.

Forget the sniping about running so soon after winning re-election as Governor; it's a reminder that you won. Welcome the onslaught about being pro-choice and never waffle; praise pro-life Gramm for candidly telling the preachers he won't become a preacher. Predict Dole's front-runnerhood for months ahead.

Even as you harass illegal immigrants to encourage their departure, show you're for legal immigrants by opposing plans to restrict their welfare. Don't pander to single-issue voters; because everybody knows the White House fears you most, your primary theme should be "go with a winner."

To my fellow right-wingers: What's the rush to decide 15 months before the convention? Send in a few bucks to the two or three candidates you like most. Revel in the system. □

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THE PRESIDENT HAS SEEN

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MEMORANDUM TO THE PRESIDENT

FR: RBR *RBR*

March 13, 1994

RE: "Corporate welfare"

HK/ear
Fig - B2

I suggest that you give a speech on "corporate welfare," in which you call on Republicans to join you in eliminating corporate subsidies and tax benefits which are not economically justifiable, and invest the savings in *more* spending on education and job training.

You are in a good position to take on this issue. As the attached memorandum makes clear, the Administration already has mounted an attack on corporate welfare, including everything from eliminating the tax deduction for lobbying expenses, to requiring companies to fully fund their pension plans so that taxpayers don't get left bailing out underfunded plans. Your 1996 budget calls for eliminating additional unwarranted subsidies (see attached).

So far, the Republicans have seemed unwilling to take on the issue. But with their proposed cuts in welfare and other social services, combined with their proposed cuts in capital gains, their shyness about corporate welfare could be a particular embarrassment. Note, however, that yesterday on *Meet the Press* (Sunday, March 12), Senator Phil Gramm intimated a shift. He said that he was opposed to "corporate welfare," and would like to "take the funds that we're spending for subsidies, use that money to reduce the capital-gains tax rate and let private business make decisions."

You should not let them take the lead on this.

cc: Hillary Rodham Clinton

Corporate Subsidy Cuts in the Clinton Administration

The issue of reducing unwarranted corporate subsidies has gained a higher profile in recent days as the alternatives for deficit reduction become more concrete in the public's mind. In this context, it is important to recognize that curbing corporate welfare is already a significant (if tacit) theme of the Administration. The disparate areas in which such initiatives arise disguise the scale of the Administration's accomplishments and proposals.

Accomplishments to date:

1. OBRA 93 The 1993 Omnibus Budget Reconciliation Act included major cuts in corporate subsidies, including the elimination of tax deductions for lobbying expenses (\$1 billion over six years) and reducing (to 50 percent) the share of corporate entertainment expenses that can be deducted (\$4.6 billion over six years.)
2. Trade liberalization Tariffs and quotas effectively subsidize producers, at consumers' expense. Since these subsidies do not pass through the federal budget, it is easy to miss the fact that trade liberalization under GATT and NAFTA represents a massive cut in corporate subsidies. The largest effects have been in textiles, apparel, and agriculture, but transfers in consumers' favor are underway economy-wide due to the Administration's trade policies.
3. Pension reform Underfunded pension plans confer a cost advantage on the sponsoring corporation, paid for by a combination of employees, other corporations (who may find themselves cross-subsidizing firms with funding deficits) and the taxpayers (who risk having to make good pension-plan defaults.) Underfunding grew from \$27 billion in 1987 to \$53 billion in 1993. But the Retirement Act of 1994 strengthens funding requirements, requiring firms to pay their way and lowering the risk to taxpayers and retirees.
4. Direct subsidy cuts The Administration has already made a number of cuts in direct subsidies through its earlier budgets, including eliminating federal support payments for wool and mohair (\$1 billion in 5-year savings) and honey (\$16 million.)

Pending proposals: The Administration's budget proposal includes significant reductions in corporate welfare--though again, the proposals don't carry that label. (Selected examples from the FY1996 budget are attached.) Two proposals to close tax loopholes are worth over \$2 billion over five years. Around 20 subsidy programs to be cut or eliminated would save about \$650 million in FY1996 alone.

Contrast with Republican approach: Compared with this record of accomplishments and proposals, the Republican approach seems both meager (only \$17 billion in cuts proposed so far) and glaringly different in the values it embodies. Child nutrition, education and job training, and other programs face major cuts, while corporate subsidies are held harmless. Low-income programs account for 12 percent of discretionary spending, but 63 percent of proposed Republican cuts. Indeed, many of their proposals (such as the "neutral cost recovery" tax proposal, which would effectively repeal the corporate income tax) amount to sharp increases in corporate welfare. The Administration holds good ground on this issue.

Attachment

<i>I. SELECTED TAX PROPOSALS</i>	<i>5-yr savings</i>
Expand fees collected under the securities laws	\$1.7 billion
Assess fees for FDIC-insured banks and bank holding companies	\$429 million

II. SELECTED ELIMINATIONS & REDUCTIONS

<i>Agency</i>	<i>Proposal</i>	<i>1996 Savings</i>
<i>Agriculture</i>	Eliminate the REA Rural Telephone Bank	\$10 m
	Reduce Grain Inspection Admin	\$12 m
<i>Commerce</i>	Eliminate 41 NOAA projects	\$99 m
	Eliminate Int'l Trade Admin grants	\$18 m
	Reduce 4 NOAA projects	\$21 m
<i>Energy</i>	Eliminate Coal R&D Program	\$9 m
	Privatize Power Marketing Admins	(savings in out-years)
	Eliminate Naval Petroleum Reserves	\$17 m
	Reduce Fossil Energy R&D	\$40 m
	Reduce Energy Supply R&D	\$87 m
	Uranium Enrichment Program	\$31 m
	Strategic Petroleum Reserve	\$31 m
<i>Interior</i>	Privatize the Helium Program	(savings in out-years)
	Bureau of Mines Savings	\$20 m
<i>DOT</i>	Eliminate FTA Interstate Transfer Grants	\$48 m
	Nat'l Railroad Passenger Corp grants	\$22 m
	Transit Formula Operating Grants	\$210 m
<i>SBA</i>	Eliminate Tree Planting Program	\$15 m

Source: Administration's FY 1996 budget proposal

'Motor Voter' Sign-Ups Speeding Along

With Registrations at Record Pace, Many Are Avoiding Major Parties

By David Morris
Associated Press

Americans are taking advantage of a simplified voter registration law and signing up at a record pace this year. A significant percentage of them are snubbing the major parties in favor of third parties or independent status.

In the South, Republicans are making strong gains, contrary to the GOP theory that the Democratic Party would be the beneficiary of the federal "motor voter" law, which allows registration at motor vehicle bureaus, welfare offices and other agencies.

Not since the Voting Rights Act of 1965, which removed obstacles that had kept many blacks from voting, have so many new voters signed up.

"We're registering [voters] by the carload down here," said Andy Bowen, a voting official in Georgia.

In all of 1994, 85,000 people registered to vote for the first time in Georgia—which featured a high-profile governor's race—or signed up in a new district there after moving. From Jan. 1, when the law took effect, to March 13, 128,322 registrations or address changes were filed. Most of the change came in Republican strongholds.

Georgia, which expects to add 1 million voters by November 1996, is not alone in its success, according to an Associated Press survey of states complying with the law.

In two months, West Virginia signed up 6,250 voters—more than 60 percent of the 10,000 added in 1992, when interest was high because of the presidential campaign.

At least 637,429 voters in 27 states signed up at motor vehicle departments, public assistance agencies, libraries and military recruiting offices between Jan. 1 and the end of February. The actual number will be much higher, since some states had figures for only one month, some had numbers from only one or two counties and some had not yet compiled figures.

California, Pennsylvania, Michigan, Illinois and South Carolina are fighting the motor voter program in court and several other states have not started their programs.

Even without the participation of some of the biggest states, it appears millions of new voters will be eligible to vote in 1996. Demographic information about these potential voters is not available, but experts forecast a big jump in the number of younger voters, who are the most frequent customers at driver's license offices, and poorer people who sign up through public assistance agencies.

Richard Cloward, executive director of Human Serve, a New York-based voter registration organization, estimates as many as 20 million of the 70 million voting-age Americans who are not registered will be signed up by November 1996.

Whether the new voters will turn out is another matter.

"We can bend over backwards and register hundreds of thousands of voters, but the real measure of this program is how many of these people actually get out and vote," said David Rancourt of the Florida Division of Elections. Florida has added 177,204 voters in the first two months of 1995.

It is much too early in the process to paint a definitive picture of the electorate under the motor voter program, since party breakdowns are available in only a few states. But preliminary figures gathered by the Associated Press show the discontent many voters expressed in exit polls last November continuing.

In Delaware, where about 20 percent of the voters usually register outside the Democratic and Republican parties, nearly one in every three new voters is snubbing the national parties. In February, for example, 951 new voters registered as Democrats, 946 picked the Republican Party and 939 registered as "other."

In Kentucky, where people without a party affiliation cannot vote in primary elections, 10,578 of the 36,955 new voters who registered in January and February chose "no party." Of those who registered at public assistance offices, four of every 10 voters chose not to belong to either party.

"This is an excellent barometer of anti-party sentiment," said Thomas E. Mann, director of governmental studies at the Brookings Institution. "It's the sort of thing that might encourage other people to get into the 1996 race."

THE PRESIDENT HAS BEEN
3/28/95
THE WASHINGTON POST
MONDAY, MARCH 27, 1995

Handwritten notes: #clerk, 3/28/95, B

A Long Day's Journey to USAir Deal





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we should be able
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Memorandum

To: The Republican Conference
From: Frank Luntz
Re: Communication Strategy for the Upcoming Budget Battle
Date: January 9, 1995

INTRODUCTION

"The most important reason to eliminate the federal deficit and balance the budget? For the future of American generations, for the children."

- Budget Survey Respondent

"The government is incredibly inefficient. It's like a bad charity that gives more to administration than to the people it's supposed to benefit."

- Focus Group Participant

"You give me a sign that you can spend money responsibly, and I'll give you every penny of my taxes without even flinching."

- Focus Group Participant

Debt. Welfare. Bureaucracy. Taxes. Spending. In your hands over the next six months is nothing less than the chance to transform America's perceptions of the GOP and Congress and, more importantly, to rebuild the nation's expectations for the 21st century. **Carpe Diem.**

Since the election, we've conducted two national surveys and two focus groups to discuss budget and spending issues with real Americans. If a single conclusion can be drawn, it is this: if we communicate our VISION AND POLICIES effectively, we will survive and prosper as a party and as a political movement. But if we forget the future and surrender our language to the Democrats (as we did in 1982 and 1986) our reign will be short indeed.

There are no clear cut solutions to the budget situation lurking in America's public opinion landscape. The public has very limited information, their priorities are often in conflict, and nearly all government programs continue to have some constituencies. That said, I'm more convinced than ever that your policies are America's policies. Why? Because the themes of shrinking government, cutting the deficit, rolling back regulation, reforming welfare, and lowering taxes all resonate with broad majorities. To the extent your ideas are understood, they are supported.

Unfortunately, this alone won't win the battle for you.

The challenge now is to explain your objectives -- clearly and convincingly -- to the broadest possible cross section of America; to galvanize massive public support for the changes you will be making over the days ahead. This means a *communication strategy* -- an effort to select the words, phrases, and examples that will actually paint a picture of the future you envision.

Your challenge is to create "The New America," the post-welfare state vision as powerful to Americans as the New Deal was 60 years ago. This is a lofty goal, of course. And it will take tremendous precision and repetition to achieve. But only then -- when you've described an *irresistible* future to the American public -- will the nation support you and your agenda unconditionally.

Important strides have been made over the last two months. America is beginning to buy into your vision of the future. This memorandum is aimed at helping you do more -- avoiding pitfalls and seizing opportunities during the budget fight ahead.

THE PERCEPTUAL ENVIRONMENT

Before moving into recommendations, it is important for you to understand the perceptual environment you face:

- 1) The crisis mentality that surrounded the deficit issue in late 1992 and early 1993 has somewhat dissipated.

It remains an important issue to most Americans, but the all-encompassing fear that a majority of voters expressed to pollsters two years ago exists among only one-in-five Americans today. Just 19% of Americans consider the budget deficit to be "a crisis," down considerably from 34% in October 1992 and 38% in February 1993.

Why the change? In part, simply because Americans have "survived" the torrent of red ink generated in recent years. As one focus group participant explained, "A

Why the change? In part, simply because Americans have "survived" the torrent of red ink generated in recent years. As one focus group participant explained, "*A crisis means that a problem should have been solved yesterday. The deficit can be tackled today.*"

Yet, the public still wants a balanced budget, and 80% support a Balanced Budget Amendment. The public expects you to balance the books NOW, and they are tired of hearing about it. As another focus group participant concluded, "*I'd like to see a balanced budget amendment tomorrow, so that next week this mess won't be in our hair anymore.*"

2. By an overwhelming 20 point margin, voters believe Republicans are more likely to balance the budget than the Democrats -- but you need to understand the whole picture.

You are already seen as "conservative" and "anti-government" -- two important strengths in the budget arena. The Democrats are tagged as "big government liberals," a fatal weakness. But a number of Americans (even those who voted GOP for the first time this year) believe Republicans are "mean" and "uncaring." As one woman not-so-delicately put it, "*The Republicans don't give a damn about the average person.*" She was not alone. A male colleague added, "*The Republicans might care about our money, but they definitely don't care about us.*" Thus, to an important segment of the population, you are more likely to achieve the right objective (a balanced budget) but for the wrong reasons.

3. Most people believe Congress has the facts to balance the budget.

Again and again, focus group participants complain that they don't have anywhere close to the information on the budget that you do. Survey respondents always *overestimate* their knowledge on nearly any subject, and only 22% believe they know either "a lot" or "a good amount" about the budget process. On the other hand, the public envisions Members of Congress with all the data at your fingertips. And they are therefore expecting you to have the answers. Keep this in mind before you hit the road.

4. Remember that many Americans perceive the key challenges ahead in moral terms rather than economic terms -- a reality the Democrats still don't fully understand.

In last week's poll, we asked, "*Thinking about all the problems facing this country today, which should Congress focus on first?*" A majority (56%) said

"our nation's economic problems," but a significant 41% said "our nation's moral problems" -- and the focus on moral concerns was strongest among middle class Americans. The lesson here: talk about the challenges of irresponsible debt, runaway spending, destructive welfare, and an anti-saving tax code in *moral* -- as well as economic -- terms. America believes Washington isn't just irresponsible, but that it is also fostering all the wrong values in our society.

STRATEGY

"If we all ran our personal finances like the government, we'd all be bankrupt."

-- Focus Group Participant

The following are some of the more important lessons learned from the two focus group discussions and the budget-related polling. First, in terms of general strategy:

- 1) The moral force for balancing the budget must be stronger than the pseudo-moralists who will decry the specific budget cuts. Our enemies are already gathering their stones. The *New York Times* has taken the lead, running two full pages of pictures of homeless people sifting through dumpsters for food. NBC's Tim Russert is a close second, decrying the inhumanity of the Republican cuts even before knowing what they are.

This is nothing new: Reagan faced a similar outcry in 1981-82. This time, we need to fight back, and we need to frame the debate in terms of a "moral commitment to our children and their children." We must match our opponents story-for-story -- the personal and national immorality of passing along increasing debt to our children and future generations versus their budget cutting horror stories. Otherwise, we could win the budget battle but lose the rhetorical war.

- 2) Individual programs have friends. Bureaucracies and bureaucrats don't. Therefore, focus the general rhetorical attack on the "Washington bureaucracy." The focus group participants repeatedly complained about the billions that are mismanaged and wasted by the federal government for needless layers of administration and personnel. "There's just too many folks running the show," said one. "Why can't we fire the bureaucrats?" asked several others. Indeed, on last week's national survey we asked Americans what percentage of the federal bureaucrats should be fired. The answer: 30%.

The greatest anger is directed at bureaucrats and waste rather than the specific programs themselves. Every budget statement by every Republican official should include the words "cutting the Washington bureaucracy."

- 3) Focus on cutting entire departments rather than cutting specific programs. Al Gore went against public opinion when he said, "We were convinced that the reinvention and reform option was preferable [to eliminating agencies]." Americans want elimination rather than reinvention, reduction rather than reform.

For example, both focus groups (even though they included six individuals employed in education) accepted the elimination of the Department of Education, but student loans were a completely different matter. *"It's just a question of whether you want money going to programs, or money going to people,"* said one teacher. The NEA, NEH and CPB will be even less difficult, as long as museums aren't forced to close. The communications lesson: be ready with assurances that any "truly important" program will be maintained even while entire departments are being eliminated.

- 4) Don't publicly rule out an across-the-board cut. Right now, the public believes overwhelmingly that the budget can be balanced just by cutting out the waste, fraud and abuse -- and they expect you to find and eliminate it. But that will change as the debate moves forward and as Americans come to realize that deficit reduction involves sacrifice.

After several months of debate, broad spending cuts may sound more fair because the pain is spread around and is less tangible than when a single program is targeted. After an hour of trying in vain to agree on budget cuts, an exasperated Baltimore woman exclaimed, *"We'll be here all day! There's just no other way -- a 10% cut is the easiest, most equitable solution."* The broader your package of cuts, and the more shared the sacrifice, the easier it will be to sell.

- 5) Nothing tells America more about your priorities than the sequence of your actions. The media is watching closely to see what comes first. That's why "banking" the budget savings before cutting the taxes is so important. It's aligned with the national mood, which would choose "ensuring no debt for their children" (72%) over "getting a tax cut this year" (24%). Similarly, it would be a serious communications mistake to implement a capital gains tax cut ("for the rich") now while only phasing the "middle class tax cuts" over multiple years. Regardless of the economics, this will look like you're putting the "wrong people" first.

- 6) Incrementalism is a failure. Do it all at once. Trying to sell the American people on a piecemeal approach to budget cutting will literally result in "death of a thousand cuts." All budget cuts must be acted on simultaneously. Focus group participants are ONLY able to accept cuts when they are presented in one package. Tactically, each special interest opponent will decry their specific cut, and that will produce a collective cacaphony that will muddle our message and vision.

COMMUNICATION

The objective of the two national polls and focus groups was to learn how to communicate Republican budget and tax policies to the American people. In one sense, this memorandum is about taking back our language and turning the issue of "fairness" against the Democrats. For example, why don't we begin to ask:

- Is it "fair" for Medicare recipients to have even greater choice of doctors and facilities than the average taxpayers who are funding the system?
- Is it "fair" to give student loans for truck driving schools?
- Is it "fair" to penalize middle class families for saving for the future?
- Is it "fair" to leave battered children in abusive homes?

That is why we are currently in search of the right words and phrases that will help explain what you want to do and why. These are our findings to date:

- 1) No single event will convince America you are real "budget cutters." It is going to take a steady drumbeat of progress. High-profile successes such as cutting staff, selling buildings, and eliminating Departments are critical, but it will take a hundred "victories" over an extended period of time to cement the voters' trust. A key challenge 1995: every time you save money for the taxpayers, let them know. And then tell them again. And again. And again. Without continuous repetition, Americans won't hear you.
- 2) Stop with this "devolution" rhetoric. It's "Sending Washington Home." Nobody in America knows what "devolution" means (except for those who think it has religious connotations). "Sending Washington home" is absolutely the best way to explain the transfer of power from the federal to state and local governments. In the words of one focus group participant, *"We've got to turn a lot back to the states and let them run the show."*

- 3) Political communication works only when it is played in context. Put the budget debate in terms of "The American Dream" and "our children's future." When asked to comment on the relationship between a balanced budget and the future of America's children, both groups unanimously agreed that they would feel extremely optimistic about their children's future if the budget deficit were erased. The public does not want to pay higher taxes or see their services cut, but the vast majority are prepared to make sacrifices "so that their children can achieve the American Dream." If we talk about *pain*, we lose. If our words invoke a *better future*, we win.
- 4) Pursuing "Responsive Chord" Communications. We need to ask America to answer some pretty basic questions every single day:
- Do you get your money's worth from Washington?
 - Does Washington spend your tax dollars wisely or foolishly?
 - If you have to balance your check book every month, shouldn't the government have to balance its books every year?
 - Who delivers charitable services more efficiently, the Salvation Army or the Federal Government?
 - Who builds higher quality and less expensive housing for the poor, Habitat for Humanity or HUD?
 - Who cares more about your children's future, a bureaucrat at the Department of Education or you?
 - Do you think America is an over-regulated or an under-regulated society?
 - Do you think the same welfare programs work in the South Bronx and in South Dakota?
- 5) "It's time to put the government on a diet." This phrase resonates extremely well. With the average American likely to have gained four pounds between Thanksgiving and New Years Day, the diet analogy plays well this month and next. As our focus group respondents offered:

"A fast comes to my mind. So many people are managing other people that they can't manage the thing they want to manage."

"The fed could afford to be anorexic for a little while."

"Cut the waste. Cut the fat. I don't know what or where, but it's there."

- 6) Eliminate entire departments, but soften opposition with assurances that "truly important" programs will survive. Of the nine departments and agencies we asked Americans about eliminating, only one encountered stiff opposition: Education. But even here, an assurance that the government would continue "to fund student loans and special education" reduced the number of Americans "strongly opposed" to cutting the Department by 10%.

TACTICS

The upcoming public hearings will play a major role in how Americans view Republican efforts to balance the budget. The fact that we are prepared to go to the people and make them part of this process is a critical first step in building faith and confidence in our leadership. We cannot allow these public forums to fail, whether in Washington or in America's heartland.

- 1) Even when you are listening to the people, have your own plan. Americans want to have input into the budget process, but they expect Members of Congress to come up with the actual solutions. You can't go on the road in January and February and solely take input. It won't be credible. Worse, you may end up looking like typical politicians dodging tough choices. Indeed, we're already seeing this line of attack from the Democrats in connection with the balanced budget amendment.

You should first commit to a preliminary -- even vague -- outline for budget cuts, and only then go out and listen to the people. Such preparedness will prevent you from being labeled, as one man bluntly stated, "gutless and spineless."

- 2) Either put the budget in context or be prepared for continuous whining. The only way to quiet the complainers is by putting the budget challenge in perspective from the start. Then talk about the \$4.5 trillion debt, and explain what it will mean for our future if we fail. Otherwise, someone in the audience will defend just about every program. "When it's billions of dollars, it's them," said one woman, "When it's thousands or hundreds, it's me."
- 3) Educate America and you empower yourselves. The more knowledgeable the public, the easier your job will be. Again, Americans know almost nothing about the budget, and what they think they know is often wrong.

Therefore, your road show audience needs information at their fingertips. A 20-page document complete with data, explanations, pie and bar charts, and budget options will improve the quality of participation and the usefulness of the hearings.

- 4) Be confident in arguing that private charities would deliver services better to those in need. A significant majority of Americans believe the Salvation Army and Habitat for Humanity can deliver more efficient and better quality services to needy Americans than Washington ever could. *"At least I'd know that the money'd get there,"* said several respondents. Play up the role for charities at every hearing.
- 5) Practice before you hit the road. How are you going to insure that you are, in the words of one focus group participant, "listening to America, not just the squeaky wheels?" If I were a Democratic strategist, I'd go out of my way to disrupt the hearings by organizing (secretly) poor, homeless and AIDS advocates to stand up and decry Republican ruthlessness and cruelty. If this happens, or if the hearings receive negative publicity, you may not get another chance.

WELFARE REFORM

While our focus groups and polling did not focus at length on welfare reform, we do have enough data to draw several conclusions:

- 1) Words matter -- and almost any word is better than "orphanage." America clearly subscribes to Newt Gingrich's position on welfare reform. We asked, *"In general, is it better for children of a teenage mother on welfare -- who have been victims of abuse -- to remain with the mother, or is it better for those children to be sent to an orphanage?"* By nearly 3 to 1, respondents chose orphanages. This may seem like a successful way to communicate our position. However, with a better choice of words, the true magnitude of support for moving children to a new home is revealed. When substituting "foster home" for "orphanage" in this question, the approval ratio increases to an overwhelming 5 to 1.

In baseball terms, using "foster homes" rather than orphanages is a home run. We have the right policies. Let's choose the right words. We shouldn't be satisfied with perceptual "doubles" when we should be hitting the ball out of the park.

- 2) Nothing resonates like "work." That is by far the Number One reason why Americans demand changes in the welfare system. "Requiring able-bodied

recipients to work" is at the core of American hostility toward welfare as we now know it. Everything else is secondary.

- 3) America would rather "send welfare home" than reform it in Washington.
The public distrusts Washington to solve almost any problem, let alone a challenge as difficult as welfare. By a 65% to 26% margin, they want welfare sent back to the states to be reformed on a more local level. This is not surprising: the vast majority of Americans believe their values are different from those who represent them in Washington.
- 4) Americans recognize common sense when they see it. Let the social scientists compare regressions and try to figure out whether cutting off welfare will stop young girls from having babies. And let the moral philosophers debate whether unwed mothers should not be allowed to receive welfare benefits. Despite their dissatisfaction with current welfare, Americans aren't yet ready to make either of these changes. For now, talk about denying cash benefits to people who have more kids while on welfare -- that strikes a chord with the public.

A FINAL THOUGHT

"The one thing that Americans do is pull together in times of crisis. That's what we will do for our kids -- what our parents did for us. We will sacrifice for our kids and grandchildren. That's what this country is all about."

-- Focus Group Participant

The public has little patience or sympathy for the situation you are now in. They know the federal budget is a complex problem, but they don't care. They expect YOU to make the tough choices, regardless of the political consequences. They want a "fair" solution, and they want it NOW.

There are two schools of thought to the budget process: specific cuts and across-the-board reductions. Don't forget that when you "zero out" a program, you destroy much of the organized special interest group pressure that inevitably results in increased spending. However, if the policy makes sense, a combination of the two approaches should be considered. After completing the line-item targeting process, put whatever remains on a 3% diet (In a pleading voice, ask: *"Can't we save just three cents out of every dollar Washington spends?"*) After two hours of discussion, it is easier to sell a focus group on \$100 billion in across-the-board cuts than eliminating a specific \$2 billion program.

As you enter this process, remember that America's opinion of the Republican Party has never been more favorable. Despite the national media's attempts to inflame controversy and shift the debate to book deals and orphanages, nearly half of Americans say their opinion of the "Republicans in Congress" has improved since the election; only 25% say it has worsened. These figures are almost exactly reversed for the Democrats. As you read this, the Republicans are the party of "change," "leadership" and "the future."

This unprecedented strength, however, doesn't mean there is no room for improvement. A plurality of Americans still think neither party *"Is listening to them"* (40%), and that neither party *"Will clean up the mess in Washington"* (41%). A majority also believes that neither party *"Keeps their promises"* (58%). And still less than half of America have heard or read anything about *The Contract*.

You are America's best hope for the future. Actually, you are the only hope. Don't let us down.



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TALKING BACK ADVISORY #1

February 28, 1995

This Advisory memo launches the Advocacy Institute's "Talking Back" Project—a planned series of advisory memos, action alerts, guides, workshops, trainings, and other activities. The project is dedicated to helping progressive community-based advocacy groups challenge the efforts of the libertarian right to dominate and frame the terms of policy debate in the media.

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Newt's favorite pollster, Frank Luntz, has done us an unintended service. His confidential communications strategy memo to the Republican Conference, leaked and attached, reveals as much to inform and guide us, the progressive community, as it does for its intended audience.

Sure, the memo offers libertarian Republicans the language, symbols and positioning strategies they need to "soften the blow" of their massive program cuts, rooting reform in the trappings of historic American values. It is no coincidence that Luntz is a scholar of the American dream. But this memo also bears a rich vein of poll and focus group data and insight, and rhetorical shrewdness that can teach us much about what we need to do, and can do to reframe the debate and regain public support.

There are **vulnerabilities** for libertarians which Luntz cautions against—which can also serve as **opportunities** for those who would thwart them. There are **common lessons** here, advice from Luntz that is as sound for liberals and progressives as for conservatives and libertarians. And there are useful **rhetorical techniques** which can readily be adapted by the very groups Luntz fears.

Vulnerabilities and Opportunities

Your latent ability to seize back the language of public discourse remains a serious threat to the libertarian right. "[I]f we ...surrender our language to the Democrats (as we did in 1982 and 1986)," writes Luntz, "our reign will be short indeed."

Opportunity: Progressives can seize back the language of public debate.

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Your stories have more power. Luntz worries: "Our enemies are already gathering their stones. The New York Times has taken the lead, running two full pages of pictures of homeless people sifting through dumpsters for food....We must match our opponents story-for-story—the personal and national immorality of passing along increasing debt to our children and future generations versus their budget gutting horror stories."

Opportunity: You have better stories—the faces of the victims—that dramatize the threatened loss of essential programs. More stories! More pictures!

The public is not obsessed with budget deficits. "Just 19% of Americans consider the budget deficit to be "a crisis," down considerably from 34% in October 1992 and 38% in February 1993."

Opportunity: You need not cower before budget-deficit rhetoric.

Programs do matter to people. Luntz cautions Republicans to avoid giving people the impression that any "truly important" program will be harmed or eliminated. "Individual programs have friends. Bureaucracies and bureaucrats don't."

Opportunity: You can bring home forcefully and constantly the truth that programs people care deeply about and rely upon will be harmed or eliminated—that Republican regulatory "reforms," for example, will leave family health and safety, and the environment at the mercy of transnational corporations, that they go *too far*.

Republicans don't give a damn. Worries Luntz: "A number of Americans (even those who voted GOP for the first time this year) believe Republicans are 'mean' and 'uncaring.' As one woman not so delicately put it, 'The Republicans don't give a damn about the average person.'" Be careful, says Luntz, not to highlight the capital gains tax cut ("for the rich"). Go first with "middle class tax cuts," later, with capital gains tax cuts.

Opportunity: Hammer home the truth that the "Contract with America" will do nothing for—indeed, will harm—the average person—that Republican tax plans, for example, will benefit the rich far more than most working people.

Common Lessons

Morality matters, especially the moral obligation to our children. Luntz does not find people predominantly greedy, ungenerous, paranoid, seething with righteous anger at the needy. He cautions that Republicans must make their case in "moral—as well as economic terms...The moral force for balancing the budget must be stronger than the pseudo-moralists who will decry specific budget cuts....Frame the debate in terms of a moral commitment to our children and their children."

Lesson: You can and need to challenge the morality of the libertarian agenda—especially the impact of their policies on our children and their children—for example, the connection of the "Contract with America" to the lives of our children. Balanced budget amendments don't feed children; capital gains tax breaks, house them; term limits, educate them. By contrast, you offer the morality of commitment to the needs of children now growing up: better schools, safer schools; health care; decent housing; jobs that pay struggling parents enough to sustain a family, etc.

Words matter. The memo notes that simply substituting the words "foster home" for orphanage" in the poll question, "In general, is it better for children of a teen-age mother on welfare—who have been victims of abuse—to remain with the mother, or is it better for those children to be sent to an orphanage?" causes the support ratio to leap from 3 to 1 to 5 to 1.

"In baseball terms," gloats Luntz, using "foster homes" rather than orphanages is a home run. We shouldn't be satisfied with perceptual "doubles" when we should be hitting the ball out of the park."

Lesson: Luntz hammers home this simple lesson we know but never learn: We too need systematically to seek and utter rhetorical home runs—at least doubles. Instead, too many public interest spokespersons, enmeshed in the technical language of policy, or in old rhetorical habits, continue to commit rhetorical third strikes daily.

Repetition. Repetition. Repetition. Luntz notes: "Every time you save money for the taxpayers, let them know. And then tell them again. And again. And again. Without continuous repetition, Americans won't hear you."

Lesson: Let us repeat.

Needed: A Communications Strategy. Luntz pays due homage to the centrality of effective communications. "This means a communications strategy—an effort to select the words, phrases, and examples that will actually paint a picture of the future you envision." And then to do it, as Luntz commands, "with tremendous precision and repetition."

Lesson: Too many of us spend most of our time struggling to develop and demand the right programs; too few of us spend adequate time or resources developing strategies for communicating the need for, and appeal of, those programs to the broad public.

Techniques

Luntz offers his clients a series of rhetorical techniques. His memo teaches us how to spot them—and your truths teach you how to counter them.

Change the subject: Since people care about programs, counsels Luntz, change the subject: "Focus the general rhetorical attack on the 'Washington bureaucracy'" —not on the programs people care about.

Your response: Don't let them change the subject. Focus upon the tangible human needs programs serve. Speak less in the elite language of programs, more in the language of tangible, visible benefits to people. Not in support of FDA "regulation," but in support of safe food and drugs.

Fudge the truth: Luntz advises, "Avoid giving people the impression that any 'truly important' program will be harmed or eliminated."

Your response: Melt the fudge. Bring home forcefully and constantly the truth that programs people care deeply about and rely upon will be harmed or eliminated. Museums and libraries will close; public television and radio as we know it will disappear; schools and the environment will degrade; public health and safety will be jeopardized.

Promote (false) saviors. Knowing that people fear the consequences of the dismantling of government, Luntz urges his listeners to promote the illusion that private charities and state and local governments are ready, better able, and willing to fill the gap:

Charities: "Be confident," says Luntz, "in arguing that private charities would deliver services better to those in need. A significant majority of Americans believe the Salvation Army and Habitat for Humanity can deliver more efficient and better quality services to needy Americans than Washington ever could....Play up the role for charities at every hearing."

Your response: Puncture the myth of private charity's endless bounty. The Center For Budget and Policy Priorities, Children's Defense Fund, The Council on Foundations, The Independent Sector, church groups, and others are all hard at work calculating the finite limits of private charities to patch the safety net. Watch for their reports and calculations. Use them to call the bluff. Convene local charities to talk back, to show they can't possibly pick up when government drops the ball.

State and local governments: "Sending Washington Home," says Luntz, "is absolutely the best way to explain the transfer of power from the federal to state and local governments." In the words of one focus group participant, "We've got to turn a lot back to the states and let them run the show."

Your response: Puncture the myth of state and local government superior virtue and omnipotence. Yes, acknowledge that in some program areas, state and local governments are potentially more responsive and can indeed do more, better. But don't let

libertarian rhetoric promote unchallenged the nostalgic fantasy that the states are inherently more competent or responsive to people's needs than the national government. Americans need to be dramatically reminded (they already, deep down, know) that many state legislatures are far more lobby-ridden, corrupt, and incompetent than Congress.

In focus groups we've witnessed, Americans call this "a pea and shell game." They know that the transfer won't yield efficiency or benefits. Give them facts to support their innate distrust of this sleight of hand.

Bob Garfield, in the February 5, 1995 *Washington Post Magazine*, offers a choice illustration of effective counter-rhetoric:

Who wants a balkanized America? Who wants an Incredibly Shrinking United States Government? Who wants a mom 'n' pop federal government? . . . Could a mom 'n' pop federal government have built the interstate highway system? No. . . Big Government and Big Government alone revived Lake Erie, sponsored the GI Bill, preserved and operated Yellowstone National Park. You might have, say, a Vermont Division of Antitrust, but it would scarcely put the fear of God in a person. Think of taking medication regulated by the Utah Food and Drug Administration. Imagine pinning your cancer-cure hopes on the South Dakota Institutes of Health. Imagine the U.S. Virgin Islands Centers for Disease Control. The New Hampshire Aviation Administration. . . .

"Responsive chord" communications. Luntz touts the rhetorical effectiveness of "responsive chord" communications. "We need to ask America to answer some pretty basic questions every single day." Right again.

Luntz's "responsive chord" question: Do you get your money's worth from Washington?
Yours: Do you really think that tax breaks for millionaires will make life better for you?

Luntz: Do you think America is an over-regulated or an underregulated society?
You: Who would you rather have assuring the safety of the water you drink, Exxon or the Environmental Protection Agency?

Luntz: Who cares more about your children's future, a bureaucrat at the department of education or You?

You: Who cares more about your children's future, a Republican National Committee which took \$1,000,000 from the tobacco lobby, or the Department of Health and Human Services?

Seize cherished values and symbols, e.g., "Fairness." Republicans, urges Luntz, must "take back our language and turn the issue of "fairness" against the Democrats." And he proceeds to offer (some surprisingly weak) rhetorical thrusts for Republicans; you can do better, much better:

Luntz offers: "Is it "fair" for medicare recipients to have even greater choice of doctors and facilities than the average taxpayers who are funding the system?"

How about: Is it "fair" for members of Congress and their families to enjoy government-subsidized medical care, when millions of working Americans earning 1/4 as much have none?"

Luntz offers: "Is it "fair" to give student loans for truck driving schools?"

How about: Is it "fair" that the sons of wealthy alumni with poor grades go to good colleges while the children of working class parents with good grades will no longer get college loans?

Luntz offers: "Is it 'fair' to penalize middle-class families for saving for the future?"

How about: "Is it 'fair' to keep the minimum wage so low that the family of a parent who works full time at the minimum wage earns significantly less than the poverty line?"

Luntz offers: "Is it "fair" to leave battered children in abusive homes?"

How about: "Is it "fair" to deprive helpless children of food, clothing, housing, and health care to punish their young mothers for having babies?"

Fairness is only one theme to play out. "Common sense" offers another powerful line of reasoning. Many Americans are uncomfortable about whether the new Republican proposals will work any better than the programs they are replacing. Try framing your position accordingly.

How about: Does it make sense to take away a child's chance to achieve—their school lunch, their access to health care, their housing—just so we can punish his or her mother? Isn't it our goal to get that child out of the cycle of poverty by investing in him or her early, getting him on the right track, so he can get a good job and become a taxpayer?

Finally, the Vision Thing

Luntz concludes his memo by admonishing the right that they must recognize people's need for an "irresistible" vision for the future. Only then, Luntz warns, "will the nation support you and your agenda unconditionally." In short, all the pieces have to add up to something, and that something has to be a compelling vision of the good society.

Perhaps the greatest danger to progressive causes is the power of the unchallenged libertarian vision.

Central to any progressive revival is the need to expose the libertarian vision as false, a masquerade for securing the lopsided privileges and advantages and subsidies and wealth of the greedy and the lucky.

But Luntz is right. That won't be enough. Most challenging, all of us need an explicit "irresistible" vision of our own. Most of you carry about in your heads and hearts at least parts of such a vision. Most of what you fight for daily - whether it's housing for the homeless, peace, public health and safety, fairness and justice, preservation of the planet - is propelled by at least an implicit vision for the good society. But we have not done what the libertarian and radical individualist think tanks have been doing now for decades: developing and propagandizing that vision. Now, together, we need to advance an overall vision which effectively challenges the hollow vision Luntz seeks to prop up. And Frank Luntz can't help us do that.

Talking Back Advisory #1

Appendix

Frank Luntz's "Idol" Responds

Luntz describes fabled media strategist Tony Schwartz as his idol, drawing the very concept of "responsive chord" communications from Schwartz's writings. So we asked Tony to provide a sampling of his own suggested alternatives to Luntz's responsive chord questions. Here they are, along with Tony's thoughts on an alternative vision:

Responsive Chord Questions

Tony: Do you want Washington to continue inspecting meat and poultry, ensuring safe air travel, and helping to build roads, bridges and tunnels?

Tony: Do you think the government can ever do too much to ensure clean air, water and food?

Tony: Do you think we should have good teachers in our schools?

Tony: Is it fair for members of Congress and their families to enjoy government-subsidized medical care, when you have to pay for your family's health coverage?

Tony: Is it "fair" to pay a hard-working parent a wage that's below the poverty line?

Tony on the Vision Thing

People need to understand the consequences of tax cuts. The federal government has a profound effect on people's lives, primarily in ways most people do not understand. Few people realize that government, for example, provides a large portion of the money necessary to build the bridges spanning the creeks and rivers of our community.

The myriad of programs the government pays for are too remote. For many people, the one direct interaction with the federal government is at tax time. We must bring home the point that, yes, there are programs that are wasteful—but look at our success stories! The government isn't over-regulating; maybe the regulations need to be made more effective. The government is not doing enough, as opposed to doing too much.

When can we ever be said to be spending too much money fighting crime, keeping our environment livable, ensuring the best quality of life for all Americans? Whoever wants to cut money to the Department of Education does not want America to have the best educational system in the world. Scrapping the school lunch program will mean our school-age children will be more likely to fall asleep or otherwise drift off the subject, and therefore will not achieve their full potential. (Studies support this.) These are the messages that people must hear.

U.S. Department
of Transportation

**Federal Highway
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

Official Business
Penalty for Private Use \$300

HOA-1

*Mano / Sausy
Fly*

THE PRESIDENT HAS SEEN

3.28.95

THE PRESIDENT
WHITE HOUSE
WASHINGTON DC 20500





U.S. Department
of Transportation

**Federal Highway
Administration**

Office of the Administrator

400 Seventh St., S.W.
Washington, D.C. 20590

March 23, 1995

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

My dear Mr. President:

Two years ago today was the day we had our discussion that led to my being named Federal Highway Administrator. I keenly recall how elated and concerned Cassandra and I felt, knowing of the challenge of the opportunity and the fact that our daughter, Bridgette Josette, was only five days old. Bridgette is now two years old and she and Cassandra are a daily reminder of how blessed I am. Cassandra is enjoying her work at the Social Security Administration, and Bridgette is in pre-school and looking forward to her first White House Easter egg roll.

My work at the Department of Transportation with Secretary Peña and the staff is another reminder of how blessed I am. Under the leadership of Secretary Peña, we have worked as a team at DOT, and we have been motivated and guided by your challenge to put people first and to execute effectively and efficiently our very important role in helping to rebuild America.

The historic 291-day reconstruction of roadways downed by the Northridge earthquake, the innovative financing initiative that has assisted States in moving forward billions of dollars of stalled transportation projects, and my 3,500-mile, 15-day, 15-State road tour across America to hear from the American people about the importance of transportation to their daily lives are but a few of the many successful endeavors of your Administration that help to demonstrate government can make a difference in improving the lives of the American people.

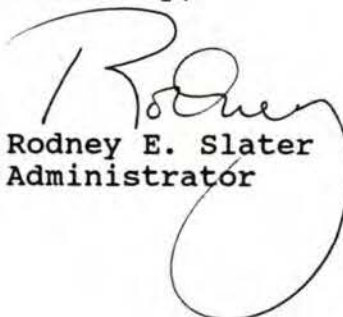
Today, I had the pleasure of celebrating our conversation of two years ago by participating in two events that I believe underscore your leadership in opening new markets and improving international ties for America. I joined my colleague, Federal Transit Administrator Gordon Linton, in signing a Memorandum of Understanding with the Republic of South Africa Department of Transportation, and I met with and later hosted a reception for Mr. Anatolyi Nasonov, General Director of the Russian Federal Highway Department.

The Memorandum of Understanding with South Africa will result in technology transfers, human resource capacity improvement initiatives involving Historically Black Colleges and Universities, and enhanced opportunities for American and South African business partnerships. The State Department has acknowledged the agreement as a critical breakthrough in the thorny intellectual property debate with South Africa. I believe the agreement represents the first interagency agreement signed between South Africa and the United States since your September 1994 meeting with President Mandela and the subsequent binational agreement recently signed by Vice President Gore and Republic of South Africa Vice President T. M. Mbeka.

My meeting with Director Nasonov allowed for a review of our successes to aid the Russian Government in its efforts to improve its transportation system and to privatize its transportation design, construction, and reconstruction activities. Last year we assisted the Russian Government in organizing and carrying out its first bid letting. The letting was a success, and United States firms were successful in bidding on a number of the contracts. This represents one of the first concrete achievements of the multi-party agreement involving the United States, the World Bank and Russia, and is in the spirit of your agreement with President Yeltsin.

Whether during my travels to forty of the fifty States, responding to natural disasters, rebuilding the infrastructure of America through creative partnerships and innovative contracting and financing techniques, or following through on international agreements that open markets for U.S. businesses, we at the Federal Highway Administration have worked unceasingly to put people first. Thank you for this opportunity to be of service and to make a difference.

Sincerely,



Rodney E. Slater
Administrator

3/28 original to
~~Dorskind~~
to
handle w/ NSC
- Dorskind
- NSC

FEDERAL FREEDOM FRONT (BURMA)

19 S.Garfield Ave, Suite 'E', Alhambra, CA91801,Tel(818)289-9025,Fax(818)289-5477

DEAR MR. BILL CLINTON(PRESIDENT ELECTED UNITED STATES)

DECEMBER 15,1992.

LAST 4 YEARS AGO, 1988 ,BURMESE STUDENTS & PEOPLE DEMANDED, 'FREEDOM ,DEMOCRACY & HUMAN RIGHTS IN 'BURMA' BURMESE MILITARY SHOT TO KILL, ABOUT 10000 PEOPLE NATIONWIDE,INCLUDING SCHOOL BOYS,GIRLS,(11,14YEARS OLD)UNIVERSITY STUDENTS INFRONT OF UNITED STATES EMBASSY IN RANGOON, BURMA.ABOUT 12000 BURMESE PEOPLE & STUDENTS FLED TO BURMA-THAILAND BORDER AREA BURMA-BANGLADESH BORDER AREA & TOOK UP ARMS TO FIGHT BACK,BURMESE MILITARY REGIME.

LAST 1990 ,MAY 27,SLORC HOLD, 'NATIONWIDE GENERAL ELECTION.'DAW AUNG SAN SUU KYI,WHO IS SECRETARY GENERAL OF N.L.D PARTY WON 80%VOTES & OVER 82% CONGRESS SEATS,BUT SLORC(MILITARY STILL REFUSE TO TRANSFER OF POWER TO N.L.D PARTY).

DAW AUNG SAN SU KYI,WHO IS OUR LEADER WAS UNDER HOUSE ARREST FOR NO REASON,SINCE 1989 JULY & N.L.D CHAIRMAN THURA U TIN OO,WHO IS FORMER DEFENSE MINISTER ALSO IN JAIL SINCE 1989.

WE WOULD LIKE TO REQUEST YOU THAT,WE BURMESE PEOPLE LIVING IN UNITED STATES WANTS ANY KIND OF SUPPORT FROM UNITED STATES GOVERNMENT FOR 'REFREEDOM OF BURMA'.OUR PEOPLE LIVING IN BORDER AREA NEEDS FOOD,CLOTHS,MEDICINE(E.T.C).

WE HOPE THAT,YOU ARE THE PRESIDENT OF UNITED STATES(VERY SOON)(ALREADY ELECTED)CAN DO SOMETHING FOR OUR COUNTRY/REFREEDOM.

GOD BLESS YOU.

MARY CHRISTMAS & HAPPY NEW YEAR.

J. Henry

MICHAEL ZARNI NYUNT AUNG

FEDERAL FREEDOM FRONT(BURMA)

CO-CHAIRMAN OF "ASIAN-PACIFIC AMERICAN COALITION ASSOCIATION".

William Raspberry

Needed: A Conversation About Race

I remarked to a friend the other day that President Clinton's ordering a review of government affirmative action programs had all the earmarks of a cop-out—at best an attempt to buy time while he figures out a safe course through the raging affirmative-action debate.

My friend, a Clinton supporter and something of a policy wonk, disagrees. He sees in Clinton's review order the mind of a fellow wonk.

"It seems to me that what the president is doing is turning himself into a senior policy analyst," he says. "He believes he needs intellectual mastery of this complicated issue before he can enunciate a sound policy."

"I hope, though, that he won't come out with a spirited, legally sound articulation of affirmative action—that's a narrower approach than he should take. What he ought to do is use the issue as an opportunity for America to resume its conversation about race and color."

His words came as a reminder that for all our *raging* about race—our worrying over everything from the bell curves to the anger of white men to the racially distinct beliefs about the guilt or innocence of O. J. Simpson—it's been awhile since America has had a *conversation* about race.

Throughout our history, we've had a clumsy, inconclusive and disjointed conversation about race and color. In the 1960s, we came close enough to consensus that we were able to suspend the conversation for a time. That is, we allowed racial issues to be dealt with by experts—lawyers, policy analysts and scholars.

But if that was a good thing, it had an unhappy side

effect: It allowed a generation of white people to grow up without ever really confronting their hopes, anxieties and fundamental beliefs about color.

One result is a dauntingly wide gulf between blacks and whites on the importance of race. Younger whites know the cruder facts: that America once had slavery and Jim Crow and now has Colin Powell. Their sense

Simultaneous shouting is not the same thing.

(speaking very generally, of course) is of a problem confronted and mostly resolved. As they see it, since blacks of talent and integrity and drive do about as well as their white counterparts, black failure must entail some character flaw that has little or nothing to do with color.

The view from the black side is almost the exact reverse. Race not only matters still; it overrides almost everything else.

The whole problem is compounded by the fact that it is no longer just a matter of black and white; other colors have to be considered as well.

And what has this to do with the shouting match over affirmative action? I think it likely that affirmative action is a surrogate for other, deeper concerns. For whites—for the newly discovered angry white men in particular—the concern is economic insecurity. As columnist Ellen Goodman has noted, white men with a high school education or less are likely to see themselves as doing less well than their fathers

did—a peculiarly upsetting state of affairs. And they do what all of us tend to do when we confront our own failure: look for someone—or something—to blame it on.

For blacks, affirmative action may be a surrogate for a societal commitment to squaring the books on a debt as old as slavery and as new as the latest snub by a white sales clerk. The value, that is to say, is less in the content of the approach than in the acknowledgment of the debt. Maybe that's why we are reluctant to acknowledge racial progress—why we refuse even to entertain the possibility that affirmative action may already have served its purpose.

These notions—and much, much more—could be elements of a resumed conversation on race and color. As my friend put it, "We can win the affirmative-action argument on programmatic or legal grounds and still lose the underlying political argument."

"And Clinton should take the opportunity to lead the conversation. There are not very many people better than he at connecting with individuals and discussing their concerns and fears. I don't want to turn him into some ersatz Oprah, but in a series of thoughtful statements he could reflect on his own history and his own sense of where the nation is now on the question of color and where we ought to be going."

There are, I know, those who think we're already having a conversation on race—that we are so preoccupied with the notion that we hardly talk about anything else.

But as my friend reminds me, what we've been doing of late is not conversing at all—only simultaneous shouting. It's not the same thing.

THE PRESIDENT HAS SEEN

3/29

THE WASHINGTON POST
FRIDAY, MARCH 24, 1995

Kaki Hockersmith

THE PRESIDENT HAS SEEN 3/28

I N T E R I O R S

March 22, 1995

Jake
Siewart

McGowan/McClung
Fyl-an nests
rights - 468, 500
address - BC

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

Dear President Clinton:

I recently visited with my friend Howard Polskin, who is Vice-President of Public Relations for CNN. He monitors the network's ratings on an hourly basis and pointed out some significant statistics regarding the broadcast (whether we like it or not) of the O. J. Simpson trial.

A good example of the statistics is Phil Gramm's morning announcement of his presidential bid. CNN gave him twenty minutes of air time but there were only 30,000 viewers. When the Simpson trial breaks for lunch each day at three p.m., there are some 4 million viewers. By scheduling photo-ops and media events during that time you would capitalize on that large viewership. The constant trial coverage is so disgusting that it would be some consolation to see you take advantage of the wide audiences.

I enjoyed visiting with you recently and look forward to seeing you and Hillary soon.

Warm regards,

Kaki

Kaki Hockersmith

You're doing a
great job!

K/g

THE PRESIDENT HAS SEEN 3/28

THE WHITE HOUSE
WASHINGTON

March 23, 1995

95 MAR 24 A 9:21

MEMORANDUM FOR ERSKINE BOWLES

FROM: RAHM EMANUEL
BILL GALSTON

SUBJECT: SCHOLARS

We have developed a list for the first Presidential dinner with scholars. As we have discussed, it is important for our long-term strategy that we have prominent people from the academic world over to the White House. This first meeting with scholars will on the breakdown of families in America today and its impact on children.

The following are suggested invitees:

1. James Q. Wilson
Former professor of government at Harvard University, now professor of management and public policy at the University of California, Los Angeles.
2. Marvin Wolfgang
Professor of criminology and law at the University of Pennsylvania and director of the school's Sellin Criminology Center.
3. John J. Diulio, Jr.
Professor of politics and public affairs at Princeton University.
4. Mark Kleiman
Professor of public policy at Harvard University's Kennedy School of Government; author of Against Excess: Drug Policy for Results (1992)
5. Deborah Prothrow-Stith
Former Massachusetts Commissioner of Public Health; now a professor at the Harvard University School of Public Health; author of Deadly Consequences (1991).
6. Terry Williams
Visiting professor of sociology at Yale University; author of The Cocaine Kids (1989) and The Uptown Kids (1994)

7. Felton Earls
A professor of psychiatry at Harvard's School of Public Health and medical School. Is the author of The Future of Child Psychiatry as a Medical Discipline, (1982).
8. Elliah Anderson
Charles and William L. Day Professor of Social Sciences at the University of Pennsylvania; author of Streetwise: Race, Class and Change in an Urban Community (1990).
9. Richard B. Freeman
Director of labor research at the National Bureau of Economic Research and professor of economics at Harvard University and the London School of Economics; co-editor, with Harry J. Holzer, of The Black Youth Employment Crisis (1986).
10. Amitai Etzioni
Director of Department of Sociology at George Washington University. Former Presidential Advisor.
11. A law enforcement official
12. Chair of the Catholic Churches Social Action Committee.

We have submitted a formal scheduling request to Billy Webster requesting a date for this group to have dinner with the President at the White House. Your help in securing a date for this event would be greatly appreciated.

Presidential Scheduling Request

TODAY'S DATE: 3/23/95

☐ ACCEPT	☐ REGRET	☐ PENDING
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TO: Billy Webster
Director of Scheduling & Advance

FROM: Rahm Emanuel & Bill Galston

REQUEST: White House dinner with scholars.

PURPOSE: This will be the first of several meetings intended to welcome people from the academic world to the White House. The purpose of this meeting is to discuss the breakdown of families in America today and the impact this has on children.

BACKGROUND: It is important for our long-term communications strategy that there are prominent people from the academic world that can speak out on behalf of the President. This dinner would help establish some of the attendees as surrogates.

PREVIOUS PARTICIPATION: None.

DATE & TIME: Evening in April

DURATION: 2 hours

LOCATION: Residence

PARTICIPANTS: POTUS
See attached memo for list of attendees.

OUTLINE OF EVENTS: Dinner and discussion.

REMARKS REQUIRED: Opening remarks.

MEDIA COVERAGE: Closed

FIRST LADY'S ATTENDANCE: No

VP'S ATTENDANCE: No

RECOMMENDED BY: Rahm Emanuel
Bill Galston

CONTACT: Rahm Emanuel

March 22, 1995

TO: Erskine Bowles

FROM: Bill Galston *WAG*

SUBJ: National Commission on the Renewal of the American Spirit

As you know, a few days after the State of the Union, the President wrote us both a note asking for follow-up in several areas--including civil society and citizenship. I responded with a memorandum (which I routed through you) recommending a bipartisan national commission to address these issues. Bill Friday's letter tends very much in the same direction, and I'm generally sympathetic with it. I also believe that John Gardner is one of the people who should be associated with this effort in a leading capacity.

I am not entirely comfortable, however, with a focus on the "American Spirit." It strikes me as too broad and diffuse. I believe that homing in--as the President did in the State of the Union--on the responsibilities of citizenship, of voluntary and religious institutions, and of key sectors of our society such as the media would lead to more precise questions and useful answers.

I have already discussed a possible national commission with the President. He suggested that while we may well choose to go forward with it, we do not yet know enough for him to be comfortable with that decision. In the wake of that conversation, we devoted an entire cabinet-level meeting of the Domestic Policy Council to an inventory of executive branch activities that promote citizenship. I hope to be able to assemble that information in written form for you and the President well before my departure.

WILLIAM R. KENAN, JR. FUND

KENAN CENTER

P.O. BOX 3808 • BOWLES DRIVE

CHAPEL HILL, NORTH CAROLINA 27515-3808

WILLIAM FRIDAY
PRESIDENT

to POTUS
per Erskine
Bowles
95 MAR 13 915 962-8150 A10:02

March 7, 1995

Honorable Erskine Bowles
Deputy Chief of Staff
The White House
Washington, DC 20500

Bill Galston -
The President
wanted to know
more about
this
to do it

Dear Erskine:

I'm back with another suggestion. Recently, at an Emerging Issues Forum at N. C. State at which Sam Nunn, Ambassador Albright, Mickey Kantor and others appeared, there was considerable discussion about the future of the country. The event was climaxed by a speech by John Gardner on "Renewing the American Spirit." John's paper concluded this Forum on a very constructive note. I attach a copy.

The Gardner speech prompted an idea which I share with you. Would the President consider creating a major national commission on the Renewal of the American Spirit and ask John to serve as its Co-Chair along with Charles Kuralt and Barbara Jordan. In addition to these individuals, ten or fifteen other prominent figures who have a high positive response from the American public could be asked to join them and the national discussion could begin.

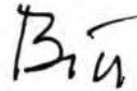
I am aware that John is 82 years of age and this would mean that the commission should have a strong staff; nevertheless, being the man he is, he would be the obvious choice for this kind of national revival meeting as to what America means and what it should be in the next century. Have it understood that this Commission will report to the President and that he will thereafter call for widespread community discussion of its proposals or recommendations.

There is entirely too much negativism abroad in the land. Too much of this unfair, hostile and often untruthful commentary goes unchallenged and unanswered. There should be a strong counter force joining the President speaking to the better instincts of the American people. Such a commission, or something like it, could initiate a new and

renewing spirit that I believe thoughtful Americans would rally behind and cherish greatly.

This idea would not go away so I take your time to share it with you.

Cordially,

A handwritten signature in black ink, appearing to read "B. Friday". The signature is stylized with a large "B" and a horizontal line extending from the top of the "y".

William Friday

Attachment



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN 3/28

March 21, 1995

95 MAR 22 10:42

MEMORANDUM FOR THE PRESIDENT

FROM: ALICE M. RIVLIN

SUBJECT: VETO THREAT ON THE RESCISSION BILL

*Leon
Coun. re: Bill
B.*

The Senate Appropriations Committee is marking up its version of the rescission bill and the disaster supplemental this week. Attached, for your information, is a letter which provides the Administration views to the Committee and reflects the veto threat which Leon discussed with you yesterday. This is the first time we have indicated in writing that you would veto the bill in its present form. This letter was sent to the Committee earlier today and except for the veto threat is quite similar to past statements we have issued about the rescission bill.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 1158, the supplemental appropriations and rescissions bill, as passed by the House. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Administration strongly opposes the House-passed bill. We believe that it unnecessarily cuts valuable, proven programs that educate our children and aid the disadvantaged, including the National Service program. The Administration also opposes reductions in programs that were established to ensure our Nation's role in the advancement of technology. Further, we strongly oppose a provision in the bill that would prohibit implementation of the Executive Order on striker replacements. Based on all of these considerations, if the President were presented a bill containing these provisions, he would veto the bill.

Budget Enforcement Act Emergency Designation

As the President stated in his February 14, 1995, letter to the Speaker, the Administration is proud of its record for reducing the deficit while providing prompt assistance to the victims of natural disasters. The Budget Enforcement Act, signed by President Bush, established the authority for the President and Congress to exempt certain spending from the statutory caps, specifically for the purpose of meeting unanticipated emergency requirements. This joint designation by the President and the Congress has been used over the last four years to provide critical assistance in response to earthquakes, hurricanes, floods, extreme cold and agricultural disasters, and for other purposes.

Deficit Reduction

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending by \$255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. As we placed a tight "freeze" on overall discretionary spending at the FY 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from \$290 billion in FY 1992 -- to \$203 billion in FY 1994, to a projected \$193 billion this year -- providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's preeminent standing in science and technology, should be cut. The Administration would be particularly troubled if such cuts were made to finance a tax cut for higher-income taxpayers. In light of the House Budget Committee action last week, it is clear that savings generated by the House version of H.R. 1158 are intended to be used for a tax cut for higher-income taxpayers.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. In contrast, the House-passed bill would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, WIC, and housing for families. Many of the cuts are shortsighted -- reducing funding for education, for advanced technology programs that are critical to our Nation's future, and eliminating funding for the Community Development Financial Institutions (CDFI) Fund, which would be instrumental in leveraging investments in our country's most distressed communities. Other cuts would adversely affect the health of Americans by cutting funding for safe drinking water and violent crime prevention and anti-drug programs. In its consideration of the bill, we urge the Senate to restore these cuts.

National Service Program

The proposed \$416 million rescission for the Corporation for National and Community Service would virtually terminate the President's National Service program. Remaining funds would provide only 4,000 of the proposed 33,000 opportunities for young adults to serve their communities as AmeriCorps members and earn an education award. The proposed rescission would eliminate funding for thousands of school children to learn responsibility to their community for the first time. In addition, over 1,000 young persons currently serving in communities hard hit by defense downsizing would be sent home immediately, and their camps -- established on downsized military bases -- would be closed.

This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health. AmeriCorps members also have helped raise the spelling scores and reading levels of rural disadvantaged children, built homes for "working-poor" families, and provided disaster relief assistance to victims throughout the western part of the country. The Administration strongly believes that national service is a key to solving problems inside America's communities. The Senate is urged to restore full funding for this important program.

Striker Replacement

The Administration opposes a provision in the House-passed bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply of quality goods and services for the government's programs. The use or the threat to use permanent replacement workers destroys opportunities for cooperative and stable labor-management relations.

Timber Salvage Sales

The Administration objects to a provision that would mandate a minimum level of timber salvage sales from Forest Service and Bureau of Land Management lands. The Department of Justice has advised that enactment of this amendment would likely result in renewed judicial review of the President's Forest Plan and could reduce timber, grazing, and mining activities in the West. The Administration is already taking steps to restore and sustain significant levels of timber harvest in the immediate future. In addition, the Administration will shortly announce changes in the

consultation process designed to expedite review of timber salvage sales as well as other actions to increase timber harvest, in full compliance with environmental laws.

FEMA Emergency Supplemental

The Administration is disappointed that the House has chosen to include urgently needed FEMA emergency supplemental funds in this controversial bill. This could cause an unnecessary delay in assistance to victims of natural disasters. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut.

Additional Administration concerns with the House-passed bill are contained in the enclosure. We look forward to working with the Senate to address our mutual concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Alice M. Rivlin", with a stylized flourish at the end.

Alice M. Rivlin
Director

Enclosure

Identical Letter Sent to Honorable Mark O. Hatfield
and Honorable Robert C. Byrd

ADDITIONAL CONCERNS

**H.R. 1158 -- MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS
FOR ADDITIONAL DISASTER ASSISTANCE AND MAKING RESCISSIONS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995,
AND FOR OTHER PURPOSES

(AS PASSED BY THE HOUSE)**

FEMA Disaster Relief

P.L. 102-229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the then historical annual average obligation of \$320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in FY 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, the President requested and the Congress did in fact appropriate \$320 million for FEMA disaster activities.

The Administration is disappointed that the House has decided to disregard this provision of law and to include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

Summer Jobs

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The rescission contained in the House-passed bill would eliminate funding for the Summer Youth Employment program in each of the summers of 1995 and 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth in each of these summers. The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant, productive workforce for U.S. business.

Women, Infants, and Children (WIC)

The House-passed bill would reduce funds available for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by \$25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The House's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

Education Programs

The House-passed bill would reduce by over one-third (\$174 million) the funding for Goals 2000, which would greatly diminish support to States and communities for raising academic standards and improving their local schools. The House-passed bill also proposes to cut the Education for the Disadvantaged program by \$140 million, which would reduce services to educationally disadvantaged children. The House-passed bill's sharp reduction in funding for education technology programs (\$65 million) would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

Violent Crime and Drug Abuse Control

The Administration is concerned that the House has chosen to rescind nearly \$472 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulants by an alarmingly increasing number of our youth.

The Administration opposes the House's recommendation to rescind \$65 million for violent crime prevention and drug control initiatives funded through the Violent Crime Reduction Trust Fund. Of this amount, nearly \$28 million would come from the Drug Courts program, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. Another \$37 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth.

Science and Technology

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed by the House for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) contained in the House-passed bill would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers -- a key component of the U.S. economy.

The \$30 million rescission included in the House-passed bill for the National Information Infrastructure Grants program would eliminate grants to about 70-90 schools, hospitals, non-profits, and state and local governments. An additional rescission of \$34 million is contained in the Senate version of H.R. 889. These two rescissions would eliminate all funding for this program. This action would decrease the credibility of the program as a funding source and thus discourage private sector matching grants to program applicants. The Senate is urged to rescind funds from lower-priority projects as set forth in the President's budget.

Reductions are also proposed by the House for the Department of Energy's (DOE's) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. In addition, the \$45 million reduction to the Environmental Management program would impede progress at several of the Department's cleanup sites.

Coming this late in the fiscal year, the House's proposed rescission of \$16.8 million for the National Biological Service in the Department of the Interior

(10 percent of the operating budget) will force the Service to consider closing one or more of the four major Centers located in Lafayette, Louisiana; Seattle, Washington; Ann Arbor, Michigan; and Anchorage, Alaska; as well as several other laboratories. This would severely hamper the Service's ability to provide basic scientific information to the land managing bureaus within the Department, including programs in the Pacific Northwest, and would eliminate joint State projects underway in more than 30 States.

The Senate is urged not to imperil our Nation's standing on the technology frontier.

Housing Assistance

The House-passed bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would deny help to 63,000 needy, low-income households, including many homeless families. The bill could also prevent another 24,000 homeless families from moving to transitional or permanent housing during this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly.

In addition, the House's rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardize the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and, without the FY 1995 funding, would be in danger of being closed.

Community Development Financial Institutions (CDFI) Fund

The proposed rescission of \$124 million contained in the House-passed bill would terminate this program. Without this funding, in FYs 1995 and 1996 the CDFI Fund would not be able to provide: \$10 million in direct loan subsidies to support over \$23 million of direct loans to CDFIs; \$70.5 million in grants, technical assistance, and other financial assistance to CDFIs; and \$39 million in community development incentives for depository institutions. The Fund's

investments in CDFIs, banks, and thrifts would leverage an estimated \$500 million in investments, loans, and financial services in the country's most distressed communities. The Senate is urged to restore this funding.

International Programs

The House-passed bill does not appropriate the requested \$672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the fiscal year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests. Rather than approve the requested supplemental, the House has proposed to rescind peacekeeping funds.

The House-passed bill provides only \$50 million of the \$275 million requested for Jordan debt forgiveness. This debt forgiveness is linked to the historic steps taken by King Hussein to conclude a peace agreement with Israel, an act that markedly improved prospects for overall peace in the region and that involved considerable risk for King Hussein. We urge the Congress to provide for Jordan debt forgiveness in H.R. 889 as it passed the Senate in support of the hopeful developments in this region.

Highways - Emergency Relief

The House-passed bill would eliminate \$351 million in funding previously appropriated in response to the Northridge earthquake and other disasters. Over \$50 million of this amount is expected to be needed just to meet claims for flood damage in California and Washington. In addition to leaving the Department of Transportation unable to meet the funding needs of existing disasters, this rescission would eliminate the Department's ability to respond promptly to future disasters. Instead of recommending rescission of these needed funds, the Administration urges the Senate to cancel unobligated balances of highway demonstration projects, as proposed in the President's FY 1996 Budget.

Drinking Water State Revolving Funds

The rescission of \$1.3 billion in funds to help municipalities comply with Safe Drinking Water Act requirements contained in the House-passed bill would

seriously exacerbate local financing problems. Municipalities need almost \$9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize the drinking water state revolving fund program, these funds can be used without further Congressional action to address the \$137 billion in wastewater construction needs.

Coast Guard

The Administration opposes the House action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

Corporation for Public Broadcasting

The Administration believes that the House's action to reduce funding for the Corporation for Public Broadcasting (CPB) by a total of 23 percent from FY 1995 to FY 1997 is excessive and shortsighted. The Administration is committed to providing equal access to educational opportunities, particularly for young children, regardless of income or geographic location.

Occupational Safety and Health Administration (OSHA)

The House-passed bill would rescind \$19.6 million from the Occupational Safety and Health Administration. This is a 6.3 percent reduction in OSHA funding and effectively a 12.6 percent reduction since it comes so late in the fiscal year. The rescission would have a dramatic impact on OSHA's ability to fulfill its mission to protect workers and on the Administration's efforts to make the agency more effective. This rescission would hinder OSHA's compliance assistance programs and education and training initiatives, as well as enforcement, resulting in an estimated 6,300 additional preventable injuries.

Look Before You Lop

In a recent piece in the Atlantic Monthly, Peter Drucker argues that the federal government, like many large companies before it, is going about the process of fixing itself backward.

The problem, says the guru of corporate restructuring, is the panic-driven decision to begin by downsizing. When management "picks up a meat-ax and lays about itself indiscriminately," as it did initially at IBM, Sears and GM, among others, the result is painful but unproductive "amputation without diagnosis."

Paradoxically, says Drucker, "the way to get control of costs is not to start by reducing expenditures but to identify the activities that are productive, that should be strengthened, promoted and expanded."

In other words, to begin by rethinking. Institutions from the likes of General Electric and Boston's Beth Israel Hospital to churches and local governments have turned themselves around this way.

Undiagnosed limbs are falling thick and fast these days in Washington. What you don't find is rethinking. There is no hunt for programs that succeed, not in the mechanics of reducing paperwork or treating citizens as if they matter, but as measured by the worth of their mission: programs that should be strengthened, expanded or copied.

One that works brilliantly is EPA's Green Lights program. It began a few years ago with a staff of three and a question: Why were the newly available lighting technologies, which promised to save lots of money while slashing electricity use, going nowhere? Since lighting accounts for a quarter of U.S. electricity use, huge national energy savings and potential profits were being missed.

Energy to run buildings, it turned out, was not a big enough cost relative to a company's business to make top managers pay attention. Building managers, on the other hand, are paid to keep facilities running smoothly, not to stick their necks out to improve the company's bottom line. And making small sales one building at a time was keeping the fledgling new suppliers from becoming large enough,

credible enough and profitable enough to overcome the huge information gap about what their products could do. A win-win opportunity to make money and cut pollution was falling through the cracks.

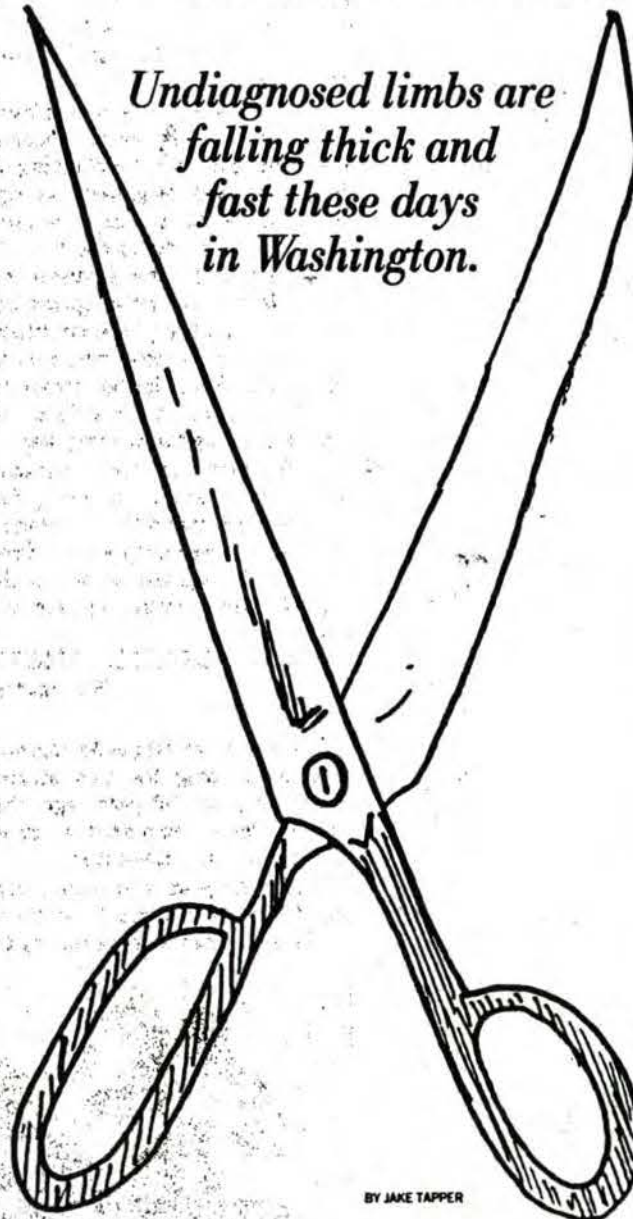
Academic economists will tell you such unexploited opportunities can't exist—the market would snap them up. Real world businessmen and bureaucrats know they litter the landscape.

Green Lights devised a gimmick, a voluntary "contract" between the government and energy users, which enabled it to reach top management and thereby get companies the size of Mobil, USX, Boeing and Hewlett-Packard, to sign up their tens of millions of square feet of floor space. It offered an official pat on the back as a good environmental corporate citizen, but told potential participants to make their decisions based solely on dollars and cents. It devised software for assessing potential savings, guides to technology and suppliers and information on financing packages for nonprofits such as school systems and state governments. Instead of issuing rules, Green Lights offered services.

In four years, starting from nothing, the program has signed up more than 4 billion square feet for lighting upgrades including 20 percent of the Fortune 500. Completed projects

have proven techno-optimists' wildest claims, cutting electricity demand by a staggering 47 percent with an average profit of 20 cents per square foot per year. Invested capital is re-

*Undiagnosed limbs are
falling thick and
fast these days
in Washington.*



BY JAKE TAPPER

turned in less than three years—after that it's pure gravy.

Instead of lawsuits, this federal program is awash in testimonials from happy clients. Its managers expect it to nearly quadruple in the next five years, by which time it will have made a substantial dent in both national energy use and air pollution. Over the life of the upgraded equipment, the net savings are estimated at \$53 billion, most of which goes to corporate profits, with a slice, of course, back to the Treasury. And that doesn't count profits for the new industry of suppliers.

The program is expanding to capture the energy savings in heating and cooling as well as lighting, and can take credit for the development of computers that go to "sleep" when not in use. Soon it will apply the same approaches to residences, with the goal of cutting energy needs of new homes by half.

Lessons? There are many. All the programs are voluntary. They are information and service rich. They get results by taking the effort and risk out of what would otherwise be a low private priority in order to achieve a large public good. The cost is minuscule compared with both the public and private benefits.

Without the delay of developing and then contesting detailed regulations, these programs are able to work much faster than rule-based approaches. Their services to a national marketplace could not be provided by 50 state programs. They build a too-rare commonality of purpose between government, business and the public interest, producing satisfaction on all sides. And they prove, beyond question, that win-win opportunities can be missed by the marketplace but rather simply recaptured with a practical, problem-solving approach.

Such programs are no panacea. There are plenty of situations that require traditional approaches. The question that begs for an answer, though, is how many opportunities for similar successes in every sector, not just environmental, have never been noticed, never been tried?

The writer is a senior fellow at the Council on Foreign Relations.

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3/28

Job Bias Is Still the Rule, Not the Exception
Bergmann teaches economics at American
University. By Barbara R. Bergmann= Special to
Newsday=

The Republican drive to get rid of affirmative action programs would be justified if there were no longer many situations where competent people are being excluded from jobs because they are not white, or not male or not both. Unfortunately, the truth is that for many openings you still have to be white and male to have any chance at all for serious consideration. Affirmative action is needed to clean up these remaining situations, which are still far from rare.

The workplace has become more fair. Thanks to some affirmative action programs, competent black people and women have gained a foothold in some of the jobs from which they were once barred. But many employers still are running work sites where each occupation is restricted to one race or one sex. You can see this in your daily life, if you just look around. Next time you see the floor of the stock exchange on TV, notice that you see only white men. Look at the all-male crew on the next building site you pass.

Blacks, who are 10 percent of all workers, still find it hard to break into construction and are poorly represented in many sales occupations. They are only 3 percent of bricklayers and 5 percent of carpenters. Blacks have only 3 percent of the tool and die-making jobs. They have fewer than 3 percent of the real estate sales jobs, in an industry that also discriminates against them as customers. Women are 46 percent of all workers, but are only 1 percent of carpenters, 11 percent of motor vehicle operators, 6 percent of car sales personnel, 2 percent of those repairing office machinery. Women have 24 percent of the operative jobs in manufacturing but even in that category are largely segregated into low-paying "women's jobs" and don't get a chance to compete for the many jobs reserved for men. The jobs of male operatives average almost 40 percent more pay than the jobs of women operatives.

White, non-Hispanic men, who are 41 percent of the work force, hold 95 percent of the senior management positions, a statistic which makes the complaint that they are suffering badly from discrimination look like a bad joke.

Experiments to see how much discrimination prevails have been conducted in Chicago and Washington by the Urban Institute and the Fair Employment Council of Greater Washington. Young male college students were paired up, one white and one black, fitted out with similar credentials and coached to speak and act alike. A pair was sent to apply for each entry-level job. The white and black students were of equal merit. So, in a fair world, one would expect the whites and the blacks to get about the same number of job offers. The result: The white students got many more offers. The evidence from the study suggests that perhaps a quarter of employers still have not arranged to treat blacks fairly, even for entry-level openings requiring only a high school education. The problem has got to be worse for the better jobs.

If an employer has a long history of hiring no blacks or women, particularly for certain jobs at the entry level, the reason is not that any and all blacks and females lack merit for those jobs. Some employers hire mostly on co-workers' recommendations. Supervisors who do such hiring may assume that black or female candidates cannot perform well. While some of these supervisors are racist or sexist, in most cases they are well-meaning people most comfortable hiring the kind of person who has traditionally held that kind of job.

Affirmative action is the company's way of putting

pressure on these supervisors to seek promising black and female candidates, and to actually hire some who look as though they might do well. The result is more fairness rather than less, if the supervisors automatically have turned away people who could do the work well but are of the "wrong" race or gender. How unjust is this to white males? Not at all: They have no right to a continuation of a quota of 100 percent in their favor.

And, while it may be painful for any of us to see our privileges diminished, the pain for white men is more in the psyche than in the pocketbook. Non-Hispanic white men still earn on average 49 percent more than other labor-market participants, and there is scarce evidence that they are typically 49 percent more productive. Productivity in any job is not exclusive to one race or one sex. Hard as it may be for some to believe, the black man or the woman who gets the job may work out just as well or better than the white man who had the job sewn up, before the inception of affirmative action.

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[Handwritten notes: "S", "Laurie W. G. W. W.", "R"]

IN THE LOOP

Plane English at the Forest Service

By Al Kamen
Washington Post Staff Writer

This memo just in from Jack Ward Thomas, chief of the Forest Service:

"Subject: Horizontal Behavior

To: Deputy Chiefs, Associate Deputy Chiefs, and WO Staff Directors

In two recent situations, we have responded to requests for information from Congress by asking a single staff group to prepare the information. These incidents have been identified as the personifications of "linear" as opposed to "horizontal" behavior in the organization. A previous set of operative language would have contrasted this as "functional" as opposed to "corporate behavior."

Please be sensitive to these perceptions—which do have merit—in assigning or responding to such requests for information. I expect Deputy Chiefs, Associate Deputy Chiefs, and WO Staff Directors to emphasize and to be able to assure that "horizontal" behavior has been considered and instituted to the extent appropriate to the specific situation."

Thomas's ludicrously incomprehensible March 6 memo has caused much laughter among the forest folk, we are told, who have been asking each other in the halls if they have been considering horizontal behavior.

We asked a senior Forest Service official to translate the memo into at least a variant of English—something taxpayers might understand—and were told that "horizontal" essentially means teamwork. So the memo, roughly translated, asks officials to gather suggestions from people who work in related areas in order to prepare responses to broad congressional inquiries.

Some people may think "horizontal behavior" means something else, but we are assured it does not.

Shelby's Old Democratic Habits

■ Sen. Richard C. Shelby (Ala.) defected to the GOP last November, but old habits die hard.

There he was on Friday in the Senate Appropriations Committee, doing his best impersonation of an old-time, pork-barreling Democrat as he vigorously defended various projects from the budget ax.

The ax was wielded by Sen. Bob Kerrey (Neb.), a so-called New Democrat, who wanted to go after more than \$150 million in federal construction projects that the administration never asked for, that could be scaled back, or that the General Services Administration said were not needed.

But Shelby, occasionally noting that he had spoken with some of the sponsoring senators, offered a ringing justification for the expenditures, defeating Kerrey on a 20 to 8 vote.

The money for the projects, all apparently critical to America's future, included: \$121.9 million for a courthouse in Phoenix; \$6.4 million for a courthouse in Corpus Christi, Tex., home state of close Shelby friend and presidential aspirant Sen. Phil Gramm; \$19.2 million for an Internal Revenue Service office in Holtsville, N.Y., home state of Sen. Alfonse M. "Old MacDonald Had Some Pork" D'Amato (R); and \$26.3

million for a courthouse in Hammond, Ind., home state of presidential candidate Sen. Richard G. Lugar (R).

Changes at the National Economic Council

■ More moves and shakes at the National Economic Council. Word there is that Robert Fauver is going to be moving over to Treasury to serve as a counselor to Secretary Robert E. Rubin on international economic issues. Rubin likes to have people with a lot of government experience around him.

And Daniel K. Tarullo, assistant secretary of state for economic and business affairs and best known to Loop fans for chatting about personnel matters with a guy named Paul while riding the Red Line to Shady Grove, is moving over to the NEC to be the "sherpa," or central coordinator, for the next G-7 talks.

More moves may be afoot at the NEC.

More Moving On

■ Thomas F. Simons Jr., a career foreign service officer who has been the coordinator of assistance to the newly independent states of the former Soviet Union—although he was technically bounced from the job in May—is said to be moving on to be ambassador to Pakistan.

Richard Kessler, formerly on the Senate Foreign Relations Committee staff for the Democrats, is moving to the House side to work on the International Relations Committee, specifically on the Southeast Asia subcommittee.

Michael J. O'Neil, formerly at the House intelligence committee, an aide to former speaker Thomas S. Foley and now counselor to Defense Secretary William J. Perry and Deputy Secretary John M. Deutch, is in line to move with Deutch to the CIA.

Lee Feinstein, special assistant for peacekeeping policy in the Pentagon and assistant director for the Arms Control Association, is moving to policy planning at State, working on a variety of security issues, including nonproliferation and arms control.

Kevin J. Sweeney, press secretary to former senator Gary Hart (D-Colo.) and then with California outdoor gear manufacturer Patagonia, is leaving his job as Interior Secretary Bruce Babbitt's public affairs director. Sweeney is going back to northern California in June to give his 8-year-old stepdaughter, a world traveler with reporter mom Jennifer Foote, a place to call home.

Philip Peters, most recently at a consulting firm and before that at the State Department Latin America bureau for three years, is now communications director for the House National Security Committee.

Mike Casey, former communications director at the Democratic Congressional Campaign Committee, is at the American Community Protection Association, newly formed to fight the GOP's environmental agenda. DCCC political director David Dixon is going back to media consulting.

Finally, Josh Steiner, top aide to former Treasury secretary Lloyd Bentsen, has moved on to the investment banking firm of Lazard Freres, moving into their media and telecommunications group.

Done Smith
Saver!
3x

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Stopping the Yellowstone Mine

Congress is in a mood to abandon the preservation of America's ecological heritage. It is therefore imperative that the Clinton Administration muster its resolve and its executive powers to block at least one monumental and irreversible environmental catastrophe. This disaster-in-waiting is a proposed gold mine in the upper reaches of Montana's Henderson Mountain, less than three miles from Yellowstone National Park.

The mine and its lethal wastes threaten not only the original crown jewel of the national park system, but one of the most beautiful and fragile wilderness areas in the country. So grave are those risks that this page suggested last year that Congress appropriate the necessary funds, about \$35 million, to compensate Noranda Inc., the Canadian conglomerate that owns the site, for its exploratory expenses and then ask the company to go away.

That is still the best course of action for saving the great national park established by President Ulysses S. Grant. But it is unlikely that the Republican Congress will spend the necessary money or pay attention to various creative strategies offered by opponents of the mine. These include a proposal by Representative Bill Richardson, Democrat of New Mexico, to put the area off limits to mining by declaring it a national recreation area.

But the battle is far from lost. Under the 1872 Mining Law, the Federal Government cannot simply seize claims to which Noranda has already taken lawful title. It can, however, use existing statutes and its regulatory machinery to break Noranda's resolve. This is a company that persists in building a mine that few others want. Washington has enough legal authority, if the White House will wake up, to prevent the desecration of an American treasure by a foreign corporation.

Under the 1972 Clean Water Act, for example, the Environmental Protection Agency, through the Army Corps of Engineers, can prohibit development on wetlands. This is an important power because Noranda proposes to dig out 56 acres of wetlands high on the mountain. There it would build what it calls a "state of the art" impoundment site for storing acid wastes — a deep reservoir the size of 70 football fields. Reputable geologists say that

any such structure, no matter how beautifully engineered, is bound to crack at some point given the region's extreme weather and its history of earthquakes. That will send poisons directly into the surrounding watershed, which includes two of the nation's important wild rivers.

If the E.P.A. and the Corps deny Noranda the necessary permits, the company will have to look elsewhere to store its toxic material. Alternative sites could be prohibitively expensive. But even if the two agencies duck what is an obvious moral obligation, there are other weapons available.

Noranda's 200-acre mine site is in the Gallatin National Forest, which is under the jurisdiction of the Agriculture Department's Forest Service. Noranda owns most of this land but does not yet have clear title to 27 acres that sit directly above a portion of the mother lode of gold, valued by Noranda at \$500 million. Environmental lawyers believe that Secretary of the Interior Bruce Babbitt, following a formal request from the Forest Service, has the power under the 1976 Land Policy and Management Act to take permanent title to these acres on behalf of the Federal Government.

If these experts are right, then the Forest Service should promptly ask Mr. Babbitt to declare these acres off limits and the Secretary should rapidly comply. Deprived of some of its potential riches, Noranda might fold its tent.

Two environmental groups — American Rivers and Trout Unlimited — have suggested yet another approach to those pivotal 27 acres. They argue that a close reading of the 1872 Mining Law and a handful of court cases suggest that Mr. Babbitt can deny Noranda's claim if he can show that the land has greater value in an undisturbed state than it does as a mine. They also argue that even the \$500 million in estimated deposits cannot begin to compare to the ecological and recreational values of Yellowstone and its adjoining ecosystem.

Mr. Babbitt may have trouble quantifying those values, but of course American Rivers and Trout Unlimited are right. The numbers are not important. As a nation, we have to draw a line and announce that some places are simply too valuable and too sacred to our history to be put at risk.

To VP / Leon
can we do something
about this?
B

3/28

GS - good
B

Dallas Area Human Resources Executives Support Affirmative Action By Diana Kunde, The Dallas Morning News Knight-Ridder/Tribune Business News

Mar. 25--It may be creating a firestorm in Congress, but affirmative action got generally good grades from a group of corporate human resource executives who met recently in Dallas.

Nearly two-thirds of 101 human resources managers who completed an informal, anonymous survey for The Dallas Morning News said affirmative action is still needed.

The remaining third were more inclined to say the programs have outlived their usefulness.

Tim Huepp, president of the Dallas Human Resources Association and senior vice president for human resources and administration at the Federal Home Loan Bank of Dallas, said he wasn't surprised by the survey results.

"I think the key thing affirmative action plans do is force companies to look at the issue. If you don't have anything forcing organizations to do that, there's a likelihood we may reverse some of the progress that has occurred. That's why HR folks are generally supportive," Mr. Huepp said.

The survey was taken at a monthly meeting of the association. It wasn't scientific and doesn't necessarily represent the association membership's views. Also, 15 percent didn't provide race or gender data, and of the remainder, nearly three-fourths were white females, 6 percent were African-American and 3 percent were Hispanic.

But the survey does provide a snapshot of opinions on one of the most divisive issues in politics today, from the people whose task it is to make sure their own firms comply with federal employment laws.

Critics contend that efforts originally designed to level the playing field for women and minorities are now discriminating against white males, or are burdensome and ineffective. Supporters say affirmative action is still needed in a working world where about 97 percent of top corporate jobs are held by white males.

Republican Sen. Robert Dole of Kansas has called for a review of the federal government's policies. President Clinton, meanwhile, has launched his own review. The U.S. Supreme Court will consider an action brought by a white Colorado contractor who claims reverse discrimination.

Amid such initiatives, major employers like J.C. Penney Co. and Xerox Corp. have launched their own programs aimed at breaking barriers for women and minorities. Diversity, not affirmative action, is the popular term.

In Dallas, a strong majority of the surveyed human resource managers said diversity was a business goal at their company. Three in 10 rated it a "high priority."

Recognition International, for instance, has a volunteer diversity awareness group that plans educational and social events celebrating different cultures. "We have an annual affirmative action program, and we also have a diversity program that goes a step further" -including monthly reviews of hiring and promotion, said Mary Beth Wurzbach, employment manager.

"We've done a lot more purchasing with minority and women-owned vendors, and we appointed our first woman director last year," Ms. Wurzbach said.

Among survey respondents, diversity training and goals for hiring and advancement were the most common components of diversity or affirmative action plans. A few went further with formal mentoring programs. Very few companies linked management pay to diversity goals.

Affirmative action has opened up opportunities at their firms, a majority said. Women have been bigger beneficiaries than minorities. Eight in 10 said more jobs, including supervision, had opened to women. Six in 10 rated their programs successful in paving the way for

minorities.

Still, the Dallas group members said their workplaces fell far short of parity among the upper management ranks. Just two in 10 said women and minorities were proportionately represented in "nearly all" management positions. The majority - six in 10 - said fewer than half of management layers were diverse.

"There is still a lot of inborn bias in corporate management that

I have experienced - both large and small companies," said one respondent. "While most of the top managers don't think they're prejudiced, they are. This is probably because most are white males over 40."

Has affirmative action discriminated against white males? Not at all or scarcely at all, said about 90 percent of the surveyed managers -although 10 percent disagreed sharply, saying affirmative action leads to "a lot" of discrimination against white males.

Nor has it resulted in hiring less qualified people - a common criticism - most of the executives said. But one respondent said affirmative action mandates are at odds with business goals on diversity.

"Diversity makes good business sense because if your employee population matches your customer population you will more successful," this respondent said. "However, I believe that affirmative action plans encourage companies to select employees based on their race or gender rather than their skills,

and are not in the best interests of companies."

Hattie Hill-Storks, a Dallas-based diversity and customer service trainer, traces a lot of the disillusionment with affirmative action back to its early days, when desperate managers who didn't know the black or Hispanic communities "picked the first person they saw, and put them in a suit."

"Companies that are smart can't afford to hire unqualified people anymore. In the early days, they did that, and that's how the stigma developed," said Ms. Hill-Storks, who is African-American.

Rogge Dunn, a labor law specialist who teaches at Southern Methodist University, said the survey results track what he generally hears from human resources managers among his legal clients.

"They're generally not against the concept...but what they want is

a program they can implement so they don't need to be concerned with reverse discrimination lawsuits. Business is looking for a safe harbor," he said.

The Dallas Morning News Robert Miller Column By Robert Miller, The Dallas Morning News Knight-Ridder/Tribune Business News

Mar. 26--Old Blue Eyes could have been talking about Carol Bellamy years in New York when he crooned that if you make it there, you can make it anywhere.

The 53-year-old director of the Peace Corps served as the first female president of the New York City Council from 1978 to 1985.

After leaving city government, she was a principal at Morgan Stanley & Co. from 1986 to 1990, and was a managing director in the Public Finance Department at Bear Stearns & Co., before her Peace Corps appointment by President Clinton in 1993.

With Senate confirmation, she became the first Peace Corps Volunteer ever to head the 34-year old group, having served in Guatemala from 1963 to 1965.

On My Mind

A. M. ROSENTHAL

~~How to Trade With Iran~~

"I, William J. Clinton, President of the United States of America, find that the actions and policies of the Government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy and economy of the United States, and hereby declare a national emergency to deal with that threat."

Clear and powerful, every word of the Presidential preamble to Executive Order 12957, signed March 15. But it turns out that the steps actually ordered by the President after that fine lead are so limited that the executive order makes only one thing clear. The U.S. still is not willing to stop the flow of billions of American dollars that make Iran threatening.

The order bans foreign subsidiaries of American oil companies from making deals to develop Iranian oilfields. Only Conoco negotiated one. But every day the subsidiaries are still allowed to make a mockery of the U.S. embargo by buying Iranian oil and selling it outside the U.S.

So I put the question to Edgar J. Bronfman Sr. Mr. Bronfman, his brother Charles and his son Edgar Jr. used their clout as major shareholders of Du Pont, Conoco's owner, to try to stop the deal as soon as they heard of it — three years after Conoco began negotiating.

What's the use of stopping that one \$1 billion Conoco deal, while through subsidiaries the U.S. oil industry buys \$4.25 billion of Iran's oil a year?

That money supports the terrorism, holy wars, arms and nuclear buildup that make Iran dangerous.

Said Mr. Bronfman:

"Iran is a rogue nation and the United States should do what it does about Iraq — a boycott until they behave themselves."

Will you stop any oil purchases by Conoco or other oil companies where you have a voice? If they do, I will, he replied. A Conoco spokesman told me later that its subsidiaries are not in that trade. According to The Iran Brief, published by the invaluable Kenneth Timmerman, companies that are include Exxon, Coastal Oil, Mobil and Texaco.

Then I asked about the argument always thrown at me that our European allies would never go along with a real U.S. oil embargo but just buy more Iranian oil — as Italians are rushing to grab Conoco's deal.

Let's make sure our friends understand for whom Iranian terrorism tolls, he said, and then if we have to, do it alone.

Please quote me, said Mr. Bronfman. I said don't worry, I will.

Ladies and gentlemen, it was an astonishing journalistic experience. Here was a businessman in the U.S. not only taking a position against trade über alles, the new theology in Washington and boardrooms, but still believing that America could act alone against economic empowerment of dictatorships if it had to. No hedging! On the record!

Mr. Bronfman gets even more courage points — for volunteering that he looked on the wreckage of the Jewish Center in Buenos Aires and believes Iran had a hand, or a bomb, in it. He will pay for that courage by unrelenting anti-Semitic attacks from holy war propagandists. And I suppose there will be those perennially politically jumpy Jews who get upset at even mentioning anti-Jewish terrorism in connection with doing business with Iran.

But the Bronfmans are not alone. Senator Alfonse D'Amato, Republican of New York, has introduced legislation calling for a total embargo on trade between the U.S. and Iran. He has 25 co-sponsors, including the majority leader, Robert Dole.

Medals for three Bronfmans.

Maybe they can write it into the Republican platform.

By right of Democratic tradition, and in constancy to his anti-dictatorship speeches during the 1992 campaign, Mr. Clinton should be leading the U.S. against appeasement and empowerment of dictators, which are the same thing.

But when suddenly he began to preach the cynicism that "economic engagement" with Communist China somehow would help democracy there, he sacrificed both tradition and constancy.

Presumably the President will push Russia to cancel the two nuclear plants it has contracted to build for Iran. Who knows, maybe one day he will decide again that fighting appeasement and empowerment is not a sometime thing; I hope so.

Meantime, herewith is my personal medal for the Bronfmans. They can melt it down if they run out of money. □

THE NEW YORK TIMES

FRIDAY, MARCH 24, 1995

Can
trust
Bronfman

IN THE LOOP

Another Invitation to Guest Workers?

By Al Kamen
Washington Post Staff Writer

There are rumblings on the Hill that California growers, including some strong backers of likely presidential contender Gov. Pete Wilson (R), are lining up behind an attempt to bring back a nationwide "guest worker" program for seasonal farm workers.

The idea would be to regulate these workers—for example, withhold a portion of their wages until they return to Mexico—as a way to control the number of people coming across the border. Proponents say this would replace the illegal stream with a legal one. For Wilson, backing the program would assuage growers upset by his anti-immigrant, border-closing positions.

Opponents compare the initiative to the infamous *bracero* program, which was widely denounced and eventually abandoned in 1964 because of abuse of Mexican workers. Critics say the new program, an expansion of one for a relatively small number of workers on the East Coast, won't work for lots of reasons—it's limited only to agricultural workers—and would end up adding to the illegal immigrant stream.

But growers love these programs because the "guests" work for peanuts, cannot unionize or cause trouble, and essentially are grateful for anything.

It gets even better for farming interests. A provision tucked in the GOP welfare reform bill, which cuts off food stamps and other benefits for legal permanent residents (green card holders), specifically allows guest workers to continue receiving those benefits.

Seems only fair. Why hire citizens and legal residents if you don't have to? And why not let taxpayers help our nation's guests?

But, wouldn't ya know it, California Rep. Howard L. Berman (D) is opposed.

"The very social services U.S. farm workers pay taxes to support will be made available to foreign guestworkers competing for their jobs," Berman said in a "Dear Colleague" letter this week. Rather than have longtime legal residents in subsidized farm worker housing, why not kick them out to make room for the guests?

Berman, who has opposed the East Coast guest worker program as a subsidy for growers, says, "I strongly suspect" the exemption from welfare cuts was "sought by agribusiness lobbyists."

We're shocked.

Fresh Ammo for Immigration Panel's Critics

■ Speaking of immigration, pro-immigration activists have long complained that the nine-member U.S. Commission on Immigration Reform has no Asian American members and only two Latinos. Word now is that the House is moving quickly to add two more members, former representatives Romano L. Mazzoli (D-Ky.) and Hamilton Fish Jr. (R-N.Y.), neither of them known to be Asian Americans.

Meanwhile, although former representative

Barbara Jordan counts for a lot as chair of the commission, observers note she's the only woman on it.

What a Difference a Year Doesn't Make

■ Seems there were some unhappy folks in a certain senator's office this week. The administration Monday announced its massive, and expensive, campaign to save the salmon in the Pacific Northwest. But when reporters called the chairman of the Senate Appropriations Committee, Sen. Mark O. Hatfield (R), who just happens to live in Oregon, for his assessment, they were told the chairman had not been briefed about the plan and couldn't comment.

This has happened on other occasions, one source said, citing one plan to release additional water into the Columbia River, which Hatfield opposed. But that was last year, when he wasn't called "Mr. Chairman."

Who's Been Tailing Henry Foster?

■ In case you've been wondering who's been shadowing surgeon general nominee Henry W. Foster Jr., wonder no more. Turns out they are his security detail from the U.S. Marshals Service. Word is the Nashville obstetrician/gynecologist, who has acknowledged performing abortions, has at least two guards with him everywhere he goes. The White House is not saying why they've laid on this detail. The security is highly unusual, possibly unprecedented, for a mere nominee.

Calling for Calls of the Wild

■ And this from the Greenwire. Seems the Minneapolis Star-Tribune is offering the chance to hear what gray wolves sound like. You simply call 612-673-9067 and punch the extension of the kind of wolf sound you'd most like to hear. For the howls they make when something threatens their den, dial 4490. For the howl after a winter kill, dial 4491. For the howl during breeding season, dial 4492. There's a little chat explaining the howlings, which were provided by wolf biologist Fred Harrington and the International Wolf Center in Ely, Minn.

We're told one of them sounds a lot like White House Chief of Staff Leon E. Panetta after the balanced budget amendment went down.

Recent Moves . . .

■ Sanford McAllister, formerly in the Reagan White House, the Bush Federal Energy Regulatory Commission, the Heritage Foundation and more recently an assistant to Republican National Committee chairman Haley Barbour, has been named RNC executive director.

Peter M. Yu, formerly with the National Association of Public Hospitals and more recently at the White House National Economic Council, is going to the American International Group as managing director of a new company dealing with investments in the former Soviet Union and other places.

Jonathan Yarowsky, former general counsel of the House Judiciary Committee, is moving to the White House, to be special counsel to the president for law and policy, a job that straddles the legal counsel and legislative affairs operations.

Washington Wire

A Special Weekly Report From
The Wall Street Journal's

Capital Bureau

THE WALL STREET JOURNAL FRIDAY, MARCH 24, 1995

THE PRESIDENT HAS SEEN

CLINTON STRATEGIES to stay ahead of Congress on pressing Iran.

A bill planned by New York Sen. D'Amato to restrict trade with Iran gathers steam after the administration's blocking of Conoco's \$1 billion oil-development contract with Tehran. D'Amato aides mull toughening the measure to penalize foreign companies that sell Iran strategic goods. Aipac, the pro-Israel lobby, plans to push the bill when it is introduced in a few weeks.

Clintonites debate an executive order that would selectively tighten existing sanctions on Iran but be less Draconian than the D'Amato bill. Christopher leads an effort to punish Iran, but a senior deputy questions the legality of penalizing foreign companies or overseas units of U.S. corporations. Commerce and Energy department officials prefer that any new sanctions be mild. But Clintonites insist they won't be outflanked by D'Amato.

"Nobody gets to the right of us on Iran," vows a top U.S. official.

PRESIDENTIAL POLITICS helped doom Viacom's Senate bid to save a tax break.

GOP leader Dole was pivotal in the Finance Committee's last-minute decision last week to back a House-passed bill repealing a tax break for TV-station sales to minority broadcasters retroactive to Jan. 17. The move, which dashes Viacom's hopes to defer up to \$640 million in taxes, avoided a floor debate by foes of affirmative action that presidential rival Gramm could exploit.

Dole's intervention ended behind-the-scenes efforts by Finance Chairman Packwood to revamp the tax incentive but not repeal it, with a date that would salvage Viacom's deal. With Dole's views made known to the Finance panel, key Dole allies, notably Sen. D'Amato, dropped their opposition to retroactively repealing the program. A Dole aide dismisses talk that 1996 politics was a factor.

DUELING FOR DOLLARS: The GOP presidential money race heats up.

Lamar Alexander's team claims he will rack up more than \$4 million in donations in the first quarter, possibly outstripping Gramm's vaunted money machine. "I'll bet 'em \$1,000 I raise more money in this quarter than they do," the Texas senator retorts. Gramm's team boasts he topped \$4 million in one giant fund-raiser in Dallas.

Dole will trail both foes' money totals in the first quarter. But the Kansas senator plans big fund-raisers in New York, Dallas and elsewhere during a formal announcement tour next month. The big question: How many donors will move to California Gov. Wilson, who begins serious fund raising on the East Coast this weekend?

Social conservative Gary Bauer complains GOP leaders spend "too much time" at \$1,000 dinners, leaving them out of touch with "Kmart Republicans."

BITING THE HAND: Henry Kissinger threw a dinner for House Speaker Gingrich last week, inviting the top brass of TV networks and other leading news executives. Gingrich then proceeded to lambaste the Washington press corps, while the executives for the most part sat silent.

AIR DASCHLE: A Transportation Department inspector general report on allegations that Sen. Daschle interfered with Forest Service and FAA inspections of a small South Dakota air-charter firm owned by a friend is delayed as investigators interview more inspectors. The report about B & L Aviation had been expected last week.

HARD BALL: The Term Limits Legal Institute lists 63 lawmakers who bounced checks in the 1992 House banking scandal and had voted for a pay raise in 1989 — and who now oppose term limits. They are dubbed the "congressional welfare kings and queens."

BE SEEN, NOT HEARD: Cabinet secretaries accompanying Clinton and Gore to Wednesday's all-day regional economic summit in Atlanta are told they are to listen, not make presentations. Three other regional summits are planned, including one in California.

PEN PALS help produce Gingrich's proliferation of new books.

Sci-fi writer Jerry Pournelle hopes to finish a techno-thriller about a terrorist threat borne of defense cuts that will bear Gingrich's co-byline this year — two years late. "He talked, I wrote, and we edited," Pournelle says. But a draft must be reworked, he says, because "you have to be a little more careful about who the villains are" now that Gingrich is speaker.

Pournelle also is re-editing Gingrich's 1984 political manifesto, "Window of Opportunity," to make it punchier. But three more Gingrich-related novels take priority for publisher Jim Baen. HarperCollins publisher Jack McKeown promises Gingrich's nonfiction "To Renew America" will be "an original work" drawn "heavily on his college courses" but not just reworked transcripts.

HarperCollins plans a big marketing push for late summer for an expected first printing of 750,000 copies. But Gingrich rejects a book-signing tour.

MINOR MEMOS: Scientific survey? A Heritage Foundation mailing includes such poll questions as whether respondents favor killing "agencies promoting the liberal agenda." ... As an orator he is no Daniel Webster, but former Treasury Secretary Lloyd Bentsen now gets \$40,000 a speech. ... Newly released Fed transcripts from 1989 show member John LaWare saying that a hoped-for "soft landing" of the economy looked more like "being stuck in the mud."

—RONALD G. SHAFER

U.S. Reserve Assets Increased in February

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — U.S. official reserve assets rose \$5.41 billion in February to \$81.44 billion, the Treasury Department said.

Last month's increase compared with January's \$1.69 billion rise in reserve assets to \$76.03 billion, the department said. U.S. reserve assets consist of foreign currencies, gold, special drawing rights at the International Monetary Fund and the U.S. reserve position — its ability to draw foreign currencies — at the IMF.

The nation's holdings of foreign currencies increased \$3.68 billion in February to \$46.38 billion, while its gold reserves remained unchanged at \$11.05 billion.

U.S. holdings of IMF special drawing rights last month rose \$1 billion to \$11.16 billion, and its reserve position at the IMF rose \$733 million to \$12.85 billion.

THE PRESIDENT HAS SEEN 3/28

Leon (Tom)
Mumukshu Bhawan
New Delhi -
BZ

Richard Cohen

THE PRESIDENT HAS SEEN

A Baby And a Welfare Check

Back in 1987, Marion Barry, then as now the mayor of Washington, was touring a homeless shelter when he encountered Jacqueline Williams, a woman with 14 children. "Why don't you all find me a better place to live?" she demanded. "Why don't you stop having all those babies?" Barry shot back.

For that remark, so sensible it may well have been Barry's finest hour, he was criticized in some quarters and hauled before the nation's highest tribunal: the "Donahue Show." He appeared, of course, with Williams, the purported other side of the story.

That incident tells us how dramatically the welfare debate has changed. Few people would now argue that a

whole idea. At the core of the welfare reform proposals is the desire to send a moral message: If you can't afford a child, if—worse than that—you already are a mother and on the dole—don't have another one. This is nothing more than common sense. The child will be invariably put at risk—the usual Dickensian life of poverty—and the mother will be further burdened and unable to work. Where is it written that we have to subsidize that sort of lifestyle?

Liberal critics of the GOP plan often say there is no evidence to support the widespread belief that welfare encourages women to have additional children—or to become mothers in the first place. Anecdotal evidence suggests otherwise, but never mind. The point is not whether an additional \$60 a month encourages pregnancies but whether these pregnancies would be discouraged if no more money were forthcoming. In New Jersey, which already has the so-called family cap, the preliminary evidence is that birthrates among welfare mothers have fallen.

Probably some of these New Jersey women have had abortions. And abortion, it turns out, has produced another set of family cap critics. They contend—and let's hope they're right—that welfare recipients will seek abortions if they know a baby and a check no longer arrive simultaneously.

For some groups, abortion is a deeply felt moral issue. But many abortion opponents also oppose birth control. Given two difficult choices, they apparently would prefer for the government to continue to subsidize illegitimacy rather than to have women practice birth control—Norplant, for instance—or, worse, turn to abortion. The policy, while based on a moral conviction, is bound to have an amoral outcome.

Oddly enough, both liberals and antiabortion conservatives have staked out similar ideological positions: In the name of the (additional) child, welfare ought to be increased; in the name of the fetus, abortion (and for some groups, birth control) cannot be condoned. Either way, not much would change.

Change, though, is what's needed. At its core, welfare is about poverty—not moral values—and a woman and her children should not be punished if her husband goes out for a pack of cigarettes and never comes back. But women who see you and me as surrogate fathers are a different matter altogether.

Welfare is a complicated subject, but not so complicated that a simple message cannot be sent: Having babies while on welfare is wrong—and we won't pay for it.

"To talk about welfare and not also about morality makes no sense."

woman who is both jobless and homeless—and, as it turned out, so maternally irresponsible that most of her children were later taken from her—is morally entitled to live her life on the dole. Her desire to have children, if it was that, was always her own business. Her insistence that we pay for them was, however, our business.

That incident and the attitudes that informed it are precisely what Newt Gingrich has in mind when he talks—sometimes recklessly—about an immoral welfare mentality. Sometimes he invokes the awful 1960s, when, in his telling, conventional morality went behind the moon, and recently he has articulated a longing for the Victorian era and its purported emphasis on shame. But allowing for some theatrical exaggeration, he is on to something. To talk about welfare and not also about morality makes no sense whatever.

Gradually, America has come around to that point of view—and it's about time. In fact, the substance of that attitudinal change was contained in a Republican proposal to deny additional welfare benefits to women who have children while on public assistance. This provision was both predictably and understandably denounced as being cruel to children. It's not so easy to dismiss this concern. We are, after all, talking about infants for whom the modifier "innocent" is truly redundant. Amendments—one of them called the diaper amendment—may change things a bit.

But a little harshness—directed at the parent, not the child—is the

THE PRESIDENT HAS SEEN 3/28

McCurry Others a point
but there's a real difference
between Noaid to Ken
Madden and his and
Madden's aid beyond
on out of the back of his hand
on that —
for

Leon
[redacted]
Shoreline
Part of Mission
California BC
special agents of the Bureau of Alcohol, Tobacco and Firearms, the Secret Service, the Department

DPAH, mercifully, should be soon in the hands of a court-ordered receiver.

THE PRESIDENT HAS SEEN 3/28/95

A Blow at Foster Care

WHEN HOUSE Speaker Newt Gingrich came under harsh attack for saying that in some circumstances some children might be better off in orphanages, the assaults seemed to us unfair. Given the state of the existing foster care system and the problems faced by children in abusive families, it's wrong to foreclose, for partisan and ideological reasons, any reasonable options that might help some kids.

Unfortunately, Mr. Gingrich and his party in the House have not translated their talk about helping society's worst-off children into protections from the freezes and reductions that their welfare bill makes in many programs for the poor. One section of the proposal that has received little notice entails a five-year reduction of more than \$2.5 billion in the growth that was projected in federal child welfare programs. In their zeal for block grants, the Republicans end the entitlement status of foster care and adoption assistance. The bill also repeals a long list of federal regulations to ensure adequate services for children in foster care.

It would, of course, be a good thing if money could be saved in all these programs by running them better. But spending on foster care and adoption has risen not because of bloated bureaucracies or grabby interest groups but because of a tragic rise in the number of abused and neglected children. The numbers went from 262,000 in 1982 to 445,000 in 1993 and continue to go up. One big

~~reason is the crack epidemic, for which vulnerable kids should certainly not be held responsible.~~

The Republicans can make a fair case that federal regulations in this area should be streamlined; some rules may force states to spend money in certain areas that might be better spent elsewhere. But on this question not many states and localities can claim bragging rights for having done a brilliant job. On the contrary, 20 states are under court orders or have been sued for failing to adhere to federal standards.

Ending the entitlement status of these programs could only make bad situations worse by foreclosing the increases in federal funding that need to come if yet more children find themselves in foster care—as seems a virtual certainty. That is why organizations sympathetic to local autonomy and state control, such as the National Association of State Legislators and the National Association of Counties, have asked that adoption and foster care be continued as entitlements and not be turned into block grants.

The foster care and adoption systems are in need of reform. Unfortunately, most reforms designed to help children in dire straits will involve more spending, not less. Mr. Gingrich, who can talk movingly about needy children, surely can do better. This provision is yet another reason why the House Republicans' welfare bill should be defeated.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN 3/27

March 24, 1993 24 P4:45

Memorandum for the President

From: Mark Gearan *mg*
Subject: Marketing and Message Coordination

During the past month, we have developed several new mechanisms through which we can more effectively market this Administration's accomplishments and its vision for the future:

Talking Points. Jake Siewert in my office prepares daily Talking Points that help amplify the White House message of the day. (See Attachment A -- Sample Daily Talking Points.) Like the Issue Briefs (see below), these Talking Points are available on-line to every White House staff member and are faxed widely to interested constituencies. On Friday, the talking points become a recap of the week and a guide to The Week Ahead (See Attachment B -- Sample Weekly Review - Look Ahead.)

On-Line Issue Briefs. We have prepared a catalogue of 2-3 page Issue Briefs on about 80 different topics of importance to the Administration. (See Attachment C - Master List of Issue Briefs.) Each Issue Brief begins with a presidential quote, states the principles that guide our policy and concludes with an update. (See Attachment D -- Sample Issue Brief). As of Monday, March 27, the Issue Briefs will be available to all White House staff on their computers. Each White House department will be able to fax or mail the Issue Briefs to interested constituencies, e.g. Intergovernmental could send the Issue Brief on Community Empowerment to Democratic mayors and county officials to help them do media or set up an event. We would like to demonstrate this on-line system to you in the near future.

Communications and Out-Reach Plans. For high-profile presidential events -- in coordination with Erskine Bowles -- we have asked each out-reach and policy shop in the White House to develop and coordinate activities to amplify your message around that event. On Fridays, you receive a draft plan for the following week's message events that Julia Moffett prepares. By Wednesday of the week concerned, you receive a final version of that plan. Although this system is relatively new, it has begun to function as an effective marketing tool around particular events that are scheduled well in advance and have a tight focus and message. They are particularly helpful when the message of the day is not covered in the mainstream national media. Please let us know if you have any concerns about this process as we refine it. (See Attachment E- Sample Communications and Out-Reach plan)

Message Memo
March 24, 1995
Page 2

Message Booklet. Using the Issue Briefs as a basis, we are developing a short (40-pages) message booklet that can be mailed out and widely distributed. The book will contain our core message and accomplishments on issues of central importance to the Administration. A draft table of contents for the book is attached for your review and approval. We would like to have this booklet ready for distribution by the first week in April. (See Attachment F -- Proposed Table of Contents for Message Booklet.)

Brochure. We are developing a brochure on accomplishments that will be widely available for distribution. That brochure will summarize your accomplishments, your plan for the future, and contain charts depicting our progress on job creation and deficit reduction. We will circulate a draft of that brochure to outside consultants and have a final draft for your approval by the end of next week.

Stump Speech. We have drafted a stump speech that will be circulated widely to the Cabinet, sub-Cabinet officials, and regional Administrators for their use in the months ahead. We will supplement the speech with slides, charts, posters and hand-outs that can be used and adapted to different purposes and venues. That speech, along with a summary memo, has been forwarded to you under separate cover for your review and approval. Once it is approved, we will have a full package distributed to the Cabinet and sub-Cabinet within a week.

Speech Book. We have also prepared a collection of your more thematic speeches that is being circulated to key groups and selected members of the media. That collection is attached for your review. (See Attachment G -- Selected Speeches.)

Marketing For Specific Initiatives. I have also been working with Kitty Higgins, Gene Sperling, Dave Barram, Frank Greer and the relevant Cabinet agencies to develop targeted marketing plans around specific initiatives, particularly Direct Lending and The Earned Income Tax Credit. We will have updates to you on those marketing plans next week.

Mailings. We have begun an extensive mailing program to leading editorial boards, columnists, pundits, and targeted opinion leaders of speeches, background material and fact sheets.

I look forward to hearing your comments and suggestions about this project.

attachments

cc: Leon Panetta
Erskine Bowles
Harold Ickes

MARKETING AND MESSAGE ATTACHMENTS

- A. Sample Daily Talking Points
- B. Sample Weekly Review - Look Ahead
- C. Master List of Issue Briefs
- D. Sample Issue Brief
- E. Sample Communications and Out-Reach Plan
- F. Proposed Table of Contents for Message Booklet
- G. Selected Speeches

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN 3/27

95 MAR 24 P 9:43

March 24, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Weekly Cabinet Reports

SOUTHERN REGIONAL ECONOMIC CONFERENCE

In conjunction with the Southern Regional Economic Conference in Atlanta on March 30, nine Cabinet Members and 20 Sub-Cabinet officials will travel to cities throughout the south. The attached map, which will be released to the press, highlights the Administration travel. In addition, Members of the Cabinet and Sub-Cabinet will conduct radio and print interviews into all 41 southern media markets.

DEPARTMENT SUMMARIES

Department of Treasury

- **EITC:** On Friday, March 31, Secretary Rubin and IRS Commissioner Richardson visit the IRS National Office in Washington, D.C. where they will highlight the EITC and recognize IRS employees who have made a significant contribution to the 1995 filing season.
- **Mexico Reporting Requirements:** Treasury officials continue to work with Democratic conferees who are against legislation which was marked up and reported out of the Senate Foreign Relations Committee on March 22. The legislation, sponsored by Sen. Hank Brown, imposes new document reporting requirements on the Treasury regarding the Mexico situation.

Department of Commerce

- **Florida Keys Management Plan:** NOAA expects to release the Florida Keys Management Plan at a press event within the next 1-2 weeks, and expects significant regional press interest.

- **Latin America Trip:** March 22-28, Secretary Brown travels in Latin America to promote expanded economic ties. Yesterday, Secretary Brown arrived in Brazil, met with President Cardoso, and signed the Terms of Reference for the U.S.-Brazil Business Development Council. This weekend, Secretary Brown meets with Argentinean President Menem and with the U.S.-Argentina Business Development Council Steering Committee. Sunday, Secretary Brown participates in the annual Latin America Telecommunications Summit in Chile.
- **Release of Economic Indicators:** The Census Bureau will release the following economic data:

- Advance Report on Durable Goods for February 1995	March 24
- New One-Family Houses Sold and For Sale for February 1995	March 29
Manufacturers' Shipments for February 1995	March 31
- 4th Quarter 1994 Gross Domestic Product (final)	March 31
- 4th Quarter 1994 Corporate Profits (revised)	March 31

Department of Labor

- **Minimum Wage:** Secretary Reich held a roundtable discussion with low wage workers in Hartford, Connecticut on Friday, March 24. The workers described the difficulties trying to survive on a minimum or near-minimum wage salary. Rep. Barbara Kennelly (D-CT) and state officials also participated.
- **Striker Executive Order:** DOL is moving forward implementing and enforcing the Executive Order. DOL has sent a letter to all other Executive branch agencies requesting information identifying employers who may be violating the Executive Order.
- **California Labor Grant Announcement:** On Wednesday, Secretary Reich joined Chief of Staff Leon Panetta, Senator Barbara Boxer (D-CA) and Representatives Jane Harman (D-CA), Maxine Waters (D-CA) and Howard McKeon (R-CA) in announcing the award of an \$18 million DOL grant to the State of California. This is the largest dislocated worker grant ever awarded and it also marks the first time dislocated workers anywhere in the U.S. will have access to training and reemployment services through a comprehensive regional program.
- **Baseball Strike:** The NLRB met today and did not reach a decision whether to seek an injunction. The board is expected to meet again early next week and will most likely reach a decision at that time. Usury continues to talk with both sides and it is possible that negotiations will resume as soon as this weekend.
- **Pirelli Armstrong Strike :** Members of the United Rubber Workers (URW) returned to work unconditionally at Pirelli Armstrong Tire Corp. plants in Godlettsville, Tennessee and Hanford, California on March 9, ending a strike that began on July 15, 1994. The return to work followed a National Labor Relations Board (NLRB) finding that the company acted improperly by unilaterally implementing new terms and conditions of employment at the plants.

- **Caterpillar Strike:** The United Auto Workers and Caterpillar resumed bargaining in Indianapolis on March 16-17 with the assistance of FMCS.
- **USAir Negotiations:** The Pilots, Machinists, Flight Attendants and Transport Workers continue negotiations with USAir over the value of concessions the unions are offering. On March 8, the company announced that it would cut 240 flights from its daily schedule effective in July.

Department of Transportation



Commuter Aviation Safety: DOT issued a Notice of Proposed Rulemaking today requiring commuter airlines to meet the same safety standards as larger carriers. Under the proposed rulemaking, commuter airplanes of 10 to 30 seats will have to comply with more stringent requirements including: flight time limits, longer rest requirements, increased training requirements, dispatch systems, and a designated safety official. Commuter operations with 9 or fewer seats will continue to operate under current standards. The new regulations will impose a significant cost to industry and DOT expects objections.

- **Response to Poison Gas Attack in Tokyo:** Federal Transit Administrator Gordon Linton sent an advisory letter to all thirty rail transit agencies, in response to the March 20 poison gas bombing on the Tokyo subway. He emphasized that all necessary precautions should be taken to protect the safety of transit patrons and employees. He followed up with additional letters to all other transit agencies. Prior to this incident FTA had already scheduled a series of regional meetings to discuss transit security; passenger security will be discussed at these meetings.
- **Potential Transit Strike in Philadelphia:** Negotiations continue between the Transport Workers Union and the Southeastern Pennsylvania Transportation Authority with a strike deadline of March 27. 5,200 transit workers are involved and they may strike as early as Sunday evening. Approximately 300,000 riders per day would be affected. Mort Downey is monitoring the situation and he will keep us advised.
- **Reorganization Proposal:** DOT anticipates submitting legislation for reorganization by the end of next week. The legislation will consolidate 10 modes to 3. Legislation to corporatize the Air Traffic Controllers function will also be submitted.
- **Airplane Icing:** On March 20, the Federal Aviation Administration approved new, larger deicing boots for ATR-42 and -72 aircraft, preventing the formation of an ice ridge on the wing by nearly doubling the effective coverage of the boots. Installation will begin immediately, and will be completed by the June 1, 1995 deadline. The ATR aircraft was involved in a major aviation accident last year with multiple loss of life. Ice is suspected as the cause.

- **U.S. Pleasure Boat Fired Upon:** Last week, a U.S. pleasure craft was fired upon with automatic weapons by persons stating they were Mexican Federales. Six Federales boarded the boat 3 miles offshore in Mexican territorial waters and commandeered the boat for 40 minutes, stating that they were looking for another vessel that fit their description. The Federales ordered the U.S. craft to assist them in their search. The "other vessel" was not located, the Federales departed, and the U.S. ship returned to San Diego and briefed Coast Guard officials on the incident. No injuries were reported.
- **Russian Vessels Stranded in Port:** Two Russian vessels, the DMITRIY LAPTEV and the FEDOR MATISEN, have been anchored at the ports of Everett and Port Angeles, Washington since October 1994. The two vessels are economically stranded and have not been able to procure a cargo to defray their cost of operations. The vessels are running out of fuel and reaching their maximum sewage and bilge collection capacity. The Coast Guard will ask the State Department for assistance.
- **Arkansas House Passes Administrative License Revocation Bill:** On March 20, the Arkansas House approved the Administrative License Revocation (ALR) legislation for impaired driving by a vote of 94-0. Arkansas will be the 39th state to implement this priority legislation.

United States Trade Representative

- **WTO:** Ambassador Kantor announced U.S. support for former Italian trade minister Renato Ruggiero to become the first Director General of the World Trade Organization. The United States received assurances from Ambassador Ruggiero on a number of issues of importance to the United States and our trading partners. In addition, the United States supported the creation of an additional Deputy Director General position in the WTO for former South Korean trade minister Chul-Su Kim, the other remaining candidate in the WTO Director General race.

Small Business Administration

- **REGO:** On Monday, March 27, Administrator Lader, along with the heads of FEMA, Interior and NASA, will join you at the White House as you announce the savings that will result from the reorganization of these agencies.

Department of Health and Human Services

- **SSA Independence:** On March 31, the Social Security Administration will be established as an independent federal agency. SSA will continue to administer all of its current programs and administratively support the Medicare program. An event marking the Agency's independence will be scheduled with you in early April.

- **Mammography Quality Standards:** On March 31, under the Mammography Quality Standards Act (MQSA), mammography facilities must be fully certified by the FDA. As of March 21, approximately 97 percent of facilities have been fully or provisionally certified as meeting MQSA standards. Most facilities with provisional certificates will qualify for, and be granted, a one-time, 90-day extension to allow them to complete the accreditation process. Fewer than 500 facilities will be required to cease providing mammography services after their provisional certificate expires.

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Tennessee Medicaid Block Grant: Tennessee's Governor Sundquist and former Governor McWherter have requested alterations to their Medicaid demonstration proposal "TennCare," including a block grant of federal Medicaid funds, and waivers from additional Medicaid requirements. HHS does not have the authority to waive the federal Medicaid matching percentage. HHS staff will visit Tennessee on March 24 to discuss the status of TennCare.

- **AMA National Leadership Conference:** On Monday, March 27, Secretary Shalala addresses the AMA's National Leadership Conference. The Secretary will address the Administration's efforts on violence prevention. Senator Dole and Speaker Gingrich will also address the conference.
- **MMWR Report on Insurance:** An article in the March 24 issue of CDC's Morbidity and Mortality Weekly Report will summarize self-reported data on health insurance coverage in 1993. According to the survey, 17.5 percent of the men and just over 16 percent of women reported no insurance.

Department of Housing and Urban Development

- **Rescissions:** The department has been notified that 40,000 public housing residents from across the country will lobby Congress on Wednesday, April 5th, to protest the HUD rescissions. Although the visit to Washington will fall after the Senate floor vote, they hope to influence the Conferees or the White House prior to a final Congressional vote or a submission to the President.

Department of Education

- **ESEA Anniversary:** Secretary Riley participates in an event celebrating the 30th anniversary of the Elementary and Secondary Education Act on April 6.
- **Skill Standards Board:** On April 6, Secretary Riley joins Secretary Reich to swear in the National Skill Standards Board. On April 7, he participates in their first meeting and in a press conference with the Board and Secretary Reich.
- **Safe Schools Grants:** On April 7, the President and the Secretary are scheduled to announce 21 grant awards totalling \$18 million under the Safe Schools program.

- **Meeting with Religious Leaders:** At the request of the White House, the Secretary meets with religious leaders on March 27 or 28 to discuss developing a joint statement on acceptable religious activities and prayer in schools.
- **GOALS 2000:** On March 30, the Secretary gives the keynote address at the department's Goals 2000 regional meeting in Columbus, Georgia. Georgia was awarded its first-year planning grant last week, bringing the total number of state awards up to 45.

Department of Justice

- **Tuesday, March 28, Attorney General Reno meets with the Mexican Attorney General**
- **Court Issues Favorable Ruling In First Challenge To Military's "Don't Ask, Don't Tell" Policy:** On March 17, 1995, Judge William L. Dwyer, Jr. granted the government's motion to dismiss in Mark A. Philips v. William J. Perry, et al. (W.D. WA), the first challenge to the military's "Don't Ask, Don't Tell" policy regarding homosexual conduct. Judge Dwyer granted judgment in favor of defendants, finding that the new policy is "a modest step towards tolerance."
- **Challenge to Labor Executive Order On Strikers:** The U.S. Chamber of Commerce, Bridgestone/Firestone, Inc., and three national associations filed suit on March 15, 1995, seeking a declaratory judgment and preliminary and permanent injunctive relief. The Executive Order bars federal agencies from entering into contracts in excess of \$100,000 with employers that permanently replace lawfully striking workers.
- **Drug Testing High School Athletes (Veronica School District v. Acton):** This case originating in Veronica, Oregon, presents the question whether a school district may, consistent with the Fourth Amendment, conduct suspicionless drug testing of students who participate in interscholastic sports. The Supreme Court granted the school district's petition for a writ of certiorari. The Solicitor General argues that the petitioner's program should be upheld under the standard that the Supreme Court has applied in prior decisions to uphold suspicionless drug-testing programs for certain groups of employees. The Court will hear the case on Tuesday, March 28, 1995.
- **Search Warrants:** On March 28, the Solicitor General will present oral argument in the Supreme Court in support of Arkansas in the case of Wilson v. Arkansas. The question presented is whether the Fourth Amendment requires police officers, in executing a valid search warrant, to knock and announce their authority and purpose before entering a home. DOJ will argue that there is no absolute requirement that officers knock and announce before entering, and that when officers have a reasonable basis for making an unannounced entry into a home, such as to avoid danger to the officers or the destruction of evidence, the Fourth Amendment permits such an entry.

- HUD Right To Investigate Housing Insurance Discrimination Defended:** On March 30, 1995, the Sixth Circuit will hear oral argument in Nationwide Mutual Ins. Co. v. Cisneros, where the Department will defend the district court's dismissal of Nationwide's lawsuit seeking to prevent HUD from investigating discrimination in homeowner's insurance under the Fair Housing Act.
- Wolf Reintroduction Litigation:** Justice gave notice to the Wyoming district court yesterday that the Park Service will release the Yellowstone National Park wolves from their pens this week. This decision is based on the fact that extended warm weather in the Park has brought the grizzly bears out sooner than anticipated, increasing the risk for conflicts between the two species, as well as the risk to the Park Service officials who are bringing food to the pens.
- Endangered Species Act Legislation:** The Senate Subcommittee on Drinking Water, Fisheries and Wildlife Environment and Public Works Committee has reported legislation that will place a 6-month moratorium on ESA listings and critical habitat designations. This bill is expected to pass the committee at the March 27 markup. The Senate will move forward on ESA reauthorization this spring. The House has passed a bill placing a moratorium on all listings and critical habitat designations through December 31, 1996. The House has also passed an amendment to the rescission bill that would rescind appropriations for ESA listings.
- Civil Rights Division and the FTC Investigate Possible Auto Loan Discrimination by Big Three Auto Companies:** The Civil Rights Division and the FTC are investigating whether GM, Ford, and Chrysler are charging racial minorities higher interest rates on auto loans than white individuals. The investigation will also look at possible gender and national origin discrimination. The investigation concerns the 20% of auto loans made by the finance units of the Big Three companies and the 80% of car loans made by other sources, including banks and credit unions.
- Challenge to INS Actions Against Illegal Aliens:** In Kattola, et al. v. Reno, et al., a nationwide class action, plaintiffs challenge (1) the Legality of the INS holding aliens for more than six months following entry of their final orders of deportation; (2) lack of access to updated legal materials on immigration; (3) placement of detainees in administrative segregation without due process; (4) not permitting detainees to visit with their minor children; (5) provision of inadequate medical and dental care; (6) inadequate access to exercise and recreation; (7) lack of adequate access to telephones so detainees can confer privately with their attorneys; (8) the failure of the INS to inform them of how they may seek release on bond. After denying the government's motion to dismiss, U. S. District Court Judge David Kenyon, on March 6, 1995, certified a nation-wide class, except for the Chicago District of the INS. Justice has filed a comprehensive motion for summary judgment and to dismiss.
- FBI Arrests "Top Ten" Fugitive:** On March 9, Melvin Edward Mays was arrested by the FBI's Chicago Field Office. Mays was a conspirator of the El Rukn street gang whose members were convicted of committing terrorist acts on behalf of Libya. He was placed on the FBI's "Ten Most Wanted Fugitives" list in February of 1989.

Department of Interior

- **Riverside County Conservation Plan:** Friday, March 31, Secretary Babbitt travels to Riverside County to announce an agreement with county officials to wrap-up the Stevens Kangaroo Rat conservation plan. The Administration is breaking new ground by committing Federal agencies -- the Bureau of Land Management and the U.S. Fish and Wildlife Service -- to complete land exchanges with private landowners that set aside necessary lands that fulfill the conservation areas. This effort is designed to clearly define habitat and ease the burden on small landowners which may alleviate the need for future prosecutions under ESA.
- **Reinventing Interior:** The Department's REGO 2 plan will be released on Monday, March 27. Under the plan, two offices will be eliminated: the Office of Territorial and International Affairs and the Minerals Management Service. The onshore royalty collection functions of MMS will be transferred to the 38 states that benefit from the current program. The offshore oil and gas division will be moved to the Bureau of Land Management. In addition, the Bureau of Reclamation will transfer several facilities to state and local governments. The Bureau of Indian Affairs will accelerate the transfer of program operations to Tribes. The U.S. Geological Survey will also eliminate or reinvent ten programs.
- ⑥ **Five Acre Exemption:** Secretary Babbitt has directed his staff to prepare a small landowner exemption document for other agencies to review. The document could be the basis for an announcement of a general exemption from the Endangered Species Act and from section 404 of the Federal Water Pollution Control Act for development by homeowners on single household residential tracts of five acres or less. This announcement would serve as a counter balance to the current private property legislation.
- **Forest Plan Performance Contracts:** Interior has established "performance agreements" for the Directors of the U.S. Fish and Wildlife Service and the Bureau of Land Management this week to boost timber production under the Northwest Forest Plan another 25 percent by the end of the year. This compact accelerates timber sales and biological consultations and delivers 85 percent of the timber yield target for 1995.
- **California Disaster Response:** Governor Wilson suspended the State Endangered Species Act and asked Interior to do the same with the Federal law. DOI is unaware of any disaster situations where the ESA has interfered with disaster response or preparedness in any way. The Secretary continues to watch this situation closely to ensure that in all disaster situations there is no ambiguity in that the needs of people come first.
- **Cesar Chavez Legacy Dinner:** At the White House's request, Secretary Babbitt will keynote the first annual Cesar Chavez Legacy Dinner in Los Angeles, CA on March 30, 1995.

Department of Agriculture

- **Glickman Confirmation Hearing:** On March 21, the Senate Agriculture Committee began confirmation hearings for Dan Glickman. The confirmation proceedings continue on March 28 with a Senate Energy and Natural Resources Committee hearing, which is expected to focus on USDA Forest Service and natural resources issues. Confirmation is likely by the end of next week.
- **California Crop Damage:** Commodities suffering severe losses from the floods include lettuce, broccoli, cauliflower, almonds, strawberries, and artichokes. Prices for these crops are expected to rise in the short run, especially for lettuce.
- **National Service/AmeriCorps:** Most of Crittenden County, Arkansas lacks safe drinking water or adequate plumbing. As a result of the work of USDA AmeriCorps member Willie Chapel, one water line has been established and final inspection was completed on March 14. Thus far, three projects have been funded, partially through the USDA Rural Economic and Community Development State Office, and eight additional requests for safe water and installation of plumbing are being processed.

Department of Energy

- **Movement of Legislation to Export of Alaskan Crude Oil:** The Senate Energy Committee passed legislation this week which would remove the current ban on the export of Alaskan crude oil. This initiative continues to draw favorable press attention.

Environmental Protection Agency

- **Pre-Manufacture Notice Amendments:** Administrator Browner signed a reform package that deregulates and streamlines the process by which the Agency reviews and approves the manufacturing of new chemical substances. The package reduces the burden to industry in manufacturing and marketing new chemicals by providing them exemptions for low volume, low-risk substances. This will save industry more than \$5 million and reduce their paperwork burden by 25%. It will also save EPA approximately \$500,000 in administrative costs.
- **Reinventing Regulation Outreach:** On Wednesday, March 22, EPA, in conjunction with the National Performance Review hosted a pilot session in Boston for the "President's Listening Events." The pilot session was a great success and has been presented as a model for other regulatory agencies. Administrator Browner will host four similar events across the country during the month of April.

- **Clean Water Reauthorization Bill:** Yesterday, the House Committee on Transportation and Infrastructure, chaired by Congressman Bud Shuster (R-PA) released a Clean Water Reauthorization bill. This bill was developed without input from the Administration and public interest groups in the Clean Water debate and relied instead on closed-door discussions with industry. The Administrator has sent a letter to Chairman Shuster expressing her strong concern with this bill. EPA strongly believes that this bill is not in the best interest of the American people and is unworkable. It exempts important sources of pollution, prohibits states from controlling certain discharges, and undermines good science.
- **Release of the 1993 Toxics Release Inventory Data:** Next Monday, EPA announces the release of the data submitted by manufacturing facilities to the Toxics Release Inventory (TRI) in 1993. The 1993 report indicates that the release of toxic chemicals has gone down since 1992.

Department of Veterans Affairs

- **Medical Center Integration:** Last week, Secretary Brown announced the integration of 16 VA medical centers into 7 partnerships as part of the Department's effort to expand services to veterans and improve the management of VA's network of health care facilities.

ONDCP

- **LA African American Chamber:** At the request of the White House, Director Brown addresses the African-American Chamber of Commerce in Los Angeles on Thursday, March 30.
- **Mexico:** The Director meets with Mexican Attorney General Lozano on Monday to discuss drug issues and needed initiatives to stem influx of drugs into Mexico destined for United States.
- **Texas State Legislature:** The Director may address the Texas State Legislature Wednesday, March 29 (on the way to LA) to focus on the importance of the drug issue and the impact of rescissions.

United States Information Agency

- **Gore/Middle East:** VOA and WORLDNET are offering extensive coverage of the Vice President's trip. Both VOA and WORLDNET are covering the trip in their English, French, and Arabic language services.

Office of Personnel Management

- **Reverse Affirmative Action:** During the week of April 3, OPM expects to release the final report of a study of the disparate discharge rates between minority and non-minority federal employees. In addition OPM will issue its annual report to Congress on the Federal Equal Opportunity Recruitment Program (FEORP) some time during the next three weeks. A background memorandum has been sent to George Stephanopoulos.
- **Regional Restructuring:** Director King is putting in place a regional restructuring plan that will eliminate all overhead positions and reduce three layers of management.

Department of State

- **Iraq Sanctions:** The State Department is working with the British and the Argentines to come up quickly with a new version of USNC resolutions 706/712, which authorized the limited export of Iraqi oil to pay for humanitarian supplies. The Department's pace is dedicated, in part, by a Russian and French move to introduce a technical resolution lifting the oil embargo if UNSCOM Chairman Ekeus gives Iraq a clean bill of health when he reports to the Security Council in April.
- **Arab League Summit:** Despite the State Department's extensive effort, the League failed to take action toward eliminating the Israel boycott at its annual summit in Cairo. On the positive side, the League did not adopt Egypt's position on extension of the Non-Proliferation Treaty, leaving member states free to vote as they see fit, and also did not endorse Libya's bid for a seat on the UN Security Council.
- **NPT Extension:** Ambassador Chorba raised NPT extension with the Singaporean Foreign Minister, who, although privately supportive of indefinite extension, still prefers an outcome that would achieve consensus among the NPT parties.
- **Moscow Summit Announcement:** Congressional reaction has been measured to your decision to visit Moscow for a summit with President Yeltsin and to attend VE Day commemorations. Senators Helms and McConnell have publicly criticized the decision.
- **DPRK Talks:** State Department officials will meet with the North Koreans in Berlin March 25-29 for a third round of expert-level talks on the light water reactor project. The Department's position is unchanged: The North Koreans must accept South Korean reactors. It is possible the North will stage a walk-out in Berlin in attempt to pressure the State Department into concessions.

Department of Defense

- **Turkish Incursion into Northern Iraq:** This operation appears similar to an October 1992 operation which lasted six weeks and involved four brigade-sized elements. All U.S. officials attached to Operation Provide Comfort (PCII) are reportedly safe and accounted for, and PCII operations are down. PCII flight operations are expected to resume on March 23.
- **Migrants:** There are approximately 23,697 Cuban migrants remaining at GTMO.
- **Haiti:** The drawdown of U.S. forces in preparation for the transition to UNMIH continues. U.S. forces in Haiti number 5,181. On transition day, Friday, March 31, we expect U.S. forces to total approximately 4,100.
- **PACOM:** The 34th Joint Field Activity (JFA) of Joint Task Force FULL ACCOUNTING was scheduled to complete POW/MIA recovery operations in Vietnam on Tuesday, March 21. The Government of Vietnam has approved an extension for two recovery teams to complete operations at two excavation sites prior to onset of the rainy season. JTF/FA teams are also active in Laos with 40 personnel investigating 56 cases at 8 sites through Friday, April 7. Operations begin on Sunday, April 2.
- **USS Bunker Hill:** Commander Smith of the USS Independence Battle Group, embarked aboard the USS Bunker Hill on March 22, for a three day visit to Qingdao, China. This is the first visit to China by an American warship since 1989.
- **Persian Gulf Veterans' Hotline:** The 60 Minutes story generated a high volume of calls to the Persian Gulf Veterans' Hotline. The hotline registered 678 calls, the third highest weekly volume since its implementation in June 1994. Total number of registered veterans now exceeds 16,000, and referrals to DoD medical treatment facilities have surpassed 8,000.
- **Persian Gulf Illness Litigation:** DoD officials are working with Justice to resolve issues pertaining to a subpoena served on DoD seeking documents and deposition concerning possible causes of Persian Gulf illnesses. Justice has filed a motion for a protective order against the subpoena. The judge denied document discovery but ordered DoD to make witnesses available for deposition concerning the Department's efforts to identify the causes of Persian Gulf illnesses. DoD is in the process of identifying witnesses and will work the Justice to prepare them for their depositions. The depositions are scheduled for the week of March 27.
- **Women to Sail into History:** Navy Lieutenant Tanjela Jackson and Marine Second Lieutenant Dawn Daniel made history March 23, when they sailed on the USS NASHVILLE with the 24th MEU(SOC). The officers became the first females to deploy with a Marine Expeditionary Unit.

- **Secretary of Defense Travel:** Secretary Perry will travel to Ukraine, Russia, Kazakhstan, and Uzbekistan for meetings with senior government and military officials, March 30-April 6, 1995.

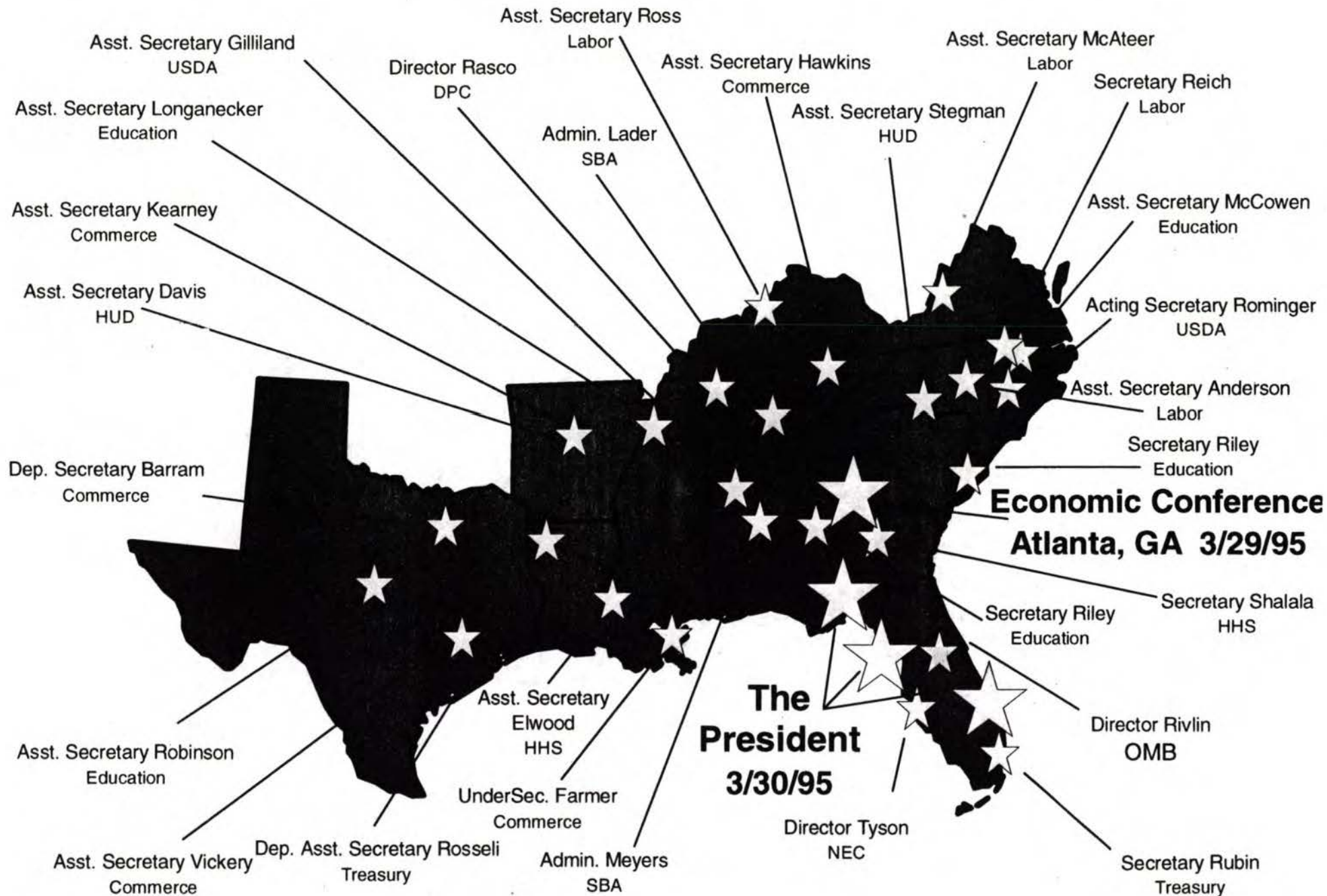
United Nations

- **Haiti:** On March 31, Ambassador Albright will accompany you to Port Au Prince to observe the transition from the Multi-National Force to the UN Mission in Haiti (UNNIH) and meet with President Aristide. UN Secretary-General Boutros Boutros-Ghali will also attend the ceremonies.

cc: The Vice President
Leon Panetta
Harold Ickes
Erskine Bowles
George Stephanopoulos
Jack Quinn
Carol Rasco
Doug Sosnik
Michael McCurry
Maggie Williams
Mark Gearan
Barry Toiv
John Angell
Martha Foley

Southern Regional Economic Conference of the President and the Vice President

Administration Travel 3/28 to 3/30



THE PRESIDENT HAS SEEN ^{3/27}

THE WHITE HOUSE
WASHINGTON

95 MAR 25 P12 : 44

20 March 1995

MEMORANDUM TO THE PRESIDENT

FROM: Harold Ickes *HB*
SUBJECT: Kimba M. Wood

Let's discuss this!

Mr. President, Judge Kimba Wood continues to be very concerned by accounts that you may continue to believe that she purposely withheld information from you when you interviewed her in of January 1992 for the position of Attorney General.

As indicated by her 26 May 1993 letter to Bernie Nussbaum, her 14 June 1993 letter to you and her 3 March 1995 letter to my wife, Laura, copies of which are attached, she had been advised by her immigration lawyer that the Immigration and Naturalization Service ("INS") was interested on the status of her baby sitter when she entered the United States rather than her current status. Thus, upon the advice of her immigration lawyer, she placed "B-1" in the box for "Type of visa, if in U. S.".

As she also points out in her 3 March 1995 letter to Laura, anyone familiar with immigration law could easily ascertain from Judge Wood's application for labor certification for her "nanny" that her "nanny" had overstayed her visa and was in the country illegally at the time that the application was submitted to the INS.

The situations involving Zoe Baird and Kimba Wood were truly unfortunate, for your Administration and for both of the individuals involved. Laura and I have known Kimba for a considerable period of time and both of us have absolute confidence in her integrity and rectitude.

At some point vacancies will occur on the Second Circuit Court of Appeals and I hope that she will be seriously considered for that Court.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
UNITED STATES COURT HOUSE
40 CENTRE STREET
FOLEY SQUARE
NEW YORK, N.Y. 10007-1581

KIMBA M. WOOD
UNITED STATES DISTRICT JUDGE

(212) 791-0151

March 3, 1995

Ms. Laura R. Handman
3102 Dumbarton St., N.W.
Washington, D.C. 20007

Dear Laura:

It occurred to me after our talk earlier this week that it might be useful for you to have available copies of the letters that I wrote to the President and to Bernie with respect to my having been candid with both of them during my Attorney General interviews. The letter that I wrote to Bernie is responsive to his claim (which he made to me when he told me I was being dropped as a candidate) that I had not been truthful in a filing with the INS. He pointed to a box on a form in the immigration file that I keep for Jane and that I had turned over to the vetters, and he claimed that I falsely stated to the INS that Jane had always been legally in this country. I explained to him at the time that the information in the box was accurate, because Immigration lawyers understand that box to call for entry information, not current status, and that, in fact, the application clearly disclosed to anyone versed in Immigration law that Jane had overstayed her visa and was in the country illegally at the time of the application. Bernie refused to believe me at the time, and hence my letter to him. Neither he nor the President ever responded to me. My guess is that the White House had been misinformed by Bernie, to the effect that I had lied to the INS (as opposed to the alternative you and I discussed -- that the White House had expected me to volunteer, in response to "Do you have a Zoe Baird problem?" that Jane had at one time been in the country illegally).

Because Larry Pierce took senior status some time ago, his recent retirement does not affect vacancies. The next vacancy to be filled is Judge Altimari's, which will become available in November. -- *those who are more politically attuned than I here believe that contenders for the position will begin their lobbying efforts shortly -*

Thanks, and I hope to see you soon -

KMW:jy
Enclosures

*Fondly,
Kimba*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
UNITED STATES COURT HOUSE
40 CENTRE STREET
FOLEY SQUARE
NEW YORK, N.Y. 10007-1581

KIMBA M. WOOD
UNITED STATES DISTRICT JUDGE

(212) 791-0151

June 14, 1993

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

Dear Mr. President:

I was pained several months ago when I read newspaper accounts that you believed I had purposely withheld information from you when you interviewed me last January. I was upset again when I read a similar comment (sourced to an anonymous White House official) in yesterday's New York Times in the midst of a piece about your consideration of Steve Breyer for the Supreme Court. I continue to be dismayed that I was never permitted to spend the short time with you that it would have taken to clarify my response to your having asked me if I had a "Zoë Baird problem." I believed then and I believe now that my answer was forthright because, as I said, I had obeyed all laws and had regularly paid all taxes in connection with the employment of our babysitter (and for all my cleaning help, for twenty years). I would ask your indulgence to consider this letter in lieu of the meeting we never had in the hope that I never again have to hear someone close to you suggest that I had somehow deceived you.

In New York City, it was viewed as honorable to sponsor a babysitter for legalization as I did. I was in a minority in doing so. Most parents I knew had employed their babysitters "off the books" and declined to sponsor them for legalization. Had I thought of my babysitter's status as a "problem," I had no reason not to reveal it because I knew that her status would be the subject of scrutiny if I became your candidate for Attorney General. Far from thinking of my babysitter as a "problem," I thought that my dealings with her demonstrated my integrity. I knew that if you wanted to consider me seriously, your staff would want to see my Immigration, Social Security and other files, and I was proud that I had the documentation to prove that I had taken pains to do everything lawfully. I had those files with me when I came to see you, but because Bernie told me that our session was just a "get acquainted" meeting, that there were other candidates you were considering, and that it was still early in the process, I assumed that the time to review my records had not yet come.

President William J. Clinton
Page 2
June 14, 1993

When that time came, at the beginning of the vetting process, it wasn't the FBI or the vetters who "discovered" my babysitter's status (as some news stories sourced to anonymous Administration officials have reported). The moment I met the lawyers who vetted me, I showed them my Immigration, Social Security, and others files (FUTA, New York State Disability and Workers' Comp., etc). They concluded that, as I represented, I did not have a "Zoë Baird problem," because, unlike her, I had obeyed the law.

Although I now understand that some in the White House may have believed that some Americans might object to an alien doing live-in child care work before she received a "green card," it had not occurred to me to think of that as a "problem." I had not denied an American the opportunity to do the work (I had advertised for an American, and no qualified American responded), and I was not exploiting cheap labor; I paid our babysitter over \$500 a week and in addition paid over \$1,500 a year for her health insurance premiums. The immigration laws permitted me to employ her, and I had gone to great pains to get good legal advice and to do everything according to the law. So I did not see any "problem." To the contrary, I thought I was exemplary.

Mr. President, I respect you very much. I would never intentionally mislead you. I hope you know that.

Respectfully yours,

KIMBA M. WOOD

KMW:jy

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
UNITED STATES COURT HOUSE
40 CENTRE STREET
FOLEY SQUARE
NEW YORK, N.Y. 10007-1581

KIMBA M. WOOD
UNITED STATES DISTRICT JUDGE

(212) 791-0151

May 26, 1993

Bernard W. Nussbaum, Esq.
Counsel to the President
The White House
Washington, D.C. 20500

Dear Bernie:

I was reminded of a loose end by the announcement of the upcoming FBC reception in your honor. Although I hope that we will never again have to discuss household help together, I did want to clear up one point that appeared to bother you when we last met. I mention this now not because I have an interest in a new job, but rather because I want you to know that I was not misleading you.

I asked both of my former Immigration lawyers whether it was appropriate for my lawyer to have placed "B-1" in the box for "Type of Visa, if in U.S." on my nanny's Application for Labor Certification, and, if so, whether that misrepresented her status at the time I filed the form (given that her visa had previously expired). Both lawyers confirmed that what I told you in February was correct: that the Department of Labor is interested in the type of visa by which the employee entered the country (whether or not it is still valid), and that my application as a whole correctly disclosed that Jane had been working in this country illegally. I asked my most recent Immigration lawyer, Lydia Tugendrajck of Hughes, Hubbard & Reed to explain this in a memo, which is attached hereto.

I hope that you are continuing to find the position of Counsel as enjoyable as you did at the beginning.

Sincerely,



KIMBA M. WOOD

KMW:jy
Enclosure