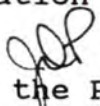


THE WHITE HOUSE

WASHINGTON

May 11, 1995

MEMORANDUM FOR JODIE TORKELSON
Deputy Assistant to the President
for Management and
Administration

FROM: JOHN PODESTA 
Assistant to the President
and Staff Secretary

SUBJECT: Addition to the West Wing Access List

Fran Wessel of my staff is leaving the White House in mid-June. Carol Cleveland, her replacement and currently with the NSC, has begun training with Fran. Please add Carol's name to the West Wing access list. She will also need the capability to move throughout the West Wing independently with an appropriate pass.

THE WHITE HOUSE

WASHINGTON

May 8, 1995

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

Dear Mr. Speaker:

I am writing to urge that Congress quickly complete work on line-item veto legislation so I can use it -- this year -- to curb wasteful tax and spending provisions.

We must not let another year go by without the President having authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831.

I am disappointed that six weeks after the Senate passed its version of line-item veto legislation, neither body has appointed conferees. As you may recall, I commended the House and the Senate last month for passing line-item veto legislation. However, the job is not complete until a bill is sent to my desk that provides strong line-item veto authority that can be used this year.

I have consistently urged the Congress to pass the strongest possible line-item veto. While both the House and Senate versions would provide authority to eliminate wasteful spending and tax provisions, the House-passed bill is much stronger -- and more workable.

I appreciate your making passage of line-item veto legislation a priority. I look forward to working with the Congress to enact the line-item veto quickly.

Sincerely,

A handwritten signature in cursive script, reading "Bill Clinton". The signature is written in dark ink and is positioned at the bottom of the letter, below the typed name "Bill Clinton".

THE WHITE HOUSE

WASHINGTON

May 8, 1995

The Honorable Robert Dole
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

I am writing to urge that Congress quickly complete work on line-item veto legislation so I can use it -- this year -- to curb wasteful tax and spending provisions.

We must not let another year go by without the President having authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831.

I am disappointed that six weeks after the Senate passed its version of line-item veto legislation, neither body has appointed conferees. As you may recall, I commended the House and the Senate last month for passing line-item veto legislation. However, the job is not complete until a bill is sent to my desk that provides strong line-item veto authority that can be used this year.

I have consistently urged the Congress to pass the strongest possible line-item veto. While both the House and Senate versions would provide authority to eliminate wasteful spending and tax provisions, the House-passed bill is much stronger -- and more workable.

I appreciate your making passage of line-item veto legislation a priority. I look forward to working with the Congress to enact the line-item veto quickly.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

THE WHITE HOUSE
WASHINGTON

DATE: 5/08/95

NOTE FOR: SECRETARY BRUCE BABBITT
KATIE MCGINTY

Send via Special messenger

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

Information ☐

Action ☒

See President's notes --

'I want this followed up'

cc: Katie McGinty -
'Miller's a friend
Can we help?
Should we?
BC'

'Send same message to Sec. Babbitt'

Thank you.

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

cc:

*
② Call City
Office
Callie's
a friend
Callie's
Suzanne
K

2 letters

Send
Suzanne
to Sen. Byram
+ others

TE HOUSE
NGTON

May 3, 1995

The Honorable John E. Miller
Member of the House of Representatives
of the State of Arkansas
Post Office Box 420
Melbourne, Arkansas 72556-0420

Dear John:

Thanks so much for your thoughtful note and for
passing along a copy of Vice Mayor Byram's letter.
Your kind words of encouragement mean a lot to me.

Regarding Vice Mayor Byram's concerns, I understand
that representatives of the Department of the
Interior have met with officials from Kingman and
the Mohave County Water Authority to discuss the
matter, and that the Department is working to
resolve the issue as quickly as possible.

As always, I'm grateful for your support, and
I hope to see you and Ruby soon.

Sincerely,

Rou

I would then
followed up

THE WHITE HOUSE

WASHINGTON

May 3, 1995

The Honorable Les Byram
Vice Mayor of Kingman
310 North Fourth Street
Kingman, Arizona 86401

Dear Les:

John Miller recently shared your letter with me, and I want to thank you for expressing your concerns about water issues in Mohave County.

I understand that representatives from the Department of the Interior have met with officials from Kingman and the Mohave County Water Authority to discuss this matter and are working to resolve the issue as quickly as possible.

I am forwarding your letter to Secretary of the Interior Babbitt to ensure that he is aware of your perspective. As my Administration works to address the many challenges our nation faces, I appreciate knowing your concerns.

Sincerely,

Bill Clinton



City of Kingman

310 NORTH FOURTH STREET • KINGMAN • ARIZONA • 86401 • 602 • 753-5561

April 7, 1995

The Honorable John Miller
House of Representatives
P. O. Box 420
Melbourne, AR 72556

Dear John:

Thank you for agreeing to listen to my tale of woe. Hopefully, you can provide some help.

As you know, water is a scarce commodity out west here. It's hard to come by and now it seems hard to hang on to.

In 1968, the City of Kingman, of which I am now the Vice Mayor, was given a Colorado River water contract by the United States Bureau of Reclamation. Kingman is located far away from the Colorado River, and over the Years has made many efforts to divert and use the water directly. However, Kingman has been unable to use the water directly given its distance from the River and the huge cost that would be incurred in importing the water.

In order to make its water usable within Mohave County, in which Kingman is located, and in order to derive some benefit from its water contract, Kingman came up with the idea of transferring its contract into a water authority. The water authority would hold the contract and would deliver water to cities in Mohave County which are located near the Colorado River. These cities would pay the water authority for the delivery of this water and the water authority would make grants to the City of Kingman, for development of groundwater resources in the Kingman area. The water authority would also use its revenues to acquire new sources of water for cities near the Colorado River.

✓ For many years, Kingman and the other municipalities in Mohave County have been at each others throats over water. We could not agree on anything and have fought each other bitterly. However, the idea of the water authority brought all of the cities in the county together. They unanimously support the authority. We acted jointly to get a bill passed by our legislature authorizing the creation of this authority during the last legislative session. This degree of cooperation is a first for Kingman and all of the cities in Mohave County.

✓ The Bureau of Reclamation approved of the transaction and approved Kingman's plan to transfer its contract into the Mohave County Water Authority. The Water Authority can't actually be formed until the contract is transferred into it, but the Bureau of Reclamation has approved the plan to transfer the contract into the Authority.

"GATEWAY TO THE FABULOUS RECREATIONAL AREA OF HOOVER AND DAVIS DAMS"

The Honorable John Miller
April 7, 1995
Page 2

Everything was going well, and the paperwork was in the final stages as of March 28, 1995. On that day, we got a call from the Bureau cancelling a meeting we were to have had on March 30 and 31 to finalize the documents. We were given no reason for the cancellation, but have subsequently learned the following: The Interior Department, in which the Bureau is located, intends to try to take away Kingman's contract and to use the water for Indian water rights settlements in Arizona. This would be an unprecedented action by the United States. The United States has never taken water away from someone who had a water contract who did not consent to it. Furthermore, the United States (Bureau) has already approved the formation of the Authority and was finalizing paperwork to transfer Kingman's contract to the Authority. Consequently, the United States is breaking its word.

The Interior Department does have responsibilities to Indian tribes and has been trying to settle Indian water rights claims in Arizona. The Department is reserving a huge amount of water from Arizona's Central Arizona Project to be used to settle Indian water claims. Consequently, it is highly unlikely that Kingman's water is really necessary to settle these claims, and there are no Indian tribes in Mohave County which have water rights claims. The water is need in Mohave County for development and use by citizens who live here now, and who will live here in the future.

The man at the Interior Department who has decided to take away Kingman's contract is named John Duffy. He works for Secretary Babbitt. Mr. Duffy is in charge of Indian Gaming and Indian water rights settlements. We are going to try to talk to him directly to get him to change his mind, but have been told it is unlikely he will do so. What he is trying to do is unfair, unprecedented and breaks the word of the United States as it has been given to Kingman, and to me.

I would appreciate any help you could give us in resolving this terrible difficulty. Its resolution is vital to the future of Kingman and to the future of cities and citizens of Mohave County. I also understand that if we are to be helped, help must come quickly.

Please call if you have questions. Thank you so much for your help. (520-753-3752)

Very truly yours,



Les Byram
Vice Mayor

to
6 2710

Gave
speaking
attached Booklet.

Genie Grohman
3315 Wisconsin Ave., NW
Washington, DC 20016

May 8, 1995

Gave speaking
What do you
think of this
John
5-12-95

Mr. John Podesta
Assistant to the President
and Staff Secretary
The White House
1600 Pennsylvania Ave, NW
Washington, DC

Dear John:

This is NOT a letter about the tennis courts. I want to bring to your attention a recent report from the National Research Council that I believe can be politically useful.

The report, *Measuring Poverty: A New Approach*, is a highly technical 500-page book; even the summary, a copy of which is enclosed, is mostly a technical presentation. (Also enclosed is a standard Washington 2-page summary, a chart that highlights a key benefit of the proposed new measure, and a table from the book on the distributional effects of the new measure.) However, there is more than good science and technical competence in the report.

Here are the key political facts about the proposed new measure:

- Governmental programs to help poor people have been more effective than is currently shown: because of food stamps and other in-kind benefits, a lower percentage of people who receive welfare are still poor (see Table 5-6).
- More working families (particularly two-parent working families), who do not receive government assistance, are poor.
- The effects of various government policies, whether on taxes or benefits, whether existing or proposed, are captured (see separate chart).

This new measure can reinforce the administration's focus on the needs of the working poor, of one- and two-parent families that are working but are still poor. Let me note, too, that there is nothing in the new measure that is in any way counter to the administration's policies.

There are scores of reasons that the new measure is better technically, but those are being discussed with the appropriate agency staff. Yet there is likely to be significant bureaucratic lethargy to adopting the new measure, which is the reason for this letter. If the President's domestic policy staff provided even a small push to OMB and the Census Bureau, we could accomplish something that is scientifically sound and politically positive.

Yours,



Genie Grohman

Policy Changes Affecting Poverty Statistics

	Reflected in:	
	Current Measure	Proposed Measure
Change in AFDC Benefits	Yes	Yes
Change in Social Security Benefits	Yes	Yes
Change in Food Stamp Benefits	No	Yes
Change in FICA Taxes	No	Yes
Change in EITC	No	Yes
Change in Income Taxes	No	Yes
Change in Health Insurance Coverage	No	Yes
Change in Child Care Subsidies	No	Yes
Change in Child Support Awards	Partly	Yes
Recession/Recovery	Yes	Yes

TABLE 5-6 Composition of the Total and Poverty Populations Under the Current and Proposed Measures, with Total Poverty Rate Held Constant at 14.5 Percent, 1992

Population Group	Percent of Total Population	Percent of Poor Population	
		Current Measure ^a	Proposed Measure ^b
Age			
Children under 18	26.3	39.6	39.2
Adults 18-64	61.5	49.6	51.8
Adults 65 and older	12.2	10.8	9.0
Race			
White	83.6	66.8	69.3
Black	12.5	28.6	25.7
Other	3.9	4.6	5.1
Ethnicity			
Hispanic	8.9	18.1	20.9
Non-Hispanic	91.1	81.9	79.1
Family Size			
One person	14.5	21.7	15.7
Two persons	23.2	15.8	17.1
Three or four persons	42.3	33.5	37.4
Five or more persons	20.1	29.0	29.8
Welfare Status of Family			
Receiving AFDC or SSI	9.9	40.4	29.9
Not receiving AFDC or SSI	90.1	59.6	70.1
Work Status of Family			
One or more workers	81.1	50.8	58.9
No workers	18.9	49.2	41.1
Health Insurance Status of Family			
No health insurance	13.7	30.1	35.7
Some health insurance	86.3	69.9	64.3
Region of Residence			
Northeast	20.0	16.9	18.9
Midwest	24.0	21.7	20.2
South	34.4	40.0	36.4
West	21.6	21.4	24.5

^aA threshold of \$14,228 for two-adult/two-child families.

^bA threshold of \$13,175 for two-adult/two-child families, with a 0.75 scale economy factor; see text for discussion.

REPORT

in Brief

The government's method for measuring poverty is outdated and should be revised.

Major changes have occurred in the characteristics of the nation's households and in public

policies since the current poverty measure was developed more than 30 years ago. A new measure is needed that reflects the income actually available to the nation's poor families to obtain basic needs.

In its report, *Measuring Poverty: A New Approach*, a panel of the National Research Council's Committee on National Statistics proposed a new measure that redefines income: It includes the value of non-cash benefits

that can be used to purchase basic needs, such as food stamps, school lunches, and public housing; it excludes expenses that cannot be used for basic needs, such as taxes, child care and other work expenses, child support payments, medical costs, and health insurance premiums. And, to more accurately measure families' incomes, the panel recommended using data from the Survey of Income and Program Participation, which captures more sources of income than the March Current Population Survey now being used.

A national indicator The poverty measure is important as an indicator of the nation's well-being, in developing public policies, and in administering many assistance programs. In 1994, 27 government programs that provided benefits to low-income families linked eligibility to the poverty measure.

Basic needs Under the new measure, the poverty thresholds would be based on three essentials — food, clothing, and housing, including utilities — with a small percentage to cover other necessary items such as personal care expenses and non-work travel. Adjustments to the thresholds would be made for the varying costs of living in different regions of the country and different size metropolitan areas.

The dollar amount for the thresholds would be based on the actual amount spent by families on the three essentials. The thresholds should be updated each year on the basis of families' spending on basic needs over the preceding three years. The current thresholds are updated each year only to reflect inflation; thus the 1992 poverty threshold of \$14,228 for a family of two adults and two children had the same buying power as the original level of \$3,100 in 1963.

The panel did not recommend a particular starting threshold for the new measure, but it said that the current threshold should be revised to reflect both the new concept and the increase in the standard of living over the past three decades.

Capturing change A major benefit of the new measure would be to capture the effects of changes in government policies and of social and economic trends (see table). For example, the new measure would reflect the recent expansion of the Earned Income Tax Credit, which is designed to reduce the tax burden on the working poor.

Using the new measure — along with data from the Survey of Income and Program Participation and a poverty threshold within the range that the panel suggests is reasonable — the poverty rate for 1992 would have been about 15 percent, compared with the rate of 14.5 percent under the current measure. However, the composition of the nation's poor would be significantly different: More working families and families without health insurance would be considered poor, while fewer families that receive welfare would be considered poor. The poverty rate would increase in the Northeast and West and decrease in the Midwest and South.

A marked improvement The new measure would more accurately reflect trends in poverty over time, and differences in poverty among



Capture of Changes Affecting Poverty Measure

Type of Change	Current Measure	Proposed Measure
Increase/decrease in:		
federal/state income taxes	No	Yes
Social Security payroll taxes	No	Yes
Social Security benefits	Yes	Yes
receipt or benefits under AFDC (Aid to Families with Dependent Children)	Yes	Yes
food stamp receipt or benefits	No	Yes
public/private health insurance coverage	No	Yes
child care or commuting subsidies	No	Yes
child support awards and enforcement	Partly*	Yes
Economic recession/recovery	Yes	Yes

*Includes child support received by families, but does not deduct child support paid by families to other households.

population groups. One member of the panel dissented from the report, but the panel as a whole concluded that the new measure would be a marked improvement over the current measure as a statistical indicator of poverty. It also encouraged use of the new measure in the administration of government programs that are linked to the current measure.

The study was funded by the Census Bureau, U.S. Department of Commerce; Administration for Children and Families, U.S. Department of Health and Human Services; Bureau of Labor Statistics, U.S. Department of Labor; and Food and Nutrition Service, U.S. Department of Agriculture.

MEASURING POVERTY: A NEW APPROACH

National Research Council, 1995

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4/95

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University of Chicago

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Oxford University

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University of Notre Dame

REBECCA M. BLANK
Northwestern University

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University of California, Los Angeles

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ANGUS S. DEATON
Princeton University

DAVID T. ELLWOOD
U.S. Department of Health and Human Services
(Served until Feb. 1993)

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Manpower Demonstration Research Corp.

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University of Wisconsin

CONSTANCE F. CITRO
Study Director

ORDER FORM

Return this form with your payment to National Academy Press, 2101 Constitution Avenue, NW, Box 285, Washington, DC 20055.

Please send me ___ copies of *Measuring Poverty* at \$44.95 each. (To cover shipping and handling, please include \$4.00 for the first copy ordered and \$.50 for each additional copy. Add applicable sales tax or GST if you live in CA, MD, MO, TX, VA, or Canada.)

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**Summary and
Recommendations**



MEASURING POVERTY

**A New
Approach**

NATIONAL RESEARCH COUNCIL

EDITORIALS

No, thank you

Mack the Nice won't run

Call it good sense, or commitment to family, or a becoming self-restraint, but there's certainly been a lot of it going around lately, and in Washington of all places. First David Pryor, nicest guy on the Hill, announces that he's going to step aside and settle down in Little Rock to spend more time with the grandkids. The title of U.S. senator just doesn't have quite the emotional resonance and long-term effects of Grandpa.

And now Mack McLarty, nicest guy at 1600 Pennsylvania Avenue, announces that he's staying there—instead of running for the Senate seat that most of Arkansas got used to thinking of as David's. His polite no-thank-you takes a strong Democratic candidate, maybe the strongest, out of the race. But it leaves a gentleman in the White House, which can use all of that vanishing species it can get.

Strangely enough for Arkansas, the still unannounced frontrunner turns out to be a Republican: Mike Huckabee, lieutenant governor and still another nice guy.

Why is Mack the Nice staying in Washington? He offered several answers, so the usual sidewalk politicians can take their pick of all or none: He didn't want to uproot his

family, or put them through a grueling Senate race back home, and he also felt a commitment to stay on and help his boss get re-elected president of the United States. Mr. McLarty is the sort who takes his commitments seriously, whether it's returning a phone call or running a public utility. Mack McLarty may be the only guy in the known world who has worked for both Bill Clinton and Sheffield Nelson, and left them both singing his praises. If he weren't a political operative, he'd make the perfect diplomat.

Behind all these worthy reasons for declining a Senate race next year (one got the distinct impression Mr. McLarty would like to take a rain check) there remained the biggest reservation about a McLarty-for-Senate race: Although he might have won that seat in the U.S. Senate, what would he have done with it? What pressing legislative agenda would he have pursued? Mack McLarty has been serving under somebody else for so long that it's not clear what political direction, if any, he would choose for himself. Till he decides, there are Olympics to plan, Latin American ties to cultivate, and another presidential campaign to help manage. Once again Mack McLarty has made the appropriate decision.



Mack —
Your good press
is getting
distrusting
Podeste

5-12-95

The real Mack McLarty stands up

Sometimes the prevailing view of a public figure can be incomplete, oversimplified and errant, something between superficial accuracy and caricature.

Jim Guy Tucker is not as stuffy as they say; he can crack a joke and stomp his feet at a Jerry Jeff Walker performance. Bill Clinton doesn't walk around inhaling Big Macs; the fact is that he usually stopped off during a jog only for a McDonald's coffee and to fulfill his insatiable need for human interaction. What he will inhale, given the opportunity, is a fistful of chicken wings. Mike Huckabee is not a religious fanatic; he'd be more comfortable hanging out with Bob Dole than Jerry Falwell, though he'd pass on the drinkin'.

That leads me to the prevailing view of Mack McLarty, the counselor to President Clinton who, regrettably, won't run next year for the U.S. Senate seat to be vacated by his lifelong family friend, David Pryor.

That view is that McLarty is an understated, decent, polite and thoroughly reasonable man who is a bit of a prude, supremely cautious, but consumed since boyhood with holding high elective office in Arkansas. They called him "governor" in college, even when the office he held was president—of the University of Arkansas student body.

Supremely cautious? Well, let's see: He left a family fortune in the Ford business to take over Arkla during the deregulation era. Then he left Arkansas, where he had it made to the tune of tens of millions, to go to Washington as chief of staff to the president, one of the most watched and most susceptible positions in the known Universe.

McLarty told me by phone the other

**John
Brummett**



night: "I think it was you—or was it Maraniss?—who wrote that I was even more ambitious than Clinton. I thought that was a little much."

That laughable overstatement must have been David Maraniss' in his book about Clinton and friends; all I said in mine was that McLarty had a polite demeanor than belied a burning ambition; that he cooperated with me in the research for the book because he had an abiding interest in running for office in Arkansas, probably the U.S. Senate as soon as either of his good friends, Pryor or Dale Bumpers, vacated.

It never occurred to me that McLarty might simply be nice.

What we have now seen is a moment of truth: Pryor announced his retirement, and prominent, monied Democrats deluged McLarty with calls and letters saying they would assure that the money and organizational fervor would be there for him to run to fill that seat.

Lloyd Bentsen called. Bob Kerrey, the chairman of the Democratic Senatorial Campaign Committee, lobbied hard. One day Bill Clinton took McLarty aside and told him, essentially, that if Mack had any worries that he had an obligation to stay in the White House as Clinton's First Friend and forgo a Senate run, he needn't worry.

And what did McLarty do? He pondered

the matter a couple of weeks and decided, "Nope. Not for me."

That burning ambition was a two-week flicker, and it was gone.

McLarty thought about the six-year term of a Senate seat, and about the custom of seeking at least a second term. Did he want to commit the next 12 years, until the age of 60, to that? He wasn't sure. There may be a Life After Clinton for him and his wife, and it might entail traveling and pursuing a new business interest.

He thought about his mother, with whom he is very close. She is not well.

He thought about being counselor to the president of the United States. It's no bad deal. He is the White House point man in the effort to forge trade agreements with Latin America. He will be the White House point man for relations with the 1996 Summer Olympics in Atlanta. "And I think," he told me, "that I've been helpful in pulling the president back to the center; at least he tells me I have."

So he passed on the shot at the Senate.

He will revisit the question of burning political ambition—of a U.S. Senate race—in 1997. Then, it's almost certain, Bumpers will announce he is not running in 1998.

McLarty might run then. But he might not. The more I get to know him, the less sure I am. It's that way sometimes.

By then he might have had a mid-life crisis and moved to Brazil or somewhere. But I doubt that one; part of the caricature of stability and plodding reasonableness remains thoroughly deserved.

John Brummett's column appears every Tuesday, Thursday, Saturday and Sunday.

FAX TRANSMITTAL SHEET 95 MAY 8 P5:19

Date:

MAY 8, 1995

To:

Mr. John Podesta

From:

Skip Rutherford

*Take Sherburne
Mark Fabian
(MARK FABIAN)
5-13-95*

Number of pages, including this transmittal sheet:

5

If you have any problems receiving this facsimile, please contact
Carmen Benning at 501-376-6251.

Thank you.

Comments:

USENET News

Article 33240 (545 left - 0 in thread) of alt.conspiracy (161 lines):
Newsgroups: alt.conspiracy
From: bigxc@prairienet.org (Brian Redman)
Subject: Conspiracy Nation -- Vol. 4 Num. 83
Date: 6 May 1995 21:43:52 GMT

Conspiracy Nation -- Vol. 4 Num. 83
=====

("Quid coniuratio est?")

[CN Editor -- I cannot vouch for the accuracy of *all* of the following. It may or may not be true, I just don't know. However I consider Skolnick to be an honest and careful investigator.]

[The following is a transcript of a recorded phone message put out by a group in Chicago called "Citizens' Committee to Clean Up the Courts [CCCC]." (312) 731-1100 and (312) 731-1505.]

Hil Sherman Skolnick, Citizens' Committee to Clean Up the Courts, 9800 South Oglesby.

She's a consultant on high-tech -- Trapp Technologies -- and, an expert on espionage: Debra von Trapp.

DEBRA VON TRAPP: I, along with Robert Getzman(sp?), an FBI employee, Peter Stanley, a CIA employee named Wes Thomas, out of New York, a DIA [Defense Intelligence Agency] employee named Jim Colefield(sp?), who is a banking communications software transfer specialist out of Washington DC... This team of people, when [George] Bush lost the election, we transitioned from the project we were on to being paid (although *I* was never paid -- they were paid) by the Japanese government, through the Embassy of Japan in Washington, to set up a surveillance operation on the Clinton administration. And essentially what we did was, we arranged to have a CIA employee that was left at the White House in an office administration, named David Herold(?), issue all of the Clinton administration's purchase orders out of the executive office.

But from the very moment that he was President, he was spied on by the Japanese government, and all of his communications were compromised.

SHERMAN SKOLNICK: Didn't the Secret Service or any of them... In other words, was there some connivance with the Secret Service so that they...

DEBRA VON TRAPP: Oh! Specifically, one specific Secret Service person that cooperated entirely. And that Secret Service agent was bounced out of the White House. He'd been there under Bush, and then with Clinton. And he was sent back to the Secret Service office at Oklahoma City.

SHERMAN SKOLNICK: And that's the one that died there, in the bombing?

DEBRA VON TRAPP: Yeah. And in fact, they made sure that he was in the building that morning, before they set the bomb off. That was specifically intended, by the Japanese government, who had, again, paid for and "contracted" this. It was a "message" back.

And April 19th is *not* the significant date on this. It was April *20th* in Japan -- it was one month, *to* *the* *day*, of the subway attack, which was March 20th.

And then Clinton and Hillary sat in front of his [the deceased Secret Service agent's] widow and daughter at the memorial service.

SHERMAN SKOLNICK: In other words, Clinton... You believe that the President has some knowledge of what's going on?

DEBRA VON TRAPP: The President has *direct* knowledge! I mean, the White House has had direct communication with me, which is why you see the "White House Counsel" faxes back to me -- have you seen cover sheets from that?

SHERMAN SKOLNICK: Yes.

DEBRA VON TRAPP: We've been in a complete discussion about what they were going to do about these circumstances, and the fact that the Japanese had "bugged" the White House and the DNC [Democratic National Committee] and the District of Columbia, since we... on the operation that I was on. *I* thought I was

turning everybody in to Janet Reno and she turned the investigation over to Paul Coffey(sp?) -- and *he* killed the investigation!

SHERMAN SKOLNICK: How long ago was that?

DEBRA VON TRAPP: She started the investigation July 25th of '94, and by August, Coffey had killed it.

You see, I am outside of this. I owned a consulting firm that was taken over by the FBI and CIA, without any choice on my part. Because I had crossed Aldrich Ames and Daniel Starkey(sp?) at Xerox, early on in my career. And then they had come back and tried to take everything from me, including my house. Then they threatened to kill myself and my child.

SHERMAN SKOLNICK: (A court fight developed between her and Xerox when she tried to expose Xerox for unlawfully selling high technology to the Soviet bloc at a time it was illegal to do so.)

DEBRA VON TRAPP: Well, Robert Getzman called me the night that Vince Foster died -- excited, screaming over the phone, "We *did* him! We *did* him!" And I said, "Did *who*?" And he said, "Vince Foster." And I said, "What do you mean?" And he said, "We *did* him!" And I said, "Well *where* did you 'do' him?" And he said, "Well we did him somewhere else, but we dumped him in a 'queer' park to send Clinton and his 'queer' wife a message!"

SHERMAN SKOLNICK: (She says the American CIA arranged the poison gas attack against the Japanese subway, and they got revenge by bombing the building in Oklahoma. She said the citizens' militias had nothing to do with it!)

SHERMAN SKOLNICK: Who do you believe the "job" was contracted out to, as to the Oklahoma City bombing?

DEBRA VON TRAPP: A few individuals that are presently still active military, special operations, out of a base in Alabama.

In Chicago, see us on cable tv, channel 21, 9 pm [cst] most Monday evenings.

Play it again: "The *Rotter* FBI". (312) 731-1505.

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

09-May-1995 02:23pm

TO: John Podesta
TO: Meeghan E. Prunty

FROM: Tracey E. Thornton
Office of Legislative Affairs

CC: Tracey E. Thornton

SUBJECT: milkulski request

You may have already gotten this request from stephanie foster but the senator would like some talking points on abortion for the committee vote -- she's looking for 3-4 bullets on the numbers explanation including the 700 # from the transcript.

MIAED in
Krislow
we need the
revise we did
bullets for committee
5-13-95
John Podesta



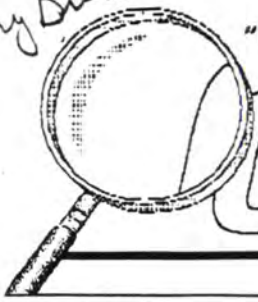
Mail
FABIAN
Rm 488



5-12-95
~~Handwritten signature~~
to [unclear]
[unclear]
[unclear]



Mary Bina

**"Whitewater" Fax Bulletin****CLINTONWATCH**

A SPECIAL PROJECT OF CITIZENS UNITED

Vol 2, Issue 4

May 9, 1995

Bruce Lindsey: F.O.B. #1***A Key member of Bill Clinton's Arkansas inner circle is under fire***

Senior White House advisor Bruce Lindsey is facing indictment from Independent Counsel Kenneth Starr for involvement in crooked financing of the 1990 Clinton gubernatorial campaign. Lindsey, one of Bill Clinton's best friends, is one of the last remaining members of the Arkansas inner circle Bill Clinton brought with him from Little Rock. Following his defeat in the 1980 gubernatorial campaign, Bill Clinton worked with Lindsey at the Wright, Lindsey, Jennings law firm. However, Lindsey's activities go far beyond cashing checks for the campaign.

- Lindsey is a target of Starr's probe due to his role as treasurer of the 1990 campaign. Lindsey signed checks in increments of \$7,500 and delivered them to Neal Ainley at the Perry County Bank. Ainley delivered cash to Lindsey on two occasions, in amounts of \$30,000 and \$22,500, and failed to report the transactions to the IRS, in violation of laws requiring reporting of cash transactions of \$10,000 or more. Last week, Ainley pleaded guilty to these charges. Ainley claims that Lindsey told him not to report the transactions.
- The Clinton campaign allegedly used this cash for "get-out-the-vote" activities, aimed at minority voters, but has never provided any documentation or proof to substantiate this claim. Lindsey's attorney now states that Lindsey divided the large cash withdrawals into smaller increments in order to avoid a situation that political opponents could use in the campaign.
- Lindsey, as a senior advisor to the president, served as Whitewater trouble-shooter when the story began to break in the fall of 1993.
- Lindsey was told in September 1993 that the Resolution Trust Corporation was probing Madison Guaranty, the failed S&L with ties to the Clintons. White House Counsel Bernard Nussbaum was informed of the probe by Treasury Department General Counsel Jean Hanson and passed the information along to Lindsey.
- However, it has been alleged that Lindsey already knew of the charges the White House would be facing. Randy Coleman, attorney for Judge David Hale, had phoned the White House and told then-Associate White House Counsel William Kennedy of Hale's charges implicating Clinton in bogus loans. Key Clinton advisors, including Lindsey, likely received a "heads up" before being informed of the RTC probe.

For more information, contact Bob Paterno at (703) 352-4788.

THE WHITE HOUSE
WASHINGTON

May 12, 1995

Kyle Harper
c/o Parkview Baptist School
P.O. Box 45212
Department 436
Baton Rouge, LA 70895

Dear Kyle:

Thank you so much for praying for me during the National Day of Prayer. I appreciate your thoughtfulness and concern.

Sincerely,

A handwritten signature in dark ink, appearing to read "John D. Podesta", with a long horizontal line extending to the right.

John D. Podesta
Assistant to the President
and Staff Secretary



PARKVIEW BAPTIST SCHOOL

"Education with an Eternal Foundation"

School Location: 5750 Parkview Church Road, Baton Rouge, LA 70816
Mailing Address: P.O. Box 45212, Dept. 436, Baton Rouge, LA 70895

(504) 291-2500

Gary Kinchen
High School Principal

Debra Parker
Elementary Principal

May 4, 1995

Dear

Joh R. R. R.

I prayed for you today. Your name was written on one link of a prayer chain at Parkview Baptist School joined with hundreds of other links with names of leaders from across our nation. Today is the National Day of Prayer, and we joined our links and our hearts in prayer to form a long prayer chain.

Students at PBS are joining in prayer because the Bible tells us in 1 Timothy 2:1-2 to pray for all who are in authority. I prayed that God would give you His wisdom when making decisions. Proverbs 3:5-6 says to "Trust in the Lord with all your heart, and do not lean on your own understanding. In all your ways acknowledge him and he will direct your paths."

Thank you for your service and dedication in making America a great place to live.

In Christ's love,

Kyle R. R.

2 20
grade homeroom

THE WHITE HOUSE

WASHINGTON

May 12, 1995

The Honorable John H. Chafee
United States Senate
Washington, D.C. 20510

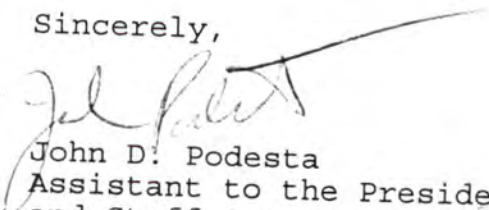
Dear Senator Chafee:

Thank you for writing to inform me that Paramount Cards, Inc., is interested in producing the White House Holiday Card this year.

The President's Social Secretary, Ann Stock, is responsible for assisting the First Family in selecting the card. I understand that she has already received the materials from Paramount Cards through another White House office, and I am confident that she will be in touch with representatives of the company shortly.

We appreciate your taking the time to let us know about Paramount Cards. Please feel free to contact Ms. Stock directly with any additional information on this subject.

Sincerely,



John D. Podesta
Assistant to the President
and Staff Secretary

OUTDOOR TECHNOLOGIES GROUP
.....

Outdoor Technologies Group

One Berkley Drive

Spirit Lake, IA 51360-1041

Telephone 712 336 1520

Fax 712 336 5183

May 1, 1995

95 MAY 6 P1:27

Fax #: 202-456-1121 / 213

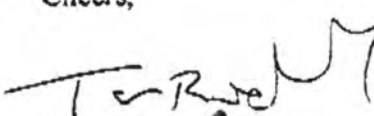
Mr. Mark Gearan
The White House
Washington, DC 20006

Dear Mark:

Attached are copies of letters I have sent to Congressman Gephardt and
Secretary of Interior Babbitt.

I hope you can help.

Cheers,


Tom Bedell
Chairman/CEO

sm

MARK
I'm taking Podesta
I've got this
for you
Berk. Is
I'm for an Executive
Order -
anything - the
works?
mg

Berkley®



OUTDOOR TECHNOLOGIES GROUP
.....

Outdoor Technologies Group

One Berkley Drive

Spirit Lake, IA 51360-1041

Telephone 712 336 1520

Fax 712 336 5183

May 1, 1995

Fax #: 202-225-7414

Honorable Dick Gephardt
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Dick:

It has been a few years since we have spoken.

As you may recall, I left Washington, D.C. to take over my father's fishing tackle business, Berkley, Inc. We have become America's leading supplier of sport fishing tackle, but more importantly, I am active in promoting environmental and conservation policy with our federal and state governments.

U.S. Fish and Wildlife Director Mollie Beattie appointed me to head up a task force for developing a Clinton Administration policy on recreational fishing. This resulted in the Recreational Fisheries Stewardship Initiative which I am sending you.

Secretary Babbitt has endorsed the Initiative and is requesting the President sign an Executive Order to begin its implementation. This is where I need your help.

As you know, the Clinton Administration is committed to many of the correct causes and values, but at times is clumsy in implementation. Secretary Babbitt has launched several initiatives that could result in tremendous long term benefits to our environment and for Americans' recreational enjoyment, but few of them have been implemented due in part to a failure to develop broad public support.

Anglers and boaters number 75 million Americans who spend over \$2.5 billion a year. Most Western states rely on recreation and tourism as the backbone of their economies. After swimming, fishing is America's most popular outdoor recreation.

The Recreational Fisheries Stewardship Initiative is an opportunity for the President to demonstrate his commitment to outdoor recreation and rebuild some of the relations that have been strained - the Western states and boaters and anglers have not seen the Clinton Administration as supportive.

It would be good policy and politics for the President to sign the Executive Order and hold a White House reception for the angling and boating community during National Fishing Week - June 4-10.

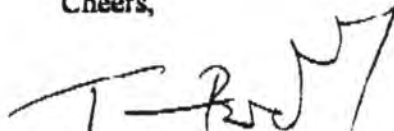
If your staff would like any background on my work with the Clinton Administration, please encourage them to call:

Secretary of Interior, Bruce Babbitt - Tel: 202-208-7351
Congressional Liaison Director, Ken Smith - Tel: 202-208-7351
Assist. Sec. Land & Minerals Management, Bob Armstrong - Tel: 202-208-5676
Director U.S. Fish and Wildlife, Mollie Beattie- Tel: 202-208-4717
Assist. Director of Fisheries, Gary Edwards - Tel: 202-208-6394

Will you please encourage the President to hold a White House reception during National Fishing Week (preferably June 7, 8 or 9), issue a public statement supporting the Recreational Fisheries Stewardship Initiative, and sign the Executive Order?

I really appreciate your help.

Cheers,



Tom Bedell
Chairman/CEO

sm

OUTDOOR TECHNOLOGIES GROUP
.....

Outdoor Technologies Group

One Berkley Drive

Spirit Lake, IA 51360-1041

Telephone 712 336 1320

Fax 712 336 5183

May 1, 1995

Mr. Bruce Babbitt
Secretary of Interior
US Dept. of Interior
1849 C Street Office of the Secretary
Washington, DC 20240

Dear Bruce:

Many of us have invested a great deal of effort to develop the Recreational Fisheries Stewardship Initiative and Clinton Administration policy for recreational fisheries. The Initiative and Executive Order are good policy. Now it is time to build broad public support for the Clinton Administration's commitment to our waterways and recreational fishing.

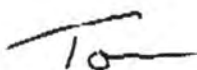
So many good initiatives from the Secretary of Interior's office have failed to be implemented due in part to lack of broad public support.

It would be good policy and politics for the President to sign the Executive Order and hold a White House reception for the angling and boating community during National Fishing Week - June 4-10.

Will you please encourage the President to hold a White House reception during National Fishing Week (preferably June 7, 8 or 9), issue a public statement supporting the Recreational Fisheries Stewardship Initiative, and sign the Executive Order?

I really appreciate your help.

Cheers,



Tom Bedell
Chairman/CEO

sm

Berkley

Leon:

I had the
gang in last week
to prepare for the
meeting outlined
in this memo.
I think things
are headed

EXECUTIVE OFFICE OF THE PRESIDENT

10-May-1995 01:19pm

TO: Kathleen A. McGinty
FROM: Thomas C. Jensen
Council on Environmental Quality
CC: Shelley N. Fidler
SUBJECT: Idaho Training Range Meeting

in the right
direction, but with
many pitfalls along
the way. You
might think about
handling this off to
a honest broker (Todd,
maybe) in the White House
when I leave, since USC +
CEQ easily

I attended a meeting this morning in Senator Craig's office
regarding the Idaho Training Range. Rudy deLeon brought about 15
Air Force officials; Interior was represented by George Frampton
and Bob Armstrong. The entire Idaho delegation, Governor Batt,
and 15 or so staffers also attended. diverge
on the
matter.

Overall, the tone of the meeting was notably positive. The
delegation and governor seemed satisfied. The Governor pledged
the state's participation in the proposed Air
Force-Interior-Tribe-State discussion process. Members of the
delegation acknowledged in the meeting and in side conversations
later that the earlier effort to site the training range had
inappropriately overlooked the tribal interests and that the
proposed process would remedy that problem.

Both Senators and Congressman Crapo asked specifically whether the
White House supported the proposal. Congressman Crapo and Senator
Kempthorne both expressed their frustration with "White House
interference" in the earlier Air Force proposal.

DeLeon, Frampton, Armstrong, and I all stated our understanding
that the Administration fully supports the process now proposed by
the Air Force. Congressman Crapo threw out to the room the
question whether you were on board and I stated that you fully
support the process. Again, the delegation seemed satisfied that
the future of ITR was on track. They characterized the
Administration consensus as a "breakthrough" that amounted to very
good news for Idaho.

The delegation appeared to understand that we had come to
agreement on a process, not a specific range, and that it could be
some time before agreement is reached on the ultimate
configuration of ITR.

You should be aware that late yesterday an Idaho district court
ruled that the EIS on ITR (as originally proposed) was not

Todd
Podest

adequate. There was some discussion over the impact of the ruling. The view of most was that it would not in any way impair the discussion process proposed by the Air Force. In my view, the major impact of the ruling will be to confuse media reports on the "breakthrough."

Idaho TV news crews interviewed delegation and Air Force representatives after the meeting. The pieces I overheard were positive.

You may wish to forward this message to John Podesta and Marcia Hale.

THE WHITE HOUSE

WASHINGTON

May 10, 1995

Honorable Nancy Landon Kassebaum
United States Senate
Chair, Committee on Labor and
Human Resources
835 Hart Senate Office Building
Washington, D.C. 20510

Dear Madam Chair:

I would like to thank you again for the open, even-handed manner in which you conducted the hearings on Dr. Foster's nomination to be Surgeon General. We feel that Dr. Foster was given a fair opportunity to present himself and make his case to the Committee and the American people, and that you were successful in having the hearings generate more light than heat. Dr. Foster, the Committee, and the public were well served by your leadership.

We also appreciate the kind remarks in your opening statement at Dr. Foster's confirmation hearings that, "Dr. Foster, the White House, and the Department of Health and Human Services have cooperated fully with the Committee in answering our inquiries and providing information." We certainly acknowledge the initial miscommunications in connection with Dr. Foster's nomination, and have been eager to work to resolve them.

We have tried to be as forthcoming as possible in responding to requests from the Committee. We responded promptly, for example, to staff requests for materials on the Tuskegee Study outside the scope of your original requests, and have kept your staff fully informed. Under these circumstances, we particularly regret the apparent misimpression that has arisen concerning documents relating to the "I Have a Future" program.

Much of the misunderstanding appears to have arisen from the direction of requests to various persons without the involvement of the White House or Dr. Foster. We believe that the only documents regarding the "I Have a Future" program which the White House or Dr. Foster was specifically requested to provide to the Committee related to the teaching modules used in "I Have a Future." When asked for help in obtaining copies of the modules at a meeting attended by Committee staff and Senator Kennedy's staff, we promptly provided the modules.

It was our understanding that your investigators were making direct requests for documents from a variety of sources, and that as a matter of policy they were not seeking our help in obtaining documents other than by specific request. For example, we understand from the "I Have A Future" Director, Dr. Lorraine Williams Greene, that the Committee staff early on contacted her directly for general materials, and that she responded promptly with the standard packet of materials sent in response to first-time requests for information. Dr. Greene tells us that she was not contacted again by the Committee staff for additional information until the week before the hearing. At that time, on April 26, 1995, she advised us that a Committee investigator had specifically requested the videotapes used in connection with the previously supplied teaching modules. No other materials were requested by the investigator. Upon learning of the request, we worked with Dr. Greene to insure that the videotapes were sent on the following day.

Similarly, the only written request for information to Meharry Medical College appears to have been the attached handwritten request. This request was not provided to the White House or Dr. Foster by the Committee staff. Indeed, no one ever appears to have written or telephoned the White House or Dr. Foster to alert us to the difficulties that the Committee staff appears to have been experiencing in obtaining materials. Had we known, we would have provided immediate assistance. We are and have been as anxious as the Committee to get the complete story of Dr. Foster's life and work before the public.

I have discussed these matters with Ed Bolen, and we have agreed on a procedure which we both hope will avoid such problems in the future. Mr. Bolen and I have agreed that, in the future, requests for information from the Committee directed to the Administration or the nominee will be made in writing through the White House. We are hopeful that this procedure will result in the complete record which both you and we desire.

We have attached a considerable amount of material which we believe responds to the Committee's request, and which is the product of an exhaustive search of the "I Have a Future" files. A number of the materials are originals, and others are copyrighted program materials. The "I Have a Future" program has requested that they be returned once the Committee has completed its review. If we learn of any additional materials, we will forward them to you promptly. We look forward to working cooperatively with the Committee and will attempt to respond as promptly as possible to any future requests on matters that come before your Committee.

Thank you again for the fairness with which you conducted the hearings, and again we regret any confusion which has arisen in the course of the Committee's efforts to obtain documents and information. We appreciate the cooperation of the Committee staff, and hope that you will extend our thanks and gratitude to Dave Bartel, Susan Hattan, and Ed Bolen for their professionalism and cooperation.

Sincerely,


John D. Podesta
Assistant to the President
and Staff Secretary

cc: Honorable Edward M. Kennedy

04-13-95 02:52PM FROM USSEN LABOR MAJORITY TO 316153276224

P001/002

FAX



Majority Staff
Labor and Human
Resources Committee

Nancy Landon Kassebaum
Chairman

Phone: (202) 224-6770

Fax: (202) 224-6510

Date: 4/13/95

To: George Williams

From: J.C. Wade

Page 1 of: 2

Message: Per our telephone conversation.

1. I need information on the grants listed.
 - (A.) Budget & expenditure of funds
 - (B.) Proposal summary of scope of project
 - (C.) If required, I would appreciate
the summary ~~propos~~ of the
~~present~~ projects findings

THE WHITE HOUSE

WASHINGTON

May 8, 1995

The Honorable Robert Dole
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

I am writing to urge that Congress quickly complete work on line-item veto legislation so I can use it -- this year -- to curb wasteful tax and spending provisions.

We must not let another year go by without the President having authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831.

I am disappointed that six weeks after the Senate passed its version of line-item veto legislation, neither body has appointed conferees. As you may recall, I commended the House and the Senate last month for passing line-item veto legislation. However, the job is not complete until a bill is sent to my desk that provides strong line-item veto authority that can be used this year.

I have consistently urged the Congress to pass the strongest possible line-item veto. While both the House and Senate versions would provide authority to eliminate wasteful spending and tax provisions, the House-passed bill is much stronger -- and more workable.

I appreciate your making passage of line-item veto legislation a priority. I look forward to working with the Congress to enact the line-item veto quickly.

Sincerely,

A handwritten signature in cursive script, reading "Bill Clinton". The signature is written in dark ink and is positioned below the typed name "Bill Clinton".

THE WHITE HOUSE

WASHINGTON

May 8, 1995

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

Dear Mr. Speaker:

I am writing to urge that Congress quickly complete work on line-item veto legislation so I can use it -- this year -- to curb wasteful tax and spending provisions.

We must not let another year go by without the President having authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831.

I am disappointed that six weeks after the Senate passed its version of line-item veto legislation, neither body has appointed conferees. As you may recall, I commended the House and the Senate last month for passing line-item veto legislation. However, the job is not complete until a bill is sent to my desk that provides strong line-item veto authority that can be used this year.

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I appreciate your making passage of line-item veto legislation a priority. I look forward to working with the Congress to enact the line-item veto quickly.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

■ U.S. NEWS

Laurie Fyler BC

America's other welfare state

Middle-class families across the nation will have to share the sacrifice of fiscal restraint

They are more pervasive than television in the homes of the elderly, more common than puppies in households with children. They are fixtures in almost half of American families, as familiar as the local letter carrier who delivers them with the daily mail. They are federal entitlements—the Social Security check, the Medicare reimbursement, the veteran's benefit—and taming them may be the toughest test for congressional Republicans as they struggle to balance the federal budget in the coming months. Just ask Sen. Judd Gregg. The New Hampshire Republican drew the unenviable task of drafting a GOP menu of entitlement reforms last month—then hurried home to gauge the depth of voters' wrath. "When you sit down in a room with constituents, you can explain what needs to be done," says the understated Gregg. "But it is, well, a significant educational exercise."

That education is only beginning, as voters come to realize that Congress can't shrink government without shrink-

ing something they like. Federal entitlements—benefits citizens are "entitled" to collect if they meet certain demographic or income definitions—reach 49 percent of U.S. households, including 39 percent of families with children and 98 percent of the elderly. The average recipient collected \$10,320 in benefits in 1990—and the payments get bigger as you move up the income scale. This is America's other welfare state: Washington spent \$177 billion on entitlements for the poor last year, but it spent \$612 billion on entitlements for everyone else. "The middle class is at the heart of our budget problem," explains Peter Peterson, chairman of the Blackstone Group, a New York-based investment bank, and a founder of the Concord Coalition, a deficit-reduction group. "And it must also be at the heart of the solution."

OVERALL ENTITLEMENTS

Nearly half of all the families in the United States currently receive entitlement benefits.



Family income (1990 dollars)	Percentage of all families receiving benefits	Average benefits per recipient family (1990 dollars)
All families	49%	\$10,320
\$1-\$9,999	71%	\$7,880
\$10,000-\$19,999	57%	\$10,340
\$20,000-\$29,999	46%	\$11,220
\$30,000-\$39,999	41%	\$11,350
\$40,000-\$49,999	36%	\$11,460
\$50,000-\$74,999	34%	\$11,910
\$75,000-\$99,999	35%	\$13,060
\$100,000-\$149,999	32%	\$14,640
\$150,000 or more	29%	\$16,190

USN&WR—Basic data: Congressional Budget Office; Joint Committee on Taxation





Much the same thought has occurred to GOP budget leaders as they prepare for the spending showdowns that Congress will face later this spring. Last week, Senate Budget Committee Chairman Pete Domenici of New Mexico said that reductions in the growth of entitlements would account for fully two thirds of his \$1.2 trillion program to balance the budget by 2002. And when he unveils that budget outline, probably next month, he will draw heavily on the options drafted by Gregg. That list excludes Social Security but includes: making retirees pay a portion of the cost for home health care under Medicare; shaving almost 20 percent off the growth of Medicaid, the health care program for the poor; capping the growth of farm subsidies, and imposing a two-week waiting period before jobless workers can collect unemployment benefits.

Such sobering measures have foundered in the past on the theory that entitlements, with their vast reach among middle-class voters, are politically untouchable. But that theory is a "flat-out myth," according to economist Henry Aaron of the Brookings Institution, a Washington, D.C., think tank. Congress passed major overhauls of Social Security in 1977 and

1983, and Bill Clinton raised \$17.5 billion as part of his 1993 deficit-reduction package by expanding the portion of Social Security benefits subject to income taxes. And Social Security could be on the table again this spring. Senators Bob Kerrey, the Nebraska Democrat, and Alan Simpson, the Wyoming Republican, plan to introduce a bill that, among other changes, may raise the normal retirement age for Social Security benefits and slow the rate of cost-of-living adjustments.

Budget math. Painful though they are, such entitlement constraints are almost mandated by the arithmetic of federal spending. Entitlements now represent 54 percent of all federal outlays, or \$789 billion last year. Worse, apart from interest on the federal debt, they are the only growing part of the budget. Federal spending on defense, highways, education and other "discretionary" items has shrunk from 70 percent of the budget when John F. Kennedy was president, to less than 40 percent today, and it will fall to less than 30 percent early in the next century. Entitlements, meanwhile, will hit almost 60 percent of federal spending early in the next century. In fact, if present trends continue until the year 2012, entitlements and interest on the federal debt will consume all federal tax revenues, meaning that Washington would have to borrow money to pay for everything else. And that, in turn, would bequeath an ever growing debt to the next generation of American taxpayers.

But by the same arithmetic, Washington could save huge amounts of money by subjecting entitlements to fairly modest means testing, or limits on payments to higher-income recipients. For exam-

SOCIAL SECURITY

Social Security benefits go to 94 percent of all elderly families in America today.



Family income (1990 dollars)	Percentage of all families receiving benefits	Average benefits per recipient family (1990 dollars)
All families	29%	\$7,880
\$1-\$9,999	37%	\$5,180
\$10,000-\$19,999	36%	\$7,870
\$20,000-\$29,999	31%	\$8,870
\$30,000-\$39,999	26%	\$9,180
\$40,000-\$49,999	22%	\$9,180
\$50,000-\$74,999	20%	\$9,300
\$75,000-\$99,999	20%	\$8,930
\$100,000-\$149,999	20%	\$9,750
\$150,000 or more	21%	\$10,170

U.S. NEWS

ple, increasing the share of entitlements that are subject to federal income tax would raise \$258 billion in new revenue over the next five years, according to the Congressional Budget Office. That's enough to reduce the federal deficit at the end of this century by more than one third. And a plan advanced by the Concord Coalition would save almost \$190 billion over five years by reducing entitlement benefits on a graduated scale for recipients with incomes over \$40,000.

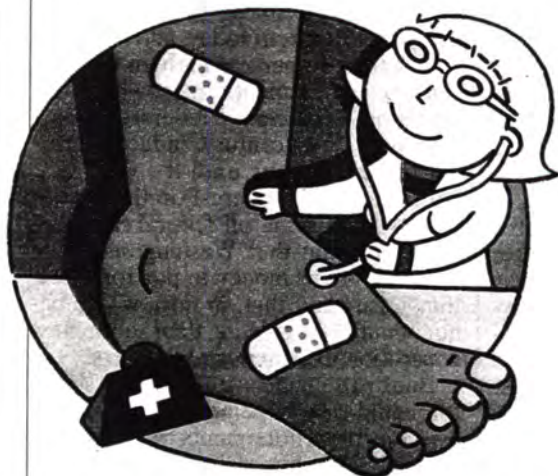
The revenue potential in entitlements is no mystery, given the generosity and sweep of the programs. Washington's two largest retirement programs, Social Security and Medicare, are good examples. The two programs doled out \$317 billion and \$160 billion, respectively, last

year, and served almost every retired American. For lower-income recipients, Social Security represents 50 percent or more of household income and can be a crucial safety net. But the bulk of Social Security spending goes to middle- and upper-income Americans. That's partly because they are so numerous and partly because benefits are based on a recipient's pre-retirement earnings and tax contributions. While the average recipient got \$7,880 from Social Security in 1990, for example, those with incomes between \$50,000 and \$75,000 received \$9,300 and those with incomes over \$150,000 received an average of \$10,170.

Social Security and Medicare also have millions of hidden beneficiaries: baby boomers who would have to support their aging parents if Washington did not. It is estimated that 15 million

retirees would slip below the poverty line, and perhaps have to move in with their children, without Social Security. And Medicare represents 30 percent of household income for elderly families with incomes below \$20,000—families who would almost certainly turn to their working children, or do without health care, if Uncle Sam did not help out.

Lost revenue. Close behind Social Security and Medicare are two middle-class entitlements that never show up as federal expenditures but still cost the U.S. Treasury billions of dollars. They are the tax-exempt status of employer-paid health insurance, which will cost the Treasury \$92 billion in lost revenue next year, and the individual tax deduction for home mortgage interest, which cost some \$51 billion last year. The health-insurance benefit goes primarily



MEDICARE

Family income (1990 dollars)	Percentage of all families receiving benefits	Average benefits per recipient family (1990 dollars)
All families	24%	\$3,830
\$1-\$9,999	34%	\$3,200
\$10,000-\$19,999	30%	\$3,830
\$20,000-\$29,999	25%	\$4,100
\$30,000-\$39,999	21%	\$4,270
\$40,000-\$49,999	17%	\$4,140
\$50,000-\$74,999	15%	\$4,170
\$75,000-\$99,999	17%	\$4,160
\$100,000-\$149,999	18%	\$4,290
\$150,000 or more	20%	\$4,380



MORTGAGE INTEREST DEDUCTION

Income (1994 dollars)	Percentage of all returns receiving deductions	Average benefits per recipient (1994 dollars)
All families	21%	\$1,885
\$1-\$9,999	0.1%	\$258
\$10,000-\$19,999	2%	\$412
\$20,000-\$29,999	7%	\$514
\$30,000-\$39,999	16%	\$721
\$40,000-\$49,999	28%	\$944
\$50,000-\$74,999	49%	\$1,266
\$75,000-\$99,999	69%	\$2,183
\$100,000-\$199,999	75%	\$3,512
\$200,000 or more	71%	\$8,348

to the middle class; only 8 percent of families with annual incomes under \$10,000 receive employer-provided health coverage. Yet proposals to tax a portion of the benefit have met with vigorous opposition from health insurers and from labor unions, which argue that their members traded away wage hikes to gain good health insurance.

The mortgage-interest deduction is an example of the way small federal programs evolve into huge subsidies for the middle- and upper-middle-income groups. The deduction was designed to make homeownership more affordable for middle America. Yet among taxpayers who earn \$20,000 to \$40,000 a year, only 1 in 5 takes advantage of the deduction today. That's because many are renters and many more use the short Form 1040 and don't itemize deductions. As a

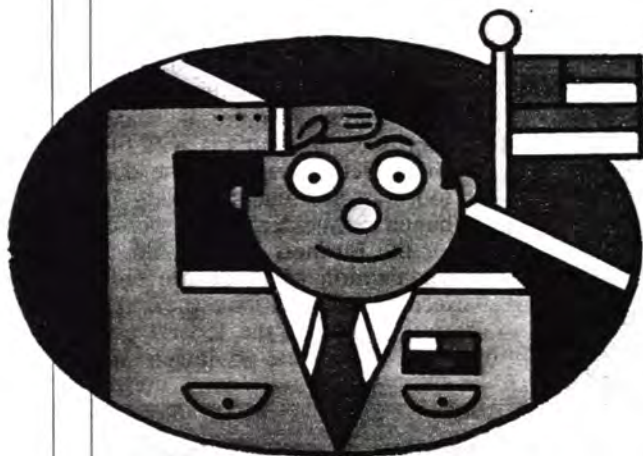
result, 44 percent of the tax subsidy goes to households earning over \$100,000, and 17 percent goes to the top 1 percent of households, those earning over \$200,000, according to Peter Dreier, an urban planner and board member of the National Housing Institute in Orange, N.J.

Wrong target. A third set of entitlements also benefit the middle class. These include unemployment compensation, which cost state and federal taxpayers \$26 billion last year, and farm subsidies, which came to \$10 billion in 1994. Yet these programs, too, sometimes reach unintended targets. For example, two thirds of all agriculture program funds go to the largest 18 percent of American farms, according to the "1995 Economic Report of the President." The average income of these recipients is three times the U.S. average. Meanwhile,

the small farmers, who are generally thought of as the recipients of federal assistance, have found another way to survive—paid jobs. More than 90 percent of farm households, as defined by the Bureau of the Census, actually earn a living by means other than farming their own property.

As Judd Gregg and his colleagues head home for the spring recess next week, they'll doubtless be asking voters for a report card on Congress's first 100 days. And they'll doubtless warn that the second 100 days will bring even harder choices. As a result, Gregg's constituent education process may be repeated in many states. Voters will learn that education is not always painless. ■

BY DAVID HAGE, DAVID FISCHER AND
ROBERT F. BLACK



VETERANS' BENEFITS

Family income (1990 dollars)	Percentage of all families receiving benefits	Average benefits per recipient family (1990 dollars)
All families	3%	\$4,470
\$1-\$9,999	3%	\$2,750
\$10,000-\$19,999	3%	\$3,960
\$20,000-\$29,999	3%	\$4,650
\$30,000-\$39,999	4%	\$5,550
\$40,000-\$49,999	4%	\$4,730
\$50,000-\$74,999	4%	\$5,480
\$75,000-\$99,999	5%	\$4,980
\$100,000-\$149,999	4%	\$4,140
\$150,000 or more	2%	\$4,790



UNEMPLOYMENT COMPENSATION

Family income (1990 dollars)	Percentage of all families receiving benefits	Average benefits per recipient family (1990 dollars)
All families	8%	\$2,230
\$1-\$9,999	4%	\$1,690
\$10,000-\$19,999	8%	\$1,890
\$20,000-\$29,999	9%	\$2,330
\$30,000-\$39,999	11%	\$2,160
\$40,000-\$49,999	10%	\$2,450
\$50,000-\$74,999	9%	\$2,570
\$75,000-\$99,999	8%	\$2,830
\$100,000-\$149,999	6%	\$3,610
\$150,000 or more	4%	\$3,280

Getting business off the dole

The drive to cut corporate subsidies gains momentum on Capitol Hill

An unusual bipartisan group consisting of Labor Secretary Robert Reich, Democratic Sen. Bill Bradley, Republican Sen. Phil Gramm and Republican House Budget Committee Chairman John Kasich has agreed that billions of dollars in corporate subsidies from Washington must be eliminated as a way of getting America back on fiscal track. The issue has become so pressing that Kasich's committee is currently pulling together a plan—endorsed by House Speaker Newt Gingrich—that will propose slicing many of the federal government's more than 125 "corporate welfare" spending programs.

The House Republicans' efforts draw heavily from a research report issued recently by the Cato Institute, a leading libertarian think tank in Washington, D.C., that calls for "getting businesses off the \$80 billion annual dole." The House committee has released an "illustrative" package of proposed spending reductions that total \$7.6 billion in savings over five years. The list includes \$2.2 billion from the first step toward eliminating the Commerce Department; \$1.2 billion from shuttering the Economic Development Administration, and \$1.3 billion from trimming agricultural-research grants. House Republicans are also reportedly interested in reducing more than \$17 billion worth of agriculture subsidies, including sugar-price supports, squeezing \$13 billion from defense programs and halting more than \$6 billion in energy-related industry supports.

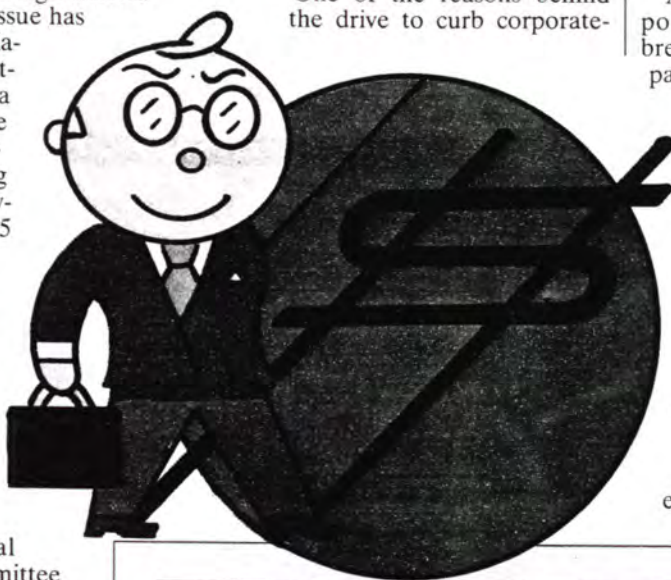
Tax deals. The House is focusing solely on spending subsidies, but a second study on corporate welfare issued by the centrist Democratic Leadership Council's Progressive Policy Institute estimates that some 30 special tax provisions deny the federal government an

additional \$102 billion in revenue over five years. The special tax deals include \$4 billion in annual tax credits for American firms' operations in Puerto Rico and other U.S. possessions. Secretary Reich has mockingly called this panoply of pork America's "aid to dependent corporations."

One of the reasons behind the drive to curb corporate-

simply inefficient. Says New Jersey's Senator Bradley: "There is a growing awareness that the best way to allocate resources in America is through a market mechanism. Tax and direct-spending subsidies impede the market's functioning for noneconomic, special-interest reasons."

Advocates of federal support to corporations argue that subsidies, tax breaks and trade protections help companies create jobs and boost competitiveness abroad. But Robert Shapiro, author of the Progressive Policy Institute study, reports that even executives from some heavily subsidized corporations have expressed a willingness to compromise if there is shared sacrifice. "Executives will bite the bullet if everyone else does too," asserts Shapiro. Adds Johanna Schneider, spokesperson for the Business Roundtable, an organization of corporate chief executive officers: "We think that every program in the federal government should be reviewed and



LIMITING CORPORATE TAX SUBSIDIES

■ **Energy industry.** Expensing of oil, gas and mineral firms' intangible drilling, exploration and development costs. Five-year revenue gain: \$6.1 billion; alcohol fuels tax credit and partial excise tax exemption. Five-year revenue gain: \$3.6 billion.

■ **Financial industry.** Exemption of credit union income. Five-year revenue gain: \$3.4 billion.

■ **Agribusiness.** Dairy and breeding cattle tax exclusion. Five-year revenue gain: \$0.7 billion.

■ **Construction industry.** Low-income housing credit. Five-year revenue gain: \$4.5 billion.

■ **Timber industry.** Exception from uniform capitalization rules. Five-year revenue gain: \$0.9 billion.

■ **Miscellaneous.** Tax credit exempting income earned by U.S. firms on operations in Puerto Rico and other U.S. possessions. Five-year revenue gain: \$19.7 billion; tax deferral on income of controlled foreign corporations. Five-year revenue gain: \$5.7 billion.

USN&WR—Basic data: Progressive Policy Institute

support programs is a recognition that industry subsidies disproportionately benefit middle- and upper-income American families. That's because these government spending and tax programs increase company profits, which flow mainly to corporate shareholders. A number of legislators have also concluded that these federal subsidies are

judged on its merits." This reasonable approach suggests that there may be a real opportunity for reform. Corporate America will be very well rewarded for its fiscal contribution if the result is an improved federal balance sheet and a stronger American economy. ■

BY LINDA GRANT WITH ROBERT F. BLACK

THE WHITE HOUSE
WASHINGTON

May 7, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*

SUBJECT: Information Items

We have recently received the following information items:

- We need to discuss when I return*
- We need to discuss when I return*
- (A) **Reed/Emanuel welfare reform update.** Reviews current state of play among Senate Republicans, the four key issues for us (work, protections for children and states, food stamps and child support enforcement) and how to proceed. Following Leon's meeting next week with Sen. Packwood, we'll get a better indication of whether the Republicans are willing to work together or whether we'll have to fight them.
 - (B) **Sosnik update on 1996 Senate races.** Indicates Kassebaum and Nunn are likely to retire, while Pell is putting off his decision on 1996 indefinitely.
 - (C) **Hale/Sosnik memo on outreach to elected officials.** Sketches plan for increasing Administration outreach to elected officials.
 - (D) **Sosnik polling memo.** Encloses and discusses several charts prepared by Harrison Hickman.
 - (E) **Sosnik memo on Russell Barakat.** Attaches recent clips.
 - (F) **Ickes note on Stuart Eizenstat.** That he is prepared to come home and do whatever you'd like regarding 1996.
 - (G) **Baliles op-ed and speech on theme of civil discourse.** Forwarded by Gearan.
 - (H) **Paul Kirk note reporting Mike Synar as winner of 1995 Profiles in Courage Award.** Bestowed annually by JFK Library Foundation.
 - (I) **McCurry memo on regional media highlights.** April 21-30.
- Who 0261*

THE WHITE HOUSE - THE PRESIDENT HAS SEEN 5/8
5/5

LEON -

PASS THIS ON TO THE PRESIDENT IF YOU
THINK HE NEEDS AN UPDATE ON WELFARE REFORM.
(IT'S BASED ON THE MEMO WE GAVE YOU EARLIER
THIS WEEK FOR YOUR CALL TO PACKWOOD.)

THANKS -

BRUCE

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE
WASHINGTON

95 MAY 6 P5:29

May 5, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Rahm Emanuel

SUBJECT: Welfare Reform Update



In the next few weeks, we will need to decide whether and when to start negotiating with Senate Republicans on welfare reform. We do not know whether they are willing to work with us. But it is clear that they will not produce a decent bill on their own, without significant public and private pressure from the White House.

I. Background

Senate Republicans are increasingly supportive of eliminating the AFDC program and establishing a capped cash assistance block grant with no state match, almost total flexibility for states, and few of the mandates included in the House-passed bill. They are also under pressure from Engler and Thompson to block grant food stamps, which the House did not do. They have not decided how much to cut child welfare or SSI benefits for disabled kids and legal immigrants. But their overall budget target from welfare programs is \$50-60 billion in savings -- compared to about \$65 billion in the House bill.

So far, the only good news is that the Republicans may take up welfare reform as a stand-alone bill outside reconciliation. Unfortunately, that still may not lead to real bipartisan collaboration, because Republicans can always put it back into reconciliation and blame the Democrats if we try to filibuster -- and we probably lack the votes to block cloture in any event.

Daschle and Breaux are about to introduce a Senate Democratic alternative based on the PPI proposal which would replace AFDC with a time-limited, work-based entitlement, and give states bonuses for meeting work participation requirements. It's a good proposal, but not good enough to keep wavering Democrats from voting for block grants.

Packwood is still writing his bill. He plans to mark it up in the Finance Committee in late May or early June, and push it through with or without Democratic support. Leon is meeting with him next week to let him know that we want a bipartisan bill, and that you won't just sign any bill that comes along.

Among the governors, Voinovich, Romer, and other moderates are pushing for a bipartisan NGA compromise that would call on the Senate to block grant AFDC and child care, but allow states to tap into a contingency fund for caseload growth, economic downturn, or investment in work and training. Engler and Thompson are trying to block the deal.

II. Major Issues

We have worked with HHS and OMB to identify what we believe to be the bottom-line issues for us in welfare reform: 1) Work; 2) Protections for children and for states; 3) Food Stamps; and 4) Child support enforcement.

1. Work: As you have said repeatedly, our most important priority in welfare reform is getting a bill that is centered around work. Real efforts to move people from welfare to work have been at the heart of the Family Support Act, the Work and Responsibility Act we proposed last year, the House and Senate Republican welfare reform bills of last year, our welfare waivers, and the Republican Contract with America. We should insist on a welfare reform bill that gives states the resources and the requirements to move people from welfare to work.

The Finance Committee will be sympathetic to our desire for real work requirements and for more money for child care. We can also press them to make some money available as an incentive to reward states that meet their work participation requirements and invest in moving people from welfare to work.

2. Protections for Children and for States: Republicans can't afford to be seen as cruel to children. In last week's Wall Street Journal poll, Americans said by a margin of 48-37 that they were more concerned about Republicans going too far and hurting children than about Democrats not going far enough. The Senate bill will not be as blatantly tough on kids as the House, but we should press the Republicans in a few key areas:

* **Disabled Kids:** We shouldn't let them get away with deep cuts in child welfare and SSI that will hurt abused and disabled kids. We can save a good deal of money by reforming those programs, but we don't have to gut them.

* **State Effort:** The Republicans will strongly resist a state match for AFDC, but we should look for some requirement or incentive for states to put up some of their own money. If we can't require a state match or maintenance of effort, we

should try for something like the NGA's proposed contingency fund, which would allow states to tap an additional pool of money if they do maintain their effort.

* **Adjusters for Population Growth and Economic Downturn:** States need much stronger protection than the House bill's so-called Rainy Day Fund, a tiny revolving loan fund that would require states to repay everything they borrowed, plus interest. Voinovich and others have been talking to Dole on this point, but so far Packwood does not seem to be listening.

3. Reform Food Stamps, Don't Block Grant It: The Food Stamp program is the ultimate economic stabilizer, and every state will pay heavily down the road if the Republicans remove that protection. With Lugar and Packwood leaning toward a Food Stamp block grant, it will be up to Cochran, Dole, and the program's other long-time Republican champions to save it. Secretary Glickman is announcing a package of food stamp reforms next week as part of his Farm Bill announcement. He is trying to mobilize food marketers and producers to weigh in as well. If necessary, USDA is prepared to show the Agriculture Committee where to find enough Food Stamp savings to meet its budget targets without going all the way to a block grant.

4. Tough Child Support Enforcement: As in the House, child support enforcement should be one area where we can reach bipartisan agreement.

III. How to Proceed

We should get an indication from Leon's meeting with Packwood next week whether the Republicans are willing to work with us or whether we'll have to fight this out through amendments in committee and on the Senate floor. If Packwood is willing to listen, Daschle and Breaux are prepared to negotiate on our behalf when the time comes. (It remains to be seen whether Moynihan will come off the sidelines.) If Packwood plans to proceed without us, as seems more likely, we will start going after the weak spots in his bill as soon as he puts a mark on the table.

Leon / Hiches

↳ we need to discuss

when I get home
from Russia -

Poc

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

5/7/95

WASHINGTON

April 11, 1995

MR. PRESIDENT:

Attached is a Waldman/Reed memo on political reform cleared by Leon and Harold that addresses initiatives on lobby reform, campaign reform and foreign lobbyists. The memo is an outgrowth of discussions with key staff including Harold, Leon, George, Pat Griffin, Bill Curry and Doug Sosnik.

There is staff consensus on four items: renewing your call to ban lobbyist gifts; pushing for lobby disclosure; spelling out your free TV time proposal; unilaterally refusing to accept PAC contributions for your reelection campaign.

They also raise for argument and unanimously reject the idea of a ban on your officials meeting with foreign lobbyists.

There is no staff consensus on four remaining items: unilaterally rejecting lobbyist contributions; unilaterally rejecting lobbyist contributions and fundraising; challenging the DNC and RNC to agree not to raise soft money; or proposing a bipartisan commission on campaign reform and pledging to introduce its recommendations.

On these last four points, you may wish to meet with relevant staff.

John Podesta

Todd Stern

THE WHITE HOUSE
WASHINGTON

10
April 4, 1995

THE PRESIDENT HAS SEEN
5/7/95

95 APR 10 P1:30

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE CHIEF-OF-STAFF 
FROM: MICHAEL WALDMAN 
BRUCE REED 
SUBJECT: LOBBY REFORM INITIATIVE

At your request, we have prepared a set of initiatives that would put you out front on the lobby reform and political reform issue.

We believe that this issue cuts to the core of why people have lost faith in government and are angry at politics. The middle class truly believes that powerful interests hold sway, and that their voice is too often ignored. At a time when Congress' unpopularity is rising, even as the GOP's overall popularity is holding steady, this issue allows you to position yourself against the part of Washington the public hates most.

However, this very cynicism makes it hard to persuade people that we are serious, and risks bruising us if we are perceived not to be. Therefore, we believe that this issue is worth pressing only if it is done in a sharp and sustained way -- if it can become and remain a central theme over the next 18 months -- or it may not be worth doing at all. Therefore, we need a clear direction from you on how to proceed.

I. BACKGROUND

Political reform continues to be a core issue for the Perot voters and independents. (Public opinion research is under separate cover.) It also has the potential to be a wedge issue between you and potential Republican opponents -- who tend to favor wealthy special interests at the expense of the middle class. In fact, this is one of the few major areas where the Republicans have completely ceded the field to us, if we choose to enter it. At the same time, if we approach 1996 with few political reform achievements, we will be vulnerable to attack from Perot or some other independent candidate from outside Washington.

If a decision is made to engage on political reform, now is the time to do so, for several reasons.

- Congress' First 100 Days is ending, with a sense that it has not reformed itself. In particular, the defeat of term limits will mean that Congress passed no major reform of

itself. In addition, the press is finally beginning to paint the GOP Congress as a tool of wealthy special interests -- as *Time* has put it, the GOP has granted "unprecedented access" to lobbyists. (For example, the *Washington Post* reported that lobbyists wrote the regulatory moratorium bill, and were even given a room off the House floor from which to operate; the *New York Times* reported that GOP members were refusing to talk to lobbyists who had contributed to Democrats; and it was widely reported that the GOP used lobbyists to conduct the official briefing on their regulatory reform bill.)

- The GOP presidential race is being heavily defined by the so-called \$20 million fundraising entrance fee.

- Your announcement of your own organizational plans will force the issue of what restrictions you are willing to put on your own fundraising. Next year, the need to raise tens of millions of dollars will bring into higher relief the question of campaign financing.

- Democrats in Congress are starting to become active on the matter once again, albeit in a guerilla fashion. Rep. Bryant (with the support of the Democratic leadership) is filing a discharge petition to bring up the ban on lobbyist gifts; Sen. Wellstone plans to seek to attach the gift ban to legislation sometime before the Easter recess.

- A bipartisan group of moderate lawmakers is becoming visibly active. A group led by Rep. Chris Shays has put forward a package of lobbying and other political reforms, and will be pressuring the leadership to act.

- You led the State of the Union with a call to act, but your Administration has not yet fleshed out those proposals in public.

II. OPTIONS

Here is a set of initiatives that could be announced immediately. They could be announced in one major speech, or could be broken out (unilateral steps, legislative proposals, a speech on democracy and citizenship) for maximum effect.

Lobby reform

1. Renew the call for a ban on lobbyist gifts, meals and travel to Members of Congress. This is being pushed by Democrats in both chambers. During the State-of-the-Union, you called for Members of Congress to voluntarily give up lobbyist gifts. Because of its stark simplicity -- lawmakers being treated to tropical vacations by lobbyists, etc. -- this has the greatest resonance of any political reform proposal.

2. Renew the call for reform of the lobby disclosure laws. The current lobby disclosure laws, passed in 1946 and basically untouched since, are more loophole than law. Lobby reform legislation would require all lobbyists, for the first time, to fully disclose for whom they work, what they are paid, and what legislation they are trying to pass or kill. This measure is more complex than the gift ban, and conservative grass-roots groups (such as the Christian Coalition) may succeed in bogging it down; nonetheless, it is good policy and resonates somewhat with the public.

Campaign reform

3. Spell out your free TV time proposal. Apart from your brief mention of it during the State of the Union speech, we have never fleshed out your proposal to provide free TV time for candidates. Senator Dole and House Commerce Committee chairman Bliley have proposed strong free TV bills, and the concept is supported by Ross Perot, the DLC and Common Cause. This proposal could be laid out in a speech on democracy that could be high-toned and would not necessitate a subsequent crusade.

4. Alternately, propose a bipartisan commission to "cut the Gordian knot" on campaign reform -- and pledge to introduce its recommendations. Former FEC Chair Trevor Potter has proposed that the campaign finance reform conundrum be solved by legislation creating a base closing commission-style panel that would make recommendations for reform. The President would be required to propose the reforms unchanged, or reject them, and Congress would agree to vote on them without amendment. Senator Dole has endorsed this proposal. This commission itself would require legislation to be launched. (Alternately, you could appoint your own bipartisan commission to make recommendations, but it would not have the teeth of a base closing-type panel.)

Pro: This would actually bring us the closest to enacting some form of reform. It would also be a way to have the issue taken "off the table" for a time, and to enable us to refrain from making proposals that we do not live under.

Con: It eliminates this issue as an effective club to use against Dole, unless he is unwilling to embrace the panel's proposals. In addition, we won't know in advance what the proposal would look like -- it could be weak, or it could include proposals that are hard for Democrats to swallow.

Unilateral steps on campaign reform

5. Lead by example. To reengage in this debate, you will need to show that you are willing to act by restricting your own campaign committee. When you announce the beginning of campaign activities on your behalf, you have the following options:

a. *Direct the reelection campaign not to take PAC money (you did not take PAC money during the 1992 primaries either), but impose no further restrictions on your own fundraising. (Dole, Gramm, etc. are all taking PAC funds.)*

b. *Direct the reelection campaign not to take contributions from registered lobbyists. (This is now the standard followed by the Presidential Legal Expense Trust.) This would go beyond what you did in 1992.*

Pro: You have already legislatively proposed that lobbyist campaign contributions be banned. In addition, the decision to refuse such gifts by the Presidential Legal Expense Trust has established a difficult-to-ignore precedent. (Indeed, even if we say nothing, reporters will hone in on this inconsistency); Given the small number of lobbyists who actually register (about 7000), it may not directly cost the campaign that much money.

Con: It would raise a standard that the DNC will not be able to meet (i.e., "You won't take \$1000 from a lobbyist, but the DNC will take \$50,000 from the lobbyist's client."). Moreover, it might anger some Democratic supporters and fundraisers based in D.C. We can discuss potential fundraising consequences with you further if you desire.

Note: If the decision is made to refuse lobbyist contributions for the reelection campaign, we recommend that the Presidential Legal Expense Trust return the approximately \$12,000 that was received from registered lobbyists.

c. *Direct the reelection campaign not to take contributions donated by registered lobbyists, or raised by registered lobbyists.*

Pro: This option would make sense if you wanted to refuse campaign contributions from lobbyists, but believed that the press would regard that step alone as phony or hypocritical.

Con: This would cost more money, and would raise the next question: what about lobbyists raising soft money? There may be no end to the "what next" questions.

d. *In addition to, or instead of, b. and c., publicly ask the DNC not to raise soft money for the general election campaign, if the RNC will agree to refrain from doing so as well. In effect, this would challenge the RNC to a "mutually verifiable freeze" without "unilateral disarmament." The GOP is highly unlikely to rise to the bait. This is similar to the pledge you signed in New Hampshire in 1992.*

Foreign lobbyists

6. Take new action against foreign lobbyists by barring your officials from meeting with lobbyists for foreign governments or corporations. Your executive order imposing post-employment restrictions has already barred senior officials from ever lobbying for foreign governments, barred senior trade officials from lobbying for foreign firms, and barred all officials from lobbying their own agency on behalf of any client for five years. A further restriction would be to actually bar your officials from meeting with foreign lobbyists.

Pro: This is sharp, clear, and understandable; the foreign lobbying issue plays to concerns over economic nationalism as well as political reform.

Con: The argument against it is that it would be unduly harsh, is unnecessary from a reform perspective and possibly counterproductive from a policy perspective, and would focus attention on those issues where we have worked with foreign lobbyists (e.g., NAFTA) and on former foreign lobbyists in your administration (e.g., Sandy Berger, Ron Brown, Charlene Barshefsky).

III. RECOMMENDATIONS

1. Renew the push for a ban on lobbyist gifts

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

2. Renew the push for lobby disclosure legislation

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

3. Spell out the details of your free TV campaign finance proposal

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

4. In terms of unilateral steps:

a. Refuse to accept PAC contributions, as you did in 1992.

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

b. Challenge the RNC to join with the DNC in not accepting soft money, as you did in 1992.

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

c. Refuse to accept contributions from registered lobbyists for your reelection campaign (the standard used by the Presidential Legal Expense Trust).

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

d. Refusing to allow registered lobbyists to fundraise for your reelection campaign.

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

5. Barring your officials from meeting with foreign lobbyists

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

The staff unanimously recommends that you:

- renew call for ban on lobbyist gifts
- push for lobby disclosure
- discuss free TV time proposal
- unilaterally refuse to accept PAC contributions for your reelection campaign

The staff unanimously recommends against:

- barring your officials from meeting with foreign lobbyists

The staff does not have a consensus recommendation on:

- unilaterally rejecting lobbyist contributions
- unilaterally rejecting lobbyist contributions and fundraising
- challenging the DNC and RNC to agree not to raise soft money
- proposing a bipartisan commission on campaign reform

THE PRESIDENT HAS SEEN
5/7/85

Don't say
at some point
this would be
worth a rules address
BCL

REPUBLICAN PROPOSALS TO CUT THE EITC

THE PRESIDENT AND DEMOCRATS WILL FIGHT REPUBLICAN PROPOSALS TO CUT THE EARNED INCOME TAX CREDIT (EITC). *The EITC is a non-bureaucratic way to reward work over welfare for millions of families. It provides a \$22 billion tax break—averaging over \$1,500 per family—for over 16 million families with incomes under \$28,500. The Administration has led efforts to cut errors in this program, and we will work with Republicans to enact proposals to cut error rates further. But we will not join in using error rates as a smokescreen to raise taxes on working families and pay to cut taxes for the wealthy.*

REPUBLICANS MAY PROPOSE DEEP CUTS IN THE EITC. Senator Gregg has already proposed the option of eliminating indexation of the EITC for inflation. Others have expressed interest in repealing part or all of the 1993 increase in the EITC. There is even talk about scaling the credit rate from the current 40% back to 15%, eliminating most of the 1990 increase as well.

THESE CUTS WOULD RAISE TAXES FOR WORKING FAMILIES IN ORDER TO PAY FOR TAX CUTS FOR THE VERY WEALTHY. Senator Gregg's option would eliminate indexation of the EITC just as Republicans propose adding indexation to the capital gains tax and estate tax. They would effectively raise taxes for working families in order to pay to cut taxes for the wealthiest. For a family of four with one earner making \$12,000, deindexation would reduce the tax credit by over \$1,000 within 5 years. Cuts could be even deeper under other proposals. **Just as there are state-by-state estimates of the President's tax cuts for working families under the EITC, the Republican proposals would justify state-by-state estimates of the Republican tax hike for working families.**

REPUBLICANS USE ERROR RATES IN STUDY OF OLD DATA TO JUSTIFY ATTACK. The stated rationale for possible cuts is that the error rate for the EITC is too high. Republicans cite a preliminary IRS report based on 1994 data showing that about 25% of the dollars claimed for the EITC are claimed in error. However, this report is based on a partial and probably error-prone sample, and does not take into account Administration actions to reduce error rates.

THE ADMINISTRATION HAS TAKEN OVER 10 AGGRESSIVE MEASURES TO CUT ERROR RATES. Congress has passed several Administration-proposed measures to improve EITC administration, and the IRS has taken additional administrative steps. These include:

- Eliminating complex supplemental credits.
- Validating a Social Security number for each qualifying child.
- Denying the EITC to nonresident aliens.
- Delaying and investigating refunds for returns with dubious claims.
- Shortening and simplifying the EITC claim form (Schedule EIC).

THE ADMINISTRATION HAS ADDITIONAL PROPOSALS TO REDUCE ERROR RATES PENDING BEFORE CONGRESS. These include denying the EITC to undocumented workers and authorizing the IRS to use simpler and more efficient procedures when taxpayers fail to supply a valid social security number.

THE EITC HAS A HISTORY OF BIPARTISAN SUPPORT. DEMOCRATS WANT TO WORK WITH REPUBLICANS AGAIN TO CUT ERROR RATES--BUT NOT TO CUT THE EITC. Presidents Reagan and Bush supported and signed major expansions in the EITC. If Republicans truly wish to improve EITC administration and reduce error rates, Democrats will be more than happy to join them. But concerns about error rates should not be a smokescreen for tax hikes for working families in order to finance tax cuts for the wealthy.

THE PRESIDENT HAS SEEN ^{5/8}

THE WHITE HOUSE
WASHINGTON

April 18, 1995

MR. ~~PRESIDENT~~:

Attached is an outline of the House Republican Plan to carry their offensive beyond the first 100 days. Secretary Cisneros was provided with a copy and wanted you to see it.

The document is organized around five "strategic improvements": (1) replacing the welfare state with an opportunity society; (2) ending centralized, bureaucratic, micromanagement of government by Washington; (3) promoting growth and prosperity by reducing taxes, litigation and regulation; (4) leading the transformation to a Third Wave, information age society; (5) balancing the budget and solving the financial crises in Medicare and Social Security.

The Vice President, Leon and Harold have also been given copies.

John Podesta
Todd Stern

note
+
outline
to
Sosni K

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE

WASHINGTON

MAY 4, 1995

95 MAY 4 P4:17

MEMORANDUM TO THE PRESIDENT

FROM: MARCIA HALE AND DOUG SOSNIK

SUBJECT: OUTREACH TO ELECTED OFFICIALS

Elected officials are too often overlooked in our basic political strategy, despite their continued importance to the Administration. This is the one group that has consistently supported the Administration and one group that is prepared to endorse us for re-election, when we ask. Additionally, this group will be very helpful to us in countering Republican charges, particularly on issues such as welfare and health care.

While our relations with outside-D.C. elected officials tends to be very good, we need to put more time into our relations with this group, particularly given our deteriorating relations with the Hill. Unfortunately, when push comes to shove, our resources have not matched our rhetoric with this group.

Following is our proposed outreach plan to key groups of these elected officials. Our intention is to have the first phase of this plan completed by August 1. Ultimately, this work will lead into our endorsement strategy.

Governors

We will have senior White House officials brief the governors at the DGA Aspen meeting June 9-11. Secretaries Reich and Riley, as well as Dr. Tyson have been invited to attend. We will have an issues and legislative briefing and a briefing on our political plans for 1996.

Marcia will make contact with selected governors to see if there are any federal issues they may have pending that she can help resolve immediately.

We will arrange for the Democratic governors to attend a social event at the White House. Ideally we would have them in for dinner on June 2, but that does not look like it will work. We will try to arrange a lunch for the same date.

The same day the governors attend the luncheon at the White House, we will arrange a policy briefing for them on welfare reform and Medicaid.

Mayors

Marcia will make contact with mayors she has identified as having issues before the federal government and see if we can immediately resolve each mayor's top issues.

We will arrange for a group of 10-20 mayors to attend a movie screening or dinner at the White House -- we will also ask Leon Panetta to attend this social event. Around this screening we will arrange a briefing for the mayors with senior White House staff.

Other Elected Officials

We will arrange a White House briefing with senior White House staff for selected elected officials below governors and Lt. governors. This group will include Attorney Generals, Secretary of States, etc. and targeted state legislators.

We will ask you to do a drop-by at this meeting.

Spring/Fall Meetings

There are various meetings of elected officials this spring and fall -- such as the US Conference of Mayors. On a case-by-case basis we will ask the Vice President, Cabinet Secretaries senior White House staff and Senator Dodd and Chairman Fowler to attend meetings. Where appropriate, will ask you to do satellite feeds into truly important meetings. We will get to you shortly a proposal on suggested satellite feeds.

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE
WASHINGTON

MAY 5, 1995

95 MAY 5 P 6:30

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK AND MARCIA HALE
SUBJECT: DENVER MAYORAL RACE

It is our understanding that Wellington Webb will call you shortly and ask for your endorsement in his runoff election scheduled June 6.

We know that he is a friend of yours and someone you would want to help. However, we strongly advise against Administration involvement in this race, including a Presidential endorsement.

An endorsement from you would place us in a very precarious position in a very important state. As you know, Webb lost the primary by a very small margin. The primary was incredibly divisive. For the Administration to get involved at this point, would only put us in the middle of a battle we can't win.

We did not endorse in the Chicago mayor's race, and we have told candidates in San Francisco we will not be taking sides in that race. We should not set a precedence in Denver, if we can avoid it.

It is our suggestion that once Webb calls that either Marsha or I return his call and explain that while we think the world of him, unfortunately, we can not get involved in this race.

Please advise if this is how you would like to proceed.

Agree - we can't
my Q is how soon
~~to respond to the letter~~
have to respond
if one of you can't give.

THE WHITE HOUSE
WASHINGTON

May 7, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*
SUBJECT: Information Items

We have recently received the following information items:

- (A) **Reed/Emanuel welfare reform update.** Reviews current state of play among Senate Republicans, the four key issues for us (work, protections for children and states, food stamps and child support enforcement) and how to proceed. Following Leon's meeting next week with Sen. Packwood, we'll get a better indication of whether the Republicans are willing to work together or whether we'll have to fight them.
- (B) **Sosnik update on 1996 Senate races.** Indicates Kassebaum and Nunn are likely to retire, while Pell is putting off his decision on 1996 indefinitely.
- (C) **Hale/Sosnik memo on outreach to elected officials.** Sketches plan for increasing Administration outreach to elected officials.
- (D) **Sosnik polling memo.** Encloses and discusses several charts prepared by Harrison Hickman.
- (E) **Sosnik memo on Russell Barakat.** Attaches recent clips.
- (F) **Ickes note on Stuart Eizenstat.** That he is prepared to come home and do whatever you'd like regarding 1996.
- (G) **Baliles op-ed and speech on theme of civil discourse.** Forwarded by Gearan.
- (H) **Paul Kirk note reporting Mike Synar as winner of 1995 Profiles in Courage Award.** Bestowed annually by JFK Library Foundation.
- (I) **McCurry memo on regional media highlights.** April 21-30.

WFO 0061

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE
WASHINGTON

95 MAY 4 P3:59

May 3, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN *me*
RE: CIVIL DISCOURSE

FYI -

I am forwarding the attached from Governor Baliles. Both the op-ed and the speech relate directly to your theme of the need to elevate civil discourse in the country.

Gerald L. Baliles

... Forfeiting Consensus

We are now just a few weeks away from Election Day. In the absence of the World Series, people are now turning their attention to the full slate of races to be decided Nov. 8. They are finding what we have found in Virginia—that some candidates are basing their entire campaigns on running down the government. Indeed, some seem to go so far as to say that representative government cannot contribute to the progress of our society.

Which leads me to wonder: Having run for office by running down government, how do these people expect to be able to fulfill their responsibility to make government work?

Another question: Having used the election to demonize opponents, groups, and individuals, how do the winners propose to work with those same people to accomplish anything once they have to face squarely the burdens of office and expectations of the public?

It is almost axiomatic that American politics has become malignant and mean spirited. What is less well understood is the effect of that development on the ability of our society to build needed consensus in a rapidly changing world.

The Founders of this nation had no crystal ball. They knew their handiwork would come under pressure over time from changes they could hardly imagine. But they had high hopes that those to follow would do as they had done: step forward to claim a role in shaping the future of our country. To enable their descendants to meet those expectations, they designed a political process to unleash our creativity, our imagination and our capacity for independent action. Their aim was not to solve every problem, gladden every heart or automatically grant us greatness. Rather, they sought to give us the opportunity—working together—to devise solutions to problems, pursue happiness and shape a greater future.

To seize that opportunity requires leaders who know the difference between optimism

and pessimism; the difference between building up and tearing down; the difference between doing what is right for tomorrow and doing what is popular today; leaders who are willing to recognize that there are always tough choices to make; leaders who know that leadership means looking beyond easy answers and faint-hearted solutions; leaders who take the time to answer the broader questions:

- What will our country be like when we reach the 21st century?
- Will the economy be strong and prosperous?
- Will our children have jobs and the opportunity for personal fulfillment?

We can deal with these questions only if the process left to us exists as an instrument for constructive change, to be used as the means through which public attention can be focused on what lies ahead and what we need to do today to prepare for it. That is the real secret behind the two-centuries-old success story that is America.

Lost in the volley and thunder of the true believers of both left and right is the fact that moderation, reason and practical common sense have brought us our greatest triumphs as a nation. They can do so again. But we must let them.

The problem is that moderation, reason and practical common sense take time to work. Progress is rarely, if ever, achieved overnight. It is built and sustained over a period of time, across administrations and partisan divides and on the basis of our shared national values of freedom, responsibility and equality.

The most unfortunate byproduct of the current poisonous climate is that we are losing sight of the fact that it takes time to devise and implement practical solutions to our society's challenges. Also increasingly lost is a sense of common purpose, necessary to ensure that today's disagreement over a particular piece of legislation does not lead to a breakdown of the entire system.

So, let there be active, competitive, debate over policies and priorities. Let there be a full airing of ideas. But let us also never forget that what moves us forward is a sense of common purpose, a commitment to progress. Let us reclaim the invigorating spirit of our Founders and the process they left for us that has led to so much progress over the past two centuries.

As voters complete their decision process and prepare to go to the polls on Nov. 8, let us remember that when we demonize opponents and run down government, we are really striking at that which holds this "nation of nations" together.

For if we stop believing in those things that hold us together, if we stop seeking those things that have pulled us together as a nation, it is inevitable that we will begin to be pulled apart as a people. And we will lose the ability to work together—regardless of specific differences in points of view—that has meant so much to our success as a great nation.

The writer, governor of Virginia from 1986 to 1990, is a partner in a Richmond law firm.

The Remarks of
THE HONORABLE GERALD L. BALILES
Former Governor of Virginia

and

Head of the International Practice Group
Hunton & Williams

before the

The National Conference of Christians and Jews
Humanitarian Awards Dinner

Richmond Marriott
October 27, 1994

Justice Lewis F. Powell once observed that history balances the frustration of 'how far we have to go' with the satisfaction of 'how far we have come.' In the impressive work of the National Conference of Christians and Jews, we can take enormous pride and comfort in how far we have come in removing barriers of discord and distrust among the people of different cultures, customs, religions and races; and yet, we remain challenged and committed because we recognize there is still much work to be accomplished.

This country has long been described as a melting pot, a nation of nations. We are, indeed, a land of many peoples. While diversity defines us, our differences should not divide us. Whether we make progress in dealing with our differences depends upon our definition of diversity. Do we chose to view a glass as half empty or half filled? Do we view differences as an opportunity to expand our knowledge or to close our minds to the unfamiliar? Can we

disagree without being disagreeable? Do we have to be confrontational instead of being civil when we discuss the important issues of our time?

These are not hypothetical questions -- they go to the heart of our civil liberties -- of free speech and the free exercise of religion. If they do not exist, if they are not preserved and protected, if they are not defended and promoted, then our differences will divide us and our diversity will destroy us.

We live in challenging times. The world around us has changed enormously in the lifetimes of everyone in this room -- technologically, economically and politically.

Time and distance have telescoped to the point that billions of dollars can be transferred in seconds from Zurich to Tokyo. People can fly from one continent to another in a matter of hours, and the forces of market capitalism have changed the structures of governments across the face of the earth. We are affected by people we have never met and places we have never visited, by events we know about instantly. All of that increases the pressure on the governed and the governments for instant action, instant responses, and instant gratification.

The impact of all this change is felt in our homes and communities, in our businesses and governments, in our churches, synagogues and schools, and in the quiet corners of our minds.

So, the comprehension of change is challenging and often unsettling. Sorting through it all requires thought and time and patience. It can be frustrating and, as we know, frustration can often lead to fear; and fanning the flames of fear is the work of demagogues.

History has shown that it is but a short step between demagoguery and the destruction of human liberties. History is filled with actions taken to curtail free speech, to prohibit the exercise of religious worship, all in the name of dealing with differences and diversity.

If eternal vigilance is the price of liberty, then the National Conference of Christians and Jews is one of the keepers of the flame, letting others see the importance of tolerance and understanding and acceptance of differences in a society that created this country and must be protected in order to preserve our civilization.

When we tolerate prejudice, when we condone discrimination, when we succumb to soundbite solutions, we surrender a part of our souls, we run the risk of sacrificing our posterity.

So, whether in campaigns or in communities, we need to be skeptical of those who would play on our fears, who would use our differences to divide us, who are more interested in tearing down than building up. They are the harbingers of hard times, if they succeed.

So, the National Conference of Christians and Jews, other organizations of goodwill and promise, and all other good citizens have a responsibility to the future. Our work is never done -- challenges still remain.

So, in this time of change and confusion, of anger, frustration and the temptations of soundbite solutions, if the magician of the spring promises you roses in the autumn, remember what my Grandfather taught me on the farm:

"A seed sown out of season,
makes no rhyme, makes no reason;
so, in planting, look before you leap,
because what you sow you shall reap."

Thank you.

#

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE
WASHINGTON

May 7, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*

SUBJECT: Information Items

We have recently received the following information items:

- Use help to review memos*
- (A) **Reed/Emanuel welfare reform update.** Reviews current state of play among Senate Republicans, the four key issues for us (work, protections for children and states, food stamps and child support enforcement) and how to proceed. Following Leon's meeting next week with Sen. Packwood, we'll get a better indication of whether the Republicans are willing to work together or whether we'll have to fight them.
 - (B) **Sosnik update on 1996 Senate races.** Indicates Kassebaum and Nunn are likely to retire, while Pell is putting off his decision on 1996 indefinitely.
 - (C) **Hale/Sosnik memo on outreach to elected officials.** Sketches plan for increasing Administration outreach to elected officials.
 - (D) **Sosnik polling memo.** Encloses and discusses several charts prepared by Harrison Hickman.
 - (E) **Sosnik memo on Russell Barakat.** Attaches recent clips.
 - (F) **Ickes note on Stuart Eizenstat.** That he is prepared to come home and do whatever you'd like regarding 1996.
 - (G) **Baliles op-ed and speech on theme of civil discourse.** Forwarded by Gearan.
 - (H) **Paul Kirk note reporting Mike Synar as winner of 1995 Profiles in Courage Award.** Bestowed annually by JFK Library Foundation.
 - (I) **McCurry memo on regional media highlights.** April 21-30.
- Useful information*
- WFO 0061*

John F. Kennedy Library Foundation
Columbia Point
Boston, Massachusetts 02125
Telephone (617) 436-9986

THE PRESIDENT HAS SEEN 5/8

APR 21 1995

April 20, 1995

95 MAY 11 P2:43

JFK

Via Federal Express

The Honorable Leon Panetta
Chief of Staff to the
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Leon:

This is to express my thanks for the interest of President Clinton, yourself, Susan Brophy, Mark Gearan and others of the White House staff in the Profile in Courage Award, bestowed annually by the John F. Kennedy Library Foundation. It is gratifying to know that those working in the highest office of our land support our efforts to reward courage in political life.

We of the committee are all grateful for the nominations of the outstanding candidates you submitted for the 1995 award. I think you will be pleased to know that former Congressman Mike Synar of Oklahoma, whom you included among your list of nominees, has been selected by the committee for this year's award. Mike's record of public service makes us proud of him, and I believe the country will be proud of our selection of him.

We will be publicly announcing the 1995 award winner on April 26, and we will have a formal ceremony at the John F. Kennedy Library to present the Profile in Courage Award on Monday, May 8 at 9:30 a.m. I wanted you to know of this good news in advance of the announcement and to reiterate our thanks for the President's submission of a slate of outstanding candidates.

Thanks again to you, Leon, and to your staff and all good wishes.

Sincerely,

Paul
Paul G. Kirk, Jr.

PGK:ccb

cc: Senator Edward M. Kennedy

*Missed on this is a huge
too bad opportunity
Missed on this is a huge
too bad opportunity*

THE PRESIDENT HAS SEEN

5/8

THE WHITE HOUSE
WASHINGTON

May 6, 1995

Sosnik
copied

MR. PRESIDENT:

Attached are the following weekly
information items:

- (A) Interest rates and stock market.
Week ending May 5.
- (B) CEQ Weekly Report.
- (C) Political Weekly Report.
- (D) Cabinet Report.

TDS
Todd Stern

See
memo note

THE PRESIDENT HAS SEEN 5/8

THE WHITE HOUSE
WASHINGTON

May 5, 1995 95 MAY 5 P8:07

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK
SUBJECT: WEEKLY REPORT

Below are some items of political news I thought would interest you.

1996 PRESIDENTIAL NEWS

Pete Wilson. Oops. After spending much of the past two years demonizing illegal immigrants, Governor Wilson revealed this week that he had once employed one and failed to pay her social security taxes. Using the Huffington defense, he blamed his ex-wife. Regarding this tactic, Bill Bennett said, "Don't say she did it, she did it. This is not what I could call virile Republicanism." California reporters familiar with Wilson's demagoguery are in a frenzy over the story, which was given first and exclusively to the Washington Post. The L.A. Times and San Diego Union are furiously combing Wilson's background for other tidbits that keep the story alive and compensate for missing the original bombshell. A Spanish language newspaper in San Diego reports that Wilson hired two other illegal aliens and was aware of his housekeeper's status. In an unrelated hit, the senior Republican on the L.A. Board of Supervisors (Mike Antonovich) wrote an op-ed in today's L.A. Times castigating Wilson for running for President at a time when the state has such pressing needs. Wilson was also criticized this week by the conservative San Diego Union for his policy of passing unfunded state mandates along to the counties. Finally, Wilson's fumbling campaign continues to suffer from his inability to speak as a result of slow-healing minor throat surgery.

Colin Powell. Paul Tsongas reportedly has met with Colin Powell to lay out Tsongas' plan for how Powell could run a third party candidacy.

New Hampshire. Christian Coalition executive director Ralph Reed traveled to the Granite State to address the State Senate. During the speech, Reed promised the Coalition would issue its own 10-point contract within the next two weeks. The contract, he said, would include provisions on school choice programs including parochial schools, eliminating federal funding of abortions and proposing a constitutional amendment to guarantee what he called "religious equality."

The Manchester Union Leader appears to be burying the hatchet with Phil Gramm. After a few

negative editorials, the paper this week drew a contrast between Gramm and Dole, saying that Dole has "a record as a big taxpayer" and noting that "chameleon-like, he recently signed the same anti-tax pledge he'd truculently ridiculed in the past." The paper said that if Gramm aggressively exploits New Hampshire's distaste for taxes, he could erase "Bob's current status of reputed frontrunner."

Recent Polling: Texas. The Texas Poll, released this week, reports that you have a 52% favorable/43% unfavorable ratio in the Lone Star State, though your job performance ratio is a much lower 32% approve/68% disapprove. Bob Dole has a higher favorability ratio in the state than Phil Gramm, with Dole enjoying a 66% favorable/20% unfavorable ratio while Gramm has a 57% favorable/27% unfavorable ratio. You may wish to note that native son Ross Perot has a 34% favorable/59% unfavorable ratio.

Recent Polling: North Carolina. A poll released this week by the Raleigh News and Observer reports that you have a 46% approval/41% disapproval job performance ratio in the state. Gov. Jim Hunt (D) posted a 74% approval/14% disapproval ratio and Senator Jesse Helms (R) has a 51% approval/40% disapproval ratio.

Recent Polling: Montana. Your Montana approval rating hovers at 33%, with 44% disapproving. In head to head presidential match-up's, Bob Dole leads you 47% to 35%, while you lead Phil Gramm 40% to 39%.

1995 RACES

Dallas Mayoral Race. The Dallas mayoral election is tomorrow. There are three major contenders: Secretary of State Ron Kirk (D), Mayor Pro Tempore Domingo Garcia (D) and attorney Darrell Jordan (I). Kirk, an African American, is widely viewed as the frontrunner and expected to place first, though he is not expected to score the 50% necessary to avoid a runoff. The real battle is for second place. A week ago, Garcia was widely viewed as likely to make the runoff but he has been the subject of many negative stories in the Dallas Morning News in the past week so the second place result is now in doubt. Kirk at the moment is viewed as the frontrunner in the general election against either candidate. The incumbent mayor is Steve Bartlett (R), so this race presents a good opportunity for a pick-up. (Although the Dallas mayor's office is technically non-partisan, the partisan identification of the candidates for the office is usually well-known.)

Jacksonville Mayoral Race. The '95 Jacksonville mayoral race has become Florida's most hotly contested municipal election in recent history. The partisan May 9th runoff election pits former two-term Jacksonville Mayor Jake Godbold (D) against John Delaney (R), the former chief of staff for Mayor Ed Austin (R). Goldbold's internal tracking shows him leading by six points; however, the margin is expected to tighten by Tuesday's race. Partisan voter turnout is expected to determine the outcome. Although this is technically a non-partisan race, the seat is currently held by a retiring Democrat and presents a potential loss for the party.

1995 Kentucky Governor's Race. The Louisville *Courier-Journal's* latest Bluegrass poll,

released last week, showed Lt. Governor Paul Patton and Secretary of State Bob Babbage headed toward a Democratic primary runoff. The poll showed Patton leading Babbage 32% to 19%, with state Senate President Eck Rose receiving 10% of the vote. About 70% of those polled said they might change their mind. This was the first poll conducted since Babbage and Rose went up on the air about ten days ago; Patton has been on the air for about three weeks. Babbage is expected to successfully narrow Patton's lead, with a strong message strategy pulled together by Babbage campaign manager Jim Andrews. Andrews, who also managed Zell Miller's 1994 campaign, is borrowing one of Miller's ideas: using lottery funds to finance state college and university tuition for Kentucky residents meeting certain requirements. Babbage has not yet addressed how the \$150 million in lottery funds currently being used for state programs could be diverted to a new tuition-financing program. The Bluegrass poll showed Patton defeating Babbage 38% to 25% in the Democratic primary runoff election.

Denver Mayoral Race. Mayor Wellington Webb tried to recover this week from City Councilwoman Mary DeGroot's surprisingly strong primary showing on Tuesday. DeGroot edged Webb by 61 votes in an election characterized by low overall turnout (38%) and especially low minority turnout. Webb stumbled out of the gate on election night by refusing to talk to the press, further exacerbating a damaging media evening. In his first press conference following the election, Webb implied that DeGroot had received a free ride in the media thus far and signaled his intention to attack her effectiveness and competence as a council member. As of last weekend, Webb had \$111,000 on hand while DeGroot had \$17,000. Neither campaign is currently on the air.

San Francisco Mayoral Race. In one of the first contested endorsements of the campaign, Roberta Achtenberg won the support of the Bay Area Nonpartisan Alliance, a gay and lesbian PAC. Willie Brown actively sought the endorsement--he participated in the interview process--essentially to send a message that he is not conceding the gay vote to Achtenberg. Brown supporters claim he will win half the city's gay voters.

Baltimore Mayoral Race. Former MD Governor and Baltimore Mayor William Donald Schaefer (D) is rumored to be considering a 1995 mayoral bid. The '95 race is currently a heated match between incumbent Mayor Kurt Schmoke (D) and Baltimore City Council President Mary Pat Clarke (D). Should Schaefer decide to run, he would likely change party affiliation to the GOP, or run as an independent. His candidacy in the Democratic primary would almost assure Schmoke a clean victory; Mary Pat Clarke, who is white, has picked up a lot of the anti-Schmoke and traditional Schaefer support for her campaign. However, a GOP or independent candidacy would leave the winner of the difficult Democratic primary with a strong November challenge. Schaefer has until June 19th to file with the MD Secretary of State to change party affiliation for the '95 race.

1996 RACES

David Skaggs. Representative David Skaggs announced that he would not run for Colorado's open Senate seat. His Boulder political base and his mediocre fundraising history would have hampered a statewide bid. The only serious Democrat actively courting the nomination is Denver

attorney Tom Strickland.

Washington Gubernatorial Politics. Governor Mike Lowry received a scathing letter this week from the Seattle chapter of the National Organization for Women, accusing him of "distorting facts and refusing to accept personal responsibility," and suggesting that he seek professional help. In other news, right-wing Republican State Senator Pam Roach declared her intention to run for governor this week. She joins former Republican State Senator Ellen Craswell, Republican attorney Jim Waldo and Lowry as officially declared candidates.

North Carolina Senate Race. Charles Sanders (D), Chairman of pharmaceutical giant Glaxo, Inc., stepped down this week to focus full-time on his challenge to Sen. Jesse Helms (R).

OTHER POLITICAL NEWS

Western Right-Wing Extremism. Western Republicans continued to blur the line between mainstream conservatives and right-wing extremists. This week, Representative Linda Smith attempted to justify an April 10 meeting she held with the Washington State commander of the United States Militia Association, and Representative Chenoweth defended a video she taped for the Militia of Montana where she states that 50% of America's land has come under "the control of the New Wold Order." Seattle media highlighted Representative Jack Metcalf's remarks that Senator Byrd should be "tarred and feathered and run out of the country," as an example of irresponsible political dialogue. Seattle papers editorialized this week against lifting the assault weapons ban and against Gordon Liddy's inflammatory talk radio show.

Rep. Mel Reynolds (D-IL). Reynolds' legal troubles took a turn for the worse as the judge in the case unsealed indictments levelling five new counts against the congressman, bringing the total number of charges against him to 21. The new charges consist of two counts of witness tampering and three counts of obstruction of justice and stem from the following two allegations. The first allegation is that Reynolds paid \$400 and offered another \$10,000 to a young woman to recant her claim that she had sex with Reynolds when she was a teenager. (The young woman was the second to come forward with such an allegation. She recanted the day after she spoke to prosecutors but later said Reynolds offered a bribe for the recantation.) The second allegation is that Reynolds ordered an aide to type up false affidavits to prevent use in court of recordings of sexually explicit phone conversations between Reynolds and his first accuser, Beverly Heard. In the affidavits, which Heard allegedly signed, she states that prosecutors coerced her consent to have the conversations taped.

Still under investigation, according to prosecutors, are allegations that Reynolds funnelled \$3,000 through Heard's former lawyer, in a scheme to file these false affidavits. Reynolds is also under federal investigation for bank fraud and for illegal campaign finance activity.

FL Party Activity. The Florida legislature unanimously passed legislation on May 4th that changes the way in which state Democrats will elect future party chairs. The legislation applies only to parties which use a weighted electoral system to elect their chair, which does not pertain to the state GOP. Previously, the state committee and county chairs controlled 970 of the 1000

votes cast in the election for Democratic Party chair. Democratic legislators, congressional members and constitutional officers were allowed a total of 30 votes. The new legislation gives Democratic elected officials 700 of 1700 votes for state chair--which strongly enhances the role of the elected leadership in Florida's Democratic party politics.

Nathan Deal. The Georgia Teamsters are running a radio ad in the metro-Atlanta area attacking U.S. Representative Nathan Deal (R), calling him an advocate of lobbyists and a detractor of senior citizens. The radio ad alleges that Deal voted against deficit reduction and has deceived working Georgians who supported him in previous elections through his party switch to the GOP. Deal is expected to face a serious challenge from within his own party in 1996. State Senator Steve Stancil (R) is planning to challenge Deal; Stancil currently represents the fastest growing portion of the ninth district and has garnered strong support from the sizeable "pro-life" community in the district.

MD Democratic Council. Following his 1995 inauguration, Governor Parris Glendening organized the state's key elected Democratic leaders into what is being called the "Maryland Democratic Council." The group, which will meet tomorrow, recently agreed to raise \$250,000 for the state Democratic Party by June 30th.

cc: The Vice President
Leon Panetta
Harold Ickes
Melanne Verveer
George Stephanopoulos

THE PRESIDENT HAS SEEN 5/8

May 2, 1995

TO: LEON PANETTA
PAT GRIFFIN
MARCIA HALE
KITTY HIGGINS
DOUG SOSNIK

→ need to discuss
→ (we worried
about compromise
that hurt us

CC: JACK LEW
BARBARA CHOW
MIKE FELDMAN

Leon

FROM: KATHLEEN MCGINTY *mentor for*

RE: TIMBER SALVAGE LANGUAGE

As you know from our discussions, both the House and Senate rescissions bills contain "sufficiency" language designed to expedite the sale of salvage timber in the Pacific Northwest and nationwide. Essentially, this is accomplished by insulating the sales from legal challenges otherwise available under the nation's environmental and land management statutes.

**N*
We are on record against this language for the following reasons: there is a strong possibility that it will land us back in court, it supersedes our environmental laws and we have been contacted by both Governor Kitzhaber and Congressman Williams urging a veto based on this provision. Nevertheless, given our posture on the Senate version of the rescission bill, I contacted all of the relevant agencies (Agriculture, Interior, Commerce and Justice) and we put together a package of legislative changes, using Gorton as the base, that will make it somewhat more palatable. The amendments are attached and explained. Note, however, that while this language will make the bill somewhat more acceptable, it will not insulate us from criticism by the environmental community. We have begun to see - and I expect we will increasingly see - a strong, grassroots campaign against this bill. In addition, although Justice believes it to be an improvement, you should be aware that they do not believe that the revisions will completely reduce the risk that this legislation will once again lead to injunctions and gridlock in the Pacific Northwest. Given the political situation and our expressed support for the overall Senate measure however, these changes are all that we realistically thought we could ask for.

The substantive (and therefore contentious) changes and their import are as follows:

1. We suggest language which states that the sales shall be "in accordance with the standards and guidelines from the management plans applicable to the National Forest or Bureau of Land Management District on which the salvage timber sale occurs." (p. 1, lines 24-28) As currently drafted, sales must go forward "notwithstanding any other law." This revision would address a concern that the legislation, as drafted, could be read to strip away existing standards for sale decision without specifying any new standards – an invitation for litigation.
2. We suggest language that directs the Secretary to complete and award timber sales contracts "in accordance with the "Record of Decision for Amendments to Forest Service and Bureau of Land Management Planning Documents within the Range of the Northern Spotted Owl." (p.6 lines 18-24) This revision will ensure that the language does not bring down the President's Forest Plan by requiring sales be consistent with the Plan.
3. The Senate language would prohibit revision of any land management plan because of the impacts of activities authorized by this legislation. If read literally, this prohibition would either freeze current land management plans, disallowing revisions based on new information, or require that future planning efforts be premised on biological information known to be incomplete or false. Such a prohibition would, in effect, repeal environmental statutes as they apply to the forests affected by this legislation. Our language strikes the word "permit" and adds Secretarial discretion. (p. 10 lines 26-7 & p. 11 lines 1-8.)
4. As drafted, the Senate legislation contains language that would open the President's Forest Plan to legal attack and could undermine Endangered Species Act relief for private landowners. First, the Senate legislation would direct that "318" timber sales proceed "with no change in originally advertised terms and volumes". These sales were originally advertised before the listing of the marbled murrelet and, if they go ahead without revisions, may further jeopardize the species while simultaneously increasing the likelihood of an injunction. Our change strikes the "with no change..." section. (p. 10 lines 5, 6) Secondly, in an attempt to address the murrelet issue, the Senate language reads that no sale may be released or completed if a listed species was "known to be nesting" within the sale acreage. Because the term "nesting" lacks a well-defined legal meaning, it should be replaced with "occupied." (p. 12 lines 11-12)

A18 Seattle Post-Intelligencer. Thursday, March 9, 1995

Seattle Post-Intelligencer

A Hearst Newspaper



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The voice of the Northwest since 1863

A P-I Agenda Issue

Logging bill flawed

A case can be made for salvage logging of some federal forest lands that have a dangerous accumulation of dead or diseased trees that pose a fire hazard.

But a case cannot be made for the sweeping salvage-logging proposal now under consideration in Congress that sets aside environmental safeguards and promises to raid the treasury for the benefit of private timber companies.

The overly broad language of the bill renders it unacceptable; more important, existing law makes it unnecessary.

The bill arbitrarily mandates a doubling of the amount of timber to be felled over the next two years from federal lands, whether or not that much timber needs to be salvaged, and thus opens the door for a giveaway of public property.

That's because it cleverly stipulates that no so-called "health management activities" directed by the legislation shall be precluded simply because they cost more than the revenues derived from sale of

the salvaged timber.

And the bill says that any environmental review, however cursory it may be, "shall be deemed to have satisfied the law."

Sponsors wrongly imply that the bill is needed to permit the Forest Service to conduct salvage logging. But Sierra Club attorney Todd True notes, "Existing law already gives the agency authority" for whatever salvage logging it deems necessary due to threat of fire and insect infestations.

Last summer's huge, costly fires in Eastern Washington forests provided clear evidence of the folly of the Forest Service's past policy of suppressing natural wildfires. It bears noting that the agency followed that practice partly to protect adjoining commercial timberlands.

If Congress doesn't gut the Forest Service's budget for environmental impact studies, those important reviews can be done in a timely manner and permit defensible salvage-logging operations.

Post-it Fax Note		7671	# of pages
To	From	Date	
Kevin	Todd		
Co/Dept.	Co.	Phone #	Fax #

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SANDRA M. ROWE, Editor
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ROBERT M. LANDAUER, Editorial Page Editor

WEDNESDAY, MARCH 29, 1995

Bad deal on tree-salvage

Senate should not exempt salvage sales from environmental laws

Legislation exempting federal timber salvage sales from all environmental laws is a wholesale oversimplification of reasonable resource-protection strategies. The full Senate, considering the matter in the next few days, should close the door its Appropriations Committee opened to poorly considered forest management.

Appropriations Chairman Mark Hatfield, R-Ore., could contribute substantially toward amending his committee's work into a better-crafted provision. Unfortunately, though, he appears inclined to support the wide-open environmental exemption produced by Sen. Slade Gorton, R-Wash. Washington Sen. Patty Murray, a Democrat, plans to challenge the Gorton provision.

Gorton's amendment to the supplemental appropriations and rescissions bill would, as the House-passed version also provides, exempt Forest Service and Bureau of Land Management sales of fire- or insect-killed timber from all environmental laws.

The justification for such a broad-based exemption is based on a couple of flawed notions: (1) That logging dead or dying trees is the best prescription for restoring forests to healthy conditions and preventing unusually destructive forest fires; and (2) that federal forest managers need the exemption to get the job done.

A germ of fact does lie behind both notions. Salvage logging, properly done, often is a sound forest-health and fire-prevention prescription. And forest managers have been frustratingly slow in pursuing that course.

But the forest-health situation is far more complicated. Managers need to weigh, much more fully than the brief review this measure requires, whether logging a burned timber stand would do more good than harm —

harm through increased and stream-threatening erosion of already disturbed soils, for instance.

Environmental laws, frustrating as they are in a lawsuit-prone climate, are the assurances that careful, scientifically credible analysis will be done. Dozens of academic scientists, along with the heads of various professional organizations concerned with forest management, oppose the exemption.

Further, the Clinton administration, which recently announced a streamlining of its timber salvage program, says the exemption is unnecessary.

The Senate's best course would be to drop the salvage exemption altogether. But responsible middle ground does exist. One possibility is accelerating administrative and judicial consideration of challenges to planned salvage sales while maintaining the legal constraints. At the least, Congress should add legally binding requirements that other forest-related values — salmon and other fish, for instance — are protected.

In that regard, a separate exemption — for timber sales under the president's forest plan for Western Oregon and Washington — is less troubling than the nationwide salvage-sale one. The president's plan has been held by a federal judge as meeting environmental law requirements, and managers would be held to its terms.

No such terms underlie the salvage exemption, however. Some exemption backers argue that forest managers will see to those matters as they plan the salvage sales. No doubt this administration will try. But the exemption is a bad precedent that Congress probably will be tempted to pursue again. And it's no protection for the public against badly flawed, even if well-intended, decisions.

THE NATION'S NEWSPAPER

USA TODAY

NO. 1 IN THE USA ... FIRST IN DAILY READERS

FRI./SAT./SUN., MAR. 31-APR. 2, 1995

Selling out the forests

The worst decision made by Congress Thursday was in the Senate, where lawmakers voted 48-46 to transfer even more of the nation's forests from public stewardship to the timber industry.

To accomplish this, lawmakers voted, in essence, to suspend all federal environmental controls on "salvage" logging of dead and dying trees in our national forests. And to make sure only a few old-growth stands would be excluded, they defined "salvage" so that almost any tree, regardless of age or health, fits the bill.

Result: a quick bonanza for logging companies; a quick loss for taxpayers, who already lose millions of dollars a year because the Forest Service sells timber rights too cheaply; and a further degradation of natural balances in dry Western forests.

Sponsors say salvage logging can help reduce fires, which feed on weakened trees and snags. But if so, it is also true that the fire hazard is high in part because of logging, not for lack of it.

Decades of fire suppression have prevented smaller fires from clearing out the forest floor. Huge piles of slash wood left by clear-cut operations have compounded the fuel load and fire risk. And as always, logging means roads, which means public ac-

cess, which means more fires.

Salvage logging isn't always a bad thing. It may help protect roads and homes, and it may reduce the intensity of some fires, which last year burned 3 million acres and killed at least 17 firefighters.

But that's not what this amendment, attached to a messy recissions bill, is about.

Instead of stabilizing the forests so they remain productive, the law eliminates all but the most perfunctory environmental safeguards. In many areas, you can forget about protecting the forests for other environmentally sensitive uses — from camping to hunting and fishing.

There is something deeply cynical about using the deaths of firefighters to sell out our national forests, shortchange taxpayers and abridge popular environmental goals. Yet the House recently passed an even more aggressive law, so it appears that only a Clinton veto can prevent enactment.

Alas, former Rep. Dan Glickman was unanimously confirmed Thursday as the new Agriculture secretary, in part because he promised to maintain the "economic vitality" of the nation's forests. That's vague enough to justify anything that politics may demand, including willy-nilly salvage logging of the nation's greatest forests.

THE MONITOR'S VIEW

"First the blade, then the ear,*then the full grain in the ear."*

Unsaddle that 'Rider'

AMONG the unfinished pieces of business as Congress returns to work this week is a "rider" amendment on the multibillion-dollar recisions bills now in conference between the House and Senate.

This "rider," which throws national forest land open to a broad definition of "salvage logging," could well gallop through to enactment under cover of the deficit-fighting legislation it's attached to. But that would be a sad commentary on business as usual in this reform-minded Congress.

The salvage-logging amendment is touted by supporters as an emergency measure designed to upgrade forest lands affected by fire or insects. Clearing downed or damaged trees, they argue, will decrease the likelihood of future forest fires.

Questions about the best methods of protecting forests, whether through vigorous fire-prevention or allowing some burning, are certainly open. And salvage operations to clear away congested lands may have their place. They are part of present policy.

But the legislation before Congress has little to do with those issues. Rather, it's a thinly veiled attempt to open thousands more acres of federal

lands to loosely regulated logging.

The "riders" would waive, for 18 months, compliance with environmental laws that normally govern logging on federal lands. Their flexible definition of "salvage" would allow the taking of healthy trees "associated" with damaged ones. The main beneficiaries will not be the millions of citizens who enjoy outings in healthy forest environments, or the fire-fighters who have to jump into those areas to battle blazes, but the lumber companies who would profit, yet again, from the government's largess.

That largess includes taxpayer dollars spent on building roads into otherwise inaccessible forest lands so that the timber can be sold well below the true cost of getting it out.

The salvage-logging amendments, to sum up, are neither economically nor ecologically sound. They'll burn up more federal dollars under the cover of recision bills designed to cut federal spending, and they'll result in more expanses of post-logging slash, which is prime forest-fire kindling.

To keep its environmental colors aloft, the Clinton administration should unequivocally oppose these measures.

AN INTERNATIONAL DAILY NEWSPAPER



TUESDAY, APRIL 25, 1995

75¢ (\$1.00 CANADIAN)

THE CHRISTIAN SCIENCE MONITOR

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Weather

Today: Morning clouds, then partly sunny in the afternoon, mild. High 68. Low 50. Wind northwest 6-12 mph.
Thursday: Increasingly cloudy, mild, late rain possible. High 70. Low 52.
Yesterday: Temp. range: 48-53.
AQI: Good-40. Details on Page D2.

The Washington Post

118th Year No. 149

WEDNESDAY, MAY 3, 1995

G

Chopping Block

IT ISN'T just spending that would be cut by the bills the House and Senate passed a month ago rescinding appropriations for the current fiscal year. A fair amount of timber would likely be cut, too—cut down, that is. Each version of the bill includes a rider aimed at sharply increasing the timber harvest this year and next in the federal forests.

If the riders did no more than urge an increase in the harvest or order that the harvest be as large as possible under the law, that would be fair enough. There's always a great dispute about the amount of timber that can best be taken from the national forests and other public lands. The total the past few years has been well below the level to which the industry became accustomed in the 1970s and 1980s. The timber lobby says the cut should be increased—it argues among much else that there is currently an enormous amount of dead and dying timber in the forest that will otherwise go to waste—and the new majority in Congress agrees.

But the riders don't stop there. To make sure that no obstacles in the form of conservation laws, environmental groups and courts can stand in the way, they also take the extraordinary step of suspending for the purpose of this "salvage timber sale" the entire array of federal forest management and environmental statutes that might otherwise apply. Timbering undertaken under terms of the riders "shall be deemed to satisfy" such laws no matter what their requirements, the riders say. The House version also seeks to overcome any existing court orders that

might interfere with the sale; it says the sale can be conducted despite them.

The industry says the reason for all this is not just that it wants to increase the cut and has a receptive Congress but that an emergency exists in the forests. Because they are so overgrown there's a greatly increased danger of fire, and their health has declined in other ways that a stepped-up salvage operation will help to cure, so say the supporters. They add that without suspension of the laws, environmental groups would go to court and block the necessary actions.

Opponents of the riders, including the administration, say the necessary salvage cutting can go on without suspension of the laws—a lot of salvage cutting occurs every year already—that suspension would only be a license to do things where otherwise the companies could not, ways that would leave the forests less healthy, not more.

The opponents make the more plausible case. This is grabby legislation. If there is a genuine need to increase salvage and other such operations in the forests, even to increase them rapidly, surely that can be done without abandoning the entire framework of supporting laws. Likewise, if Congress wants to change the law with regard to management of the forests, it ought to do so in the normal way, not tack on a decision of such importance on the back of a supplemental appropriations bill. The measure should go to conference; the conferees should cut the budget, not the trees.



of THE TIMES

A Forest Fire Flares Again

Logging/environmental conflict is being waged on several fronts

The long-smoldering timber wars between loggers and environmentalists in Northern California and parts of other western states have reignited. Stoked by congressional Republicans bent on eviscerating the Endangered Species Act and other environmental regulation, the new firestorm of anger and frustration imperils the future of irreplaceable old-growth forests and other wilderness tracts. Last week the U.S. Supreme Court heard arguments in a case that challenges the legality of the federal Endangered Species Act. Its decision could prove to be a key to the future of U.S. woodlands.

There is relatively little old-growth forest left in the United States—most of it has been chopped down—so these epic legal and political battles are being fought over the use of a fraction of the nation's public and private forest land.

There are problems with the administration of the Endangered Species Act, to be sure. Nonetheless, if the protections for these dwindling forests and the dwindling species within them are dismantled or evaded, either by Congress or the court, logging conglomerates may reap a quick windfall but every American will be poorer in the long run.

The immediate cause of renewed hostilities was the decision, announced last month, by Pacific Lumber Co. to begin logging again in Northern California's Headwaters Forest, the world's largest remaining privately owned old-growth redwood grove. The 3,000-acre Headwaters tract, a small part of the company's vast timber holdings, is subject to federal and state endangered species

laws. In the 1980s, as companies such as Pacific Lumber dramatically increased the pace of their logging, environmentalists used those laws to preserve old-growth forests.

Many rare and endangered species are sheltered in the dense canopy created by these trees, some hundreds or even

plans to conduct salvage operations in the forest. An exemption in state forestry laws permits removal of up to 10% of the timber volume in dead, diseased or dying trees without the usual oversight. But while this practice sounds innocuous, it's not. Downed and decaying trees are an integral part of the old-growth habitat; they provide homes and nutrients to other plant life and to animals. Moreover, the exemption permitting these operations defines salvage so broadly that even healthy trees could be cut. Now, facing another lawsuit over the legality of its plans, Pacific Lumber has suspended salvage operations pending a court hearing later this month.

But meanwhile Congress has come to the rescue of Pacific Lumber

and logging companies across the West. Both

houses have now passed bills that would extend a federal salvage exemption like California's to all national forests. These measures are riders to the mammoth federal recision bill. Supporters justify the salvage exemption, which includes thinning green trees, as a way to prevent waste and forest fires. But in some instances, federal rules already permit quick action outside of legal constraints to prevent fires.

This disingenuous exemption, like Pacific Lumber's salvage plans in the Headwaters Forest, is little more than an end run around appropriate existing protections. When the conference version of this legislation reaches his desk, President Clinton should regard it as a special-interest bill for private gain and veto it.



Alive at 500: Old-growth redwoods.

thousands of years old. Pacific Lumber officials said they acted, after having halted logging in Headwaters for five years, because "no serious proposal

has emerged" for preserving the area. Do they mean that unless someone else devises a plan to save the trees the company feels free to cut them down?

The company announcement followed a federal judge's ruling that Pacific Lumber logging operations would seriously imperil species such as the marbled murrelet, a sea bird protected under both state and federal endangered species acts. The decision was highly critical of the company's scientific findings on animal and plant species within the forest and questioned the objectivity of the scientists it retained.

The company also announced

Jensen, Oregon, Register-Guard
3/18/95

Cool the fire sale

House Republicans have decided to use fire and bugs as an excuse for invading some federal forests.

Large forested areas of the West have been damaged by disease, insects and fires. The idea that commercially usable dead or dying trees should be salvaged from such areas is widely accepted and makes economic sense.

That's why the Clinton administration has asked federal forest management agencies to sell 1.5 billion board feet of salvaged timber in the coming fiscal year, half again as much as in the recent past.

But Republicans this week shoved the president's plan aside and pushed through the House a measure that would mandate the sale of more than twice what he proposes — 3.1 billion board feet — in each of the next two years. To ensure against legal impediments, the proposal would exempt these sales from environmental laws such as the Endangered Species Act and would suspend citizens' right to challenge the sales in court.

This legislative logging train would go too far, too fast with too little protection for the landscape from which the trees would be extracted. Privately acknowledging this, some House proponents have offered quiet assurances that "the Senate will fix it." Maybe so. But if not, the president should veto it.

Environmental groups are predictably appalled. But the measure is so extreme it has drawn opposition from such forest policy moderates as Oregon 4th District Congressman Peter DeFazio, who joined the unsuccessful Democratic effort to kill what is known on the House floor as the Taylor amendment.

"I can't support a proposal that throws even the most basic environmental protections out the window," DeFazio said. He said he would sup-

port "an expedited but environmentally sound salvage program."

By coincidence, earlier this month a team of forest scientists drawn together by the Pacific Rivers Council issued a report on salvage logging that recommends a more conservative approach than in the past. The group, which included Robert Beschta and David Perry of Oregon State University, recommended a ban on post-burn salvage logging on all "sensitive" sites. And it suggested only restricted logging on less sensitive sites — leaving all live trees uncut, avoiding the use of conventional ground-based yarding systems, etc.

From the standpoint of ecological health, team members agreed that there is virtually never a need for salvage logging after fires. They rejected the common argument that post-fire logging is needed to discourage future fires and reconstruct the landscape. Better, they said, just to leave things alone.

This analysis shouldn't become policy because economic factors deserve consideration. But there must be a reasonable middle ground between the House Republicans and the forest scientists. In this case, that would probably be about where the Clinton administration proposal rests.

Salvaging damaged timber from burned and bug-infested forests remains a legitimate activity that can produce economic benefits — including jobs — with little ecological damage. But it can't be done rapaciously. It must be done with care and within proper environmental limits.

Once those limits are imposed, temporary exemption from lawsuits can be justified — a point that environmental activists will never concede. But without proper limits, a salvage program can be just a cover for trying to grab trees that should not be logged regardless of fires and bugs.

MONDAY

March 27, 1995
Salem, Oregon

STATESMAN JOURNAL

Opinion

Editorials

Shift in U.S. timber policy puts forests, fish and wildlife at risk

■ Congress moves too fast, with too little thought.

The pendulum in the nation's timber policy is swinging too fast and too wide.

The public has become accustomed — dazed may be the correct term — to the

daily headlines of sharply revised public policy on welfare, immigration, food programs and more.

But the sudden shift in federal timber policy is more than even the most blase citizen may be able to accept.

The U.S. Senate Appropriations Committee has followed the House's lead in opening big areas of our national forests to harvesting without the normal regulations to protect fish, wildlife and the environment and without allowing the public to bring legal challenges.

The committee-passed proposal directs the forest service to set aside existing environmental laws. Although the original intent of the legislation was to speed up the salvage of dead and dying timber, this measure may go beyond that. It gives sole discretion to the Forest Service to harvest wherever it wants. Only designated wilderness areas are off-limits.

No one can be sure what forests and what areas might be subject to harvesting — or how carefully it would be done.

The public will not stand by and watch the years of protecting our forests against environmental damage be wiped out in a spurt of action by a Congress that has so many pro-harvest allies in its midst.

Our forests can be harvested without damage to our environment. But doing so requires more scientific and technical thought than Congress appears willing to devote. The final protection against abuse

Speaking out

You can comment on Congress' timber-harvest policy by contacting:

■ Sen. Mark Hatfield, 711 Hart Senate Office Building, Washington, D.C., 20510, (202) 224-3753; Special Districts Center, 727 Center St. NE, Salem 97301, 588-9510; One World Trade Center, 121 S.W. Salmon, Suite 1420, Portland, 97204, 326-3386.

■ Sen. Bob Packwood, 259 Russell Senate Office Building, Washington, D.C., 20510, (202) 224-5244; 101 S.W. Main St., Suite 240, Portland, 97204, 326-3370.

■ Rep. Jim Bunn, 1517 Longworth Building, Washington, D.C. 20515, (202) 225-5711; 738 Hawthorne Ave. NE, Salem, 97301; 588-9100.

■ Rep. Elizabeth Furse, 318 Cannon House Office Building, Washington, D.C., 20515, (202) 225-0855; 2701 N.W. Vaughn St., Suite 860, Portland 97210, 326-2901; 1-800-422-4003.

■ Rep. Peter DeFazio, 1233 Longworth House Office Building, Washington, D.C., 20515, (202) 225-6416; Federal Building, 211 E. Seventh Ave., Suite 287, Eugene 97401, 465-6732 or 1-800-944-9603.

■ Wes Cooley, 1609 Longworth Building, Washington, D.C., 20515, (202) 225-6730; 259 Barnett Rd., Suite E, Medford, 97501; 776-4646.

■ Rep. Ron Wyden, 1111 Longworth House Building, Washington, D.C., 20515, (202) 225-4811; 500 N.E. Multnomah, Suite 250, Portland 97232, 231-2300.

is the legal system. If that access also is prohibited, then all of us should worry.

Citizens should demand that Congress slow down and remember its stewardship duties to the public land.

Narrowly focused salvage harvesting is acceptable. Abandoning our traditions of environmental protection and legal accountability is not.

SUNDAY, APRIL 2, 1995

A4

▲ JAMES E. BELL PUBLISHER
 ▲ DAVID RUTTER EDITOR
 ▲ STEVE WOODRUFF EDITORIAL PAGE EDITOR
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EDITORIAL DESK 523-5241

Opinion

MISSOULIAN EDITORIAL

Salvage logging may backfire

SUMMARY: Congressional mandate for extensive logging is an overly simplistic approach.

Congress has approved legislation calling on federal land-management agencies to expedite the logging of dead and dying timber. To accomplish the goal, Congress voted to effectively suspend environmental restraints and to bar citizens appeals. Loggers view this as a godsend. Environmentalists call it license to ruin.

The truth probably lies somewhere in the middle.

The issue revolves around so-called "salvage" logging operations. Those involve dead or diseased timber. There are billions of board feet of timber in the northern Rockies infected by pine beetles or diseases. Fires also leave dead standing timber. Traditionally, the Forest Service has sought to speed up the sale and harvest of dead and dying

timber, because past a certain point it loses its economic value. Selling the timber is the only economical way to remove it.

There are many instances where removal of dead and dying timber is beneficial to the forest and the creatures that live there. Judicious removal of beetle-infected timber, for example, can help prevent the insects from infecting larger tracts of trees. Sometimes, removing standing dead timber can reduce the risk of huge forest fires. Loggers mostly hope stepped-up salvage logging will increase the supply of timber they may buy and sell.

However, there also are situations where it's best to leave things as they are. That's especially true when salvage logging requires construction of roads into sensitive areas best left unroaded. There may also be cases where logging activities cause more harm to the forest than bugs or fires ever could. What's more, salvage logging can be a real money-loser, costing agencies more to arrange the sales than taxpayers receive in the bargain.

The problem with Congress' approach is that it doesn't differentiate between suitable and unsuitable salvage situations. It delegates those

decisions to government agencies while mandating harvest quotas and eliminating meaningful checks and balances.

Increased salvage logging will do some good. But it also creates many new opportunities for forest managers and loggers to make mistakes and cause environmental harm. If there's enough harm done, there'll be a political backlash that will only make managing forests and harvesting timber more difficult than it already is.

Correction

An editorial item Friday about John Lilburn incorrectly said he'd stabbed a hunter with a ski pole. In fact, it was another protester at the March 13, 1990, incident who'd wielded the ski pole. Lilburn's recent conviction under Montana's hunter-harassment law was for standing between a hunter and his prey.

Editorials

11/11/11
3-31-95

Salvageable

Improve forests' health
but not at laws' expense

Northwest lawmakers are right to try to find a way to permit sensible salvage logging, and to speed the flow of timber to mills.

But the rider Northwest lawmakers attached to the big reversion bill and sent to the president opens too wide a hole.

While its aim is to permit more aggressive logging of dead timber without the environmental considerations usually required, its broad exceptions also permit logging of live trees in healthy forests and permit logging under the designation of "salvage" in areas where forest health isn't threatened.

THE RIDER ALSO permits logging in areas that have been set aside, such as wilderness study areas; only formally designated wilderness areas are completely off-limits.

Environmentalists pulled out the stops to oppose this rider, but they have brought such legislative end-runs upon themselves. By throwing up roadblocks against timber-cutting both sensible and unreasonable, they've undermined support for legitimate environmental laws.

There's a reason why past Congresses and presidents adopted laws to prevent overcutting, destruction of animal habitat, and to preserve critical watersheds for people and fish, and why federal judges insist they be obeyed. Those concerns haven't disappeared.

The problem is that decades of fire prevention have created a build-up of fuels, and where disease and insects have moved in the build-up creates potential for huge fires, primarily east of the Cascades.

But what's left these forests in poor health is not overzealous environmental laws; it's decades of careful fire protection designed with the best of intentions to keep commercial timber from burning up.

JUDICIOUS LOGGING and preventive burning can reduce the fire threat and improve the health of some forests. Congress needs to create a mechanism to do that. A bill that expedites legitimate salvage logging and speeds up sales under the president's court-approved forest plan would be a welcome approach. But this rider ignores the administration's own plan to streamline salvage logging that has yet to be given a chance to work.

President Clinton has threatened to veto the reversion bill because of the cuts it makes in programs for children. If that happens, Congress will have a chance to find a way to permit necessary salvage while preserving the laws that protect our forests, streams and wildlife.

NEOFORD (OK)
HALL BONE

Salvage

May 2, 1995

President William Clinton
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Clinton,

You will soon be asked to sign the Supplemental Appropriations and Rescissions Act of 1995. This Bill contains language which imperils our National Forests. A "Salvage" logging provision would suspend all appropriate forestry rules and regulations -- including The National Forest Management Act, The National Environmental Policy Act, and The Endangered Species Act -- in an effort to mandate a dramatic increase in the amount of timber cut on public lands. Two other amendments to the bill jeopardize the public resources of our largest national forest: The Tongass.

This attack on not only our National Forests, but on our due process to be protected by the laws governing appropriate forestry, is without precedent.

Only one response is possible: a veto that tells Congress to send this bill back to you quickly without these offensive provisions.

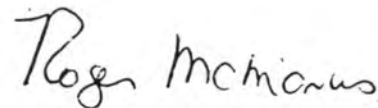
We stand united that only such action by you can restore confidence in our government's role as protector of the country's natural resources and our due process. We urge you in the strongest possible terms to veto this legislation.

We request an immediate meeting with you on this very important matter.

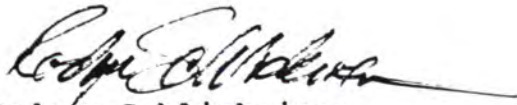
Sincerely,



Robert Sulnick
President
American Oceans Campaign



Roger E. McManus
President
Center for Marine Conservation



Rodger Schlickeisen
President
Defenders of Wildlife



Margaret Morgan-Hubbard
Executive Director
Environmental Action Foundation



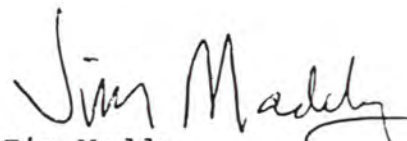
Fred D. Krupp
Executive Director
Environmental Defense Fund



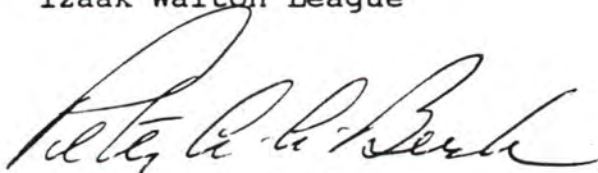
Brent Blackwelder
President
Friends of the Earth



Paul Hansen
Executive Director
Izaak Walton League



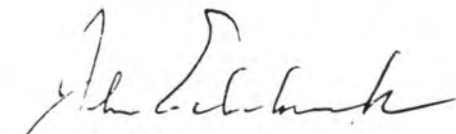
Jim Maddy
Executive Director
League of Conservation Voters



Peter A. A. Berle
President & CEO
National Audubon Society



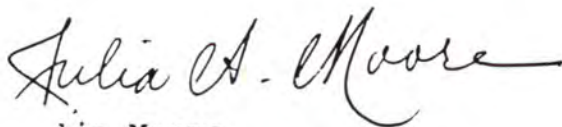
Paul Pritchard
President
Nat'l Parks & Conservation Assoc.



John Echohawk
Executive Director
Native American Rights Fund



John Adams
Executive Director
Natural Resources Defense Council



Julia A. Moore
Executive Director
Physicians for Social Responsibility



Carl Pope
Executive Director
Sierra Club



Victor M. Sher
President
Sierra Club Legal Defense Fund



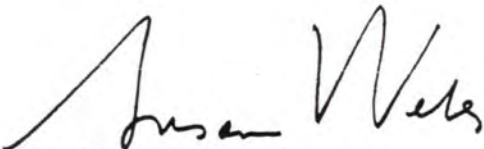
Howard Ris
Executive Director
Union of Concerned Scientists



Gene Karpinski
Executive Director
USPIRG



Jon Roush
President
Wilderness Society



Susan Weber
Executive Director
Zero Population Growth



THE PRESIDENT HAS SEEN

5/8

*Billy
can't do it?*

3 May 1995

Dear Mr. President,

The Change of Command of the Marine Corps will take place on Friday the 30th of June. The ceremony will be conducted at the Marine Barracks, and is similar to the Evening Parade you attended in May two years ago with the exception that it is held at 4:30 in the afternoon instead of in the evening.

Presidents have, from time-to-time, chosen to be on hand for this traditional ceremony because of the enduring close association between Presidents and the Marine Corps.

Lieutenant General Krulak, your nominee to become the 31st Commandant, and I -- but more importantly -- the Marine Corps, would be pleased and honored if you and Mrs. Clinton could join us on this historic occasion.

Very Respectfully,

C. E. Mundy, Jr.

C. E. MUNDY, JR.
General, U.S. Marine Corps
Commandant of the Marine Corps

The President
The White House
Washington, DC 20500

THE PRESIDENT HAS SEEN 5/8

President Bill Clinton
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

My name is Joule Kadadu and I live at 6510 Calkins Rd., Flint, Michigan 48532. I am a citizen of Israel and a permanent resident of the United States of America. My alien number is 37 682 962. I am writing to you because I have an immigration problem.

I have lived in the U.S. for twelve years and have a U.S. citizen wife and five U.S. citizen children. I made a mistake and was arrested and convicted in 1984 of drug trafficking. I was sentenced to five years of probation. I reopened my case, but in 1994 the decision of the Supreme Court was again, conviction of drug trafficking. Consequently, I have received an Order to Show Cause, for Deportation Proceedings from the United States Immigration and Naturalization Service.

I learned from my mistake and have never gotten into trouble again. I want to keep my family here in the U.S., where we are established and can be together as a family. Mr. President, I need your help. I have tried attorneys and can no longer afford to hire one. I have even talked to my Congressman, Dick Chrysler.

I am asking you, Mr. President, to help me keep my family together and stay in the U.S. I am a hard working, dedicated person, but in this case, I need your help. I thank you in advance for any consideration you can give me and I look forward to your response.

Sincerely,

~~P. H. S.~~

Chrysler - Cong Chrysler
(R-Mid)

Gen. Mr. Nier

As look with or have
casualty to —

MAY 04 '95 13:04



Genesee County Board of Commissioners

1101 BEACH STREET, ROOM 312

FLINT, MICHIGAN 48502

TELEPHONE (810) 257-3020

FAX (810) 257-3008

April 5, 1995

-- COMMISSIONERS --

VERA B. RISON
DISTRICT 1WILLA J. HAWKINS
DISTRICT 2TIM HERMAN
DISTRICT 3DANIEL T. KILDEE
DISTRICT 4RANDY C. ENSLEY
DISTRICT 5FRED SHALTZ
DISTRICT 6JOHN OLFASON
DISTRICT 7KEN HARDIN
DISTRICT 8LEONA (LEIGH) CLARK
DISTRICT 9DAN HARRILL
COORDINATOR

The Honorable Bill Clinton
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Clinton:

I am writing on behalf of Mr. Joule Kadadu, 6510 Calkins Road, Flint Michigan, who has a serious immigration problem.

Mr. Kadadu, alien number 37-682, has lived in the United States for the past 12 years. He has a wife and five children, all U.S. citizens. Mr. Kadadu ran into trouble a number of years ago, and was arrested and convicted of a drug crime. He served his sentence and has had no problem with the law since that time. Now he has received notice from the Immigration and Naturalization Service to Show Cause for Deportation Proceedings as a result of this crime for which he was convicted.

Mr. President, I can assure you that Joule Kadadu is no criminal. He got into trouble, was convicted, did his time, and has had no further trouble. As a matter of fact, I know him to be a model citizen. He operates a grocery store and he routinely provides support and assistance to various community groups and organizations when they go to him for help. For many years, he has supported my Annual Children and Parents' Picnic that draws thousands of participants each year. I have never known him to refuse any request for assistance.

Mr. President, I believe it would be a huge disservice to Joule Kadadu and his family to force him to go through deportation hearings, and it would be a huge tragedy to the family if he were to be deported. He has sought help from a variety of sources, and can no longer afford an attorney to fight this.

Please do whatever you can to help Joule Kadadu and his family to stay in the U.S., right here where they have grown together. They are a valuable part of our community.

Thank you for your time and assistance in this important matter, and please feel free to contact me if I may be of further assistance or provide you with additional information.

Sincerely,

Vera B. Rison

VERA B. RISON, District #1
Genesee County Board of Commissioners
VBR/DH:mc

3-30-95

Dear President Clinton,

We are writing to you in behalf of our son-in-law, Jaul Gadader.

Because of the fact that he is in danger of being deported, we sincerely ask for your help to let him be allowed to stay in the United States.

Jaul married our only daughter, Amy, ten years ago. Since then they have given us four beautiful grandchildren and one on the way.

Jaul has been a wonderful husband and father. He is also a great provider and we never have to worry about their needs.

In addition he is a very kind and generous person to all of our family and also to the community of Flint.

Please consider his situation and help him to stay in this country. If he leaves we will all suffer, and this community will lose a hard-working, caring person.

Sincerely,

Martha + Marvin
Knaus



PEOPLE FOR THE AMERICAN WAY

Your Voice Against Intolerance

THE PRESIDENT HAS SEEN 5/8

Mr. President:

MEMORANDUM

To: Editorial Page Editors
Political Reporters
Columnists

From: People For the American Way

Re: Free speech, irresponsible speech, and the climate of intolerance

Date: May 1, 1995

*Young
C. DeLoach
Baker*

*This is a
good piece
sent out to a
substantial list
John Robert*

The American political landscape for years has been populated with peddlers of reckless rhetoric. Last week President Clinton initiated a national conversation about how Americans should respond to the troubling and hateful speech that increasingly permeates our airwaves and our political discourse. For his trouble, the President was pilloried by both civil libertarians and conservatives, who acted as if the President had launched an assault on the First Amendment. No fair reading of the President's remarks* can support the charge.

It is disappointing and dangerous that many politicians and pundits seem to have framed the issue as a choice between sacrificing liberty and doing nothing in the face of irresponsible hate-mongering. That is a false dichotomy, one that portrays individuals as powerless to respond responsibly to threats to civility. As an organization fundamentally committed both to protecting freedom of expression and to promoting a climate of tolerance and community, People For the American Way, a civil and constitutional liberties organization, rejects the notion that the two goals are at odds.

Of course the issues are often difficult. How should people respond to a troubling work of art that addresses social issues like racism? How should fair-minded individuals react to a political figure who tells supporters that his opponents are out to destroy American society? More immediately, how should we as Americans respond to broadcasters who tell their listeners that the government is the enemy of the people, who create and feed the fear that individuals' faith, family and freedoms are under imminent threat of destruction?

The answer is not to silence such speech, but ignoring it is equally unacceptable. The most effective and democratic response is the encouragement of more speech. That has been the fundamental mission of People For the American Way since its founding: to monitor and expose the voices of intolerance and to encourage Americans to stand against those voices, proclaiming

* The text of President Clinton's April 24 remarks is attached.



instead a vision rooted in the profoundly American values of liberty, justice, and respect for the differences inherent in a vibrantly pluralistic society. The "marketplace of ideas" strengthens democracy when everyone takes the responsibility to be engaged in the debate. President Clinton wasn't urging censorship; he was urging citizenship.

Just two weeks ago, Republican Presidential candidate Robert Dole called for Americans to use the power of "shame" against the entertainment industry for promoting violence and casual sex. There were no cries from radio and television hosts that Senator Dole was attacking the First Amendment. Yet when President Clinton asked Americans to recognize that enjoying their freedom requires the exercise of personal responsibility, when he asked Americans to subject hate speech to the shame and ridicule it deserves, he was portrayed as an enemy of freedom. There is a puzzling double standard at work among the supposed acolytes of "personal responsibility."

As Bob Dole proclaimed, "Ideas have consequences."

For example, can anyone doubt that we have witnessed the very real consequences of explicit calls for violence against providers of abortion services? Asking that question in no way implies that opponents of abortion are generally complicit in the murders of doctors and clinic workers. To the contrary, many outspoken abortion foes have also been outspoken against perpetrators and promoters of violence against clinic workers, demonstrating a recognition that some speech is sufficiently inflammatory and irresponsible that people who are committed to civility must denounce it, regardless of their position in the political or ideological debate.

In the wake of congressional passage last year of the ban on assault weapons, one radio talk show host identified with the militia movement talked on the air of "armed revolution" and the need for a violent "cleansing" of the federal government. One of his fans later opened fire on the White House. Regardless of whether there is a clear causal link between speech and action, such language can itself poison the public well so thoroughly that reasoned discussion becomes impossible. Language that attributes heinous motives and goals to individuals and organizations -- such as accusations that liberals are out to destroy Christianity or that advocates for civil rights for gays and lesbians want to molest young children -- destroys any recognition of common interest and any hope of finding common ground among political opponents. That is a terribly dangerous situation in a democratic society.

It is tempting to reassure ourselves by saying that hate speech is the denizen of only the furthest fringes of American political life. Unfortunately, that assertion is clearly not true. Elected officials and highly visible political leaders are among those who spread messages of fear and suspicion, over and over, day in and day out. The repetition of such messages cannot contribute to the well-being of our communities or the health of our society at large. Regardless of whether such messages "cause" violent behavior, they clearly serve to legitimize those who do violate the law.

Pat Robertson is a former Presidential candidate, the patriarch of a political movement, a television broadcaster, and an author. His television show and his books reach millions of Americans. Unfortunately, the message he preaches is often this: Christians are under attack in

America by liberals and by a government that wants desperately to destroy their faith and their families. "I do believe this year that there's going to be persecutions against Christians. I think the government is going to step up its attacks against Christians," he told television viewers last year. "The government frankly is our enemy and we're going to see more and more of the people who have been places in office last year ... getting control of the levers of power and they will begin to know how to use them to hurt those who are perceived as their enemies."

Robertson wrote in his 1991 book *The New World Order* that the White House, State Department, secret societies and New Age religionists were out to establish a new world order that would result in the elimination of Christianity. Jimmy Carter and George Bush, he suggested, were "unknowingly and unwittingly carrying out the mission and mouthing the phrases of a tightly knit cabal whose goal is nothing less than a new world order for the human race under the domination of Lucifer and his followers."

Last year, when the Equal Employment Opportunity Commission proposed regulations -- originating with the Bush administration -- to protect American workers against religious bigotry and harassment on the job, Religious Right political groups portrayed the effort in apocalyptic terms, telling members that the Clinton Administration was so hostile to the Christian faith that the government was planning to make it illegal to wear cross-shaped jewelry, carry a Bible to work, or talk about religion with a co-worker. "Why is the Clinton Administration doing this?" asked Jerry Falwell. "Because they do not want God in American society." It was all patently untrue, and the EEOC offered to clarify that the regulations were designed to protect, not inhibit, workers' religious liberty. Nevertheless, the regulations were killed.

The war against the EEOC regulations was an ideal operation for political organizations willing to trade short-term gain for long-term damage to American society. By claiming (falsely) that the end of religious liberty was near, groups could motivate supporters to call and write elected officials. By refusing to acknowledge government officials' willingness to cooperate toward reaching a solution, and demanding instead withdrawal of the regulations, the organizations' leaders could flex their political muscle for members of Congress and brag to their own members that they had prevented the arrival of tyranny. Meanwhile, millions of Americans were convinced that the government was out to destroy their faith and freedom.

Some of the most incendiary invective is directed against gay and lesbian Americans and their allies in the effort to win legal protection from discrimination. Gays and lesbians are routinely portrayed -- by individuals at or near the center of conservative politics in America -- as evil individuals who prey on children and want to destroy the institutions of church and family. House Speaker Newt Gingrich has parroted the assertion of the Traditional Values Coalition's Lou Sheldon that teaching about homosexuality in public schools amounts to an effort to "recruit" teenagers into homosexuality. Gingrich has promised Sheldon that the House will hold hearings on the gay "influences" in the schools. Last year Sheldon told his supporters that "President Bill Clinton has quietly put into place homosexual special rights regulations that will devastate our freedom of religion, speech and association, not to mention destroy our society's cultural and moral fiber. AND ALL THIS IS BEING DONE BEHIND OUR BACK."

Jerry Falwell has devoted hours of his "Old Time Gospel Hour" broadcast to promoting videotapes that accuse President Clinton of complicity in drug smuggling and murder. While some commentators on the political right said publicly that Falwell had gone too far, the editorial page of the Wall Street Journal printed his 800 number so that readers could order a copy of the tape.

Randall Terry, one of the founders of Operation Rescue, has told followers, "I want you to just let a wave of intolerance wash over you. I want you to let a wave of hatred wash over you. Yes, hate is good. ... We have a Biblical duty, we are called by God, to conquer this country. We don't want equal time. We don't want pluralism."

Our filing cabinets and library shelves are filled with similar examples from books, newsletters, fundraising appeals, and television broadcasts.

It's a sad fact of American political life that the most strident voices -- which often do not reflect the views of most Americans -- seem to be the loudest. And too often, "responsible" political leaders don't speak out against the purveyors of fear, anger and resentment.

When President Clinton, unequivocally declaring his support for unbridled freedom of speech, called for Americans to respond to hateful rhetoric, his political opponents were quick to twist his words. Pat Robertson told viewers that the President and "those on the left" wanted to use the tragic Oklahoma City bombing "to still the voices of legitimate protest." Oliver North, Rush Limbaugh and others leapt at the chance to glean short-term political gain. When the President in fact called for more speech and more American voices, he was accused of trying to silence voices of dissent. That is precisely the kind of untruth that feeds the current dangerous levels of cynicism and distrust toward the government. And it is ironic to see politically powerful individuals, with powerful voices, claiming the role of victim in order to breed fear and resentment among their supporters.

The First Amendment is a precious possession that guarantees Americans unparalleled personal liberty. It should be an affront to all Americans when it is abused in ways that promote division and violence or when it is manipulated for crass political purposes.

People For the American Way is a 300,000-member nonpartisan constitutional liberties organization based in Washington, D.C., with regional offices in California, Colorado, Georgia and New York. The headquarters maintains a National Resource Center of original material from and about right-wing political organizations, including newsletters, news clips, fundraising materials, and tapes and transcripts of broadcasts. For additional information or to make arrangements to use the library or speak with one of our spokespersons, please contact our Communications Department at 202/467-4999.

Remarks by President Bill Clinton

From his April 24, 1995 address to the American Association of Community Colleges

In this country we cherish and guard the right of free speech. We know we love it when we put up with people saying things we absolutely deplore. And we must always be willing to defend their right to say things we deplore to the ultimate degree. But we hear so many loud and angry voices in America today whose sole goal seems to be to try to keep some people as paranoid as possible and the rest of us all torn up and upset with each other. They spread hate. They leave the impression that, by their very words, that violence is acceptable. You ought to see -- I'm sure you are now seeing the reports of some things that are regularly said over the airwaves in America today.

Well, people like that who want to share our freedoms must know that their bitter words can have consequences, and that freedom has endured in this country for more than two centuries because it was coupled with an enormous sense of responsibility on the part of the American people.

If we are to have freedom to speak, freedom to assemble, and yes, the freedom to hear arms, we must have responsibility as well. And to those of us who do not agree with the purveyors of hatred and division, with the promoters of paranoia, I remind you that we have freedom of speech, too. And we have responsibilities, too. And some of us have not discharged our responsibilities. It is time we all stood up and spoke against that kind of reckless speech and behavior.

If they insist on being irresponsible with our common liberties, then we must be all the more responsible with our liberties. When they talk of hatred, we must stand against them. When they talk of violence, we must stand against them. When they say things that are irresponsible, that may have egregious consequences, we must call them on it. The exercise of their freedom of speech makes our silence all the more unforgivable. So exercise yours, my fellow Americans. Our country, our future, our way of life is at stake

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

5/7/95

April 11, 1995

MR. PRESIDENT:

Attached is a Waldman/Reed memo on political reform cleared by Leon and Harold that addresses initiatives on lobby reform, campaign reform and foreign lobbyists. The memo is an outgrowth of discussions with key staff including Harold, Leon, George, Pat Griffin, Bill Curry and Doug Sosnik.

There is staff consensus on four items: renewing your call to ban lobbyist gifts; pushing for lobby disclosure; spelling out your free TV time proposal; unilaterally refusing to accept PAC contributions for your reelection campaign.

They also raise for argument and unanimously reject the idea of a ban on your officials meeting with foreign lobbyists.

There is no staff consensus on four remaining items: unilaterally rejecting lobbyist contributions; unilaterally rejecting lobbyist contributions and fundraising; challenging the DNC and RNC to agree not to raise soft money; or proposing a bipartisan commission on campaign reform and pledging to introduce its recommendations.

On these last four points, you may wish to meet with relevant staff.

John Podesta
Todd Stern

John
Todd

Leon/Hicks

Green need to discuss

when I get home
from Russia -

PRC

*Copies sent
to Leon & Harold
5/8*

ALSO

*Waldman &
REED!*

JSW

THE WHITE HOUSE
WASHINGTON

April 10, 1995

THE PRESIDENT HAS SEEN
5/7/95

95 APR 10 P1:30

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE CHIEF-OF-STAFF 
FROM: MICHAEL WALDMAN 
BRUCE REED 
SUBJECT: LOBBY REFORM INITIATIVE

At your request, we have prepared a set of initiatives that would put you out front on the lobby reform and political reform issue.

We believe that this issue cuts to the core of why people have lost faith in government and are angry at politics. The middle class truly believes that powerful interests hold sway, and that their voice is too often ignored. At a time when Congress' unpopularity is rising, even as the GOP's overall popularity is holding steady, this issue allows you to position yourself against the part of Washington the public hates most.

However, this very cynicism makes it hard to persuade people that we are serious, and risks bruising us if we are perceived not to be. Therefore, we believe that this issue is worth pressing only if it is done in a sharp and sustained way -- if it can become and remain a central theme over the next 18 months -- or it may not be worth doing at all. Therefore, we need a clear direction from you on how to proceed.

I. BACKGROUND

Political reform continues to be a core issue for the Perot voters and independents. (Public opinion research is under separate cover.) It also has the potential to be a wedge issue between you and potential Republican opponents -- who tend to favor wealthy special interests at the expense of the middle class. In fact, this is one of the few major areas where the Republicans have completely ceded the field to us, if we choose to enter it. At the same time, if we approach 1996 with few political reform achievements, we will be vulnerable to attack from Perot or some other independent candidate from outside Washington.

If a decision is made to engage on political reform, now is the time to do so, for several reasons.

- Congress' First 100 Days is ending, with a sense that it has not reformed itself. In particular, the defeat of term limits will mean that Congress passed no major reform of

itself. In addition, the press is finally beginning to paint the GOP Congress as a tool of wealthy special interests -- as *Time* has put it, the GOP has granted "unprecedented access" to lobbyists. (For example, the *Washington Post* reported that lobbyists wrote the regulatory moratorium bill, and were even given a room off the House floor from which to operate; the *New York Times* reported that GOP members were refusing to talk to lobbyists who had contributed to Democrats; and it was widely reported that the GOP used lobbyists to conduct the official briefing on their regulatory reform bill.)

- The GOP presidential race is being heavily defined by the so-called \$20 million fundraising entrance fee.
- Your announcement of your own organizational plans will force the issue of what restrictions you are willing to put on your own fundraising. Next year, the need to raise tens of millions of dollars will bring into higher relief the question of campaign financing.
- Democrats in Congress are starting to become active on the matter once again, albeit in a guerilla fashion. Rep. Bryant (with the support of the Democratic leadership) is filing a discharge petition to bring up the ban on lobbyist gifts; Sen. Wellstone plans to seek to attach the gift ban to legislation sometime before the Easter recess.
- A bipartisan group of moderate lawmakers is becoming visibly active. A group led by Rep. Chris Shays has put forward a package of lobbying and other political reforms, and will be pressuring the leadership to act.
- You led the State of the Union with a call to act, but your Administration has not yet fleshed out those proposals in public.

II. OPTIONS

Here is a set of initiatives that could be announced immediately. They could be announced in one major speech, or could be broken out (unilateral steps, legislative proposals, a speech on democracy and citizenship) for maximum effect.

Lobby reform

1. Renew the call for a ban on lobbyist gifts, meals and travel to Members of Congress. This is being pushed by Democrats in both chambers. During the State-of-the-Union, you called for Members of Congress to voluntarily give up lobbyist gifts. Because of its stark simplicity -- lawmakers being treated to tropical vacations by lobbyists, etc. -- this has the greatest resonance of any political reform proposal.

2. Renew the call for reform of the lobby disclosure laws. The current lobby disclosure laws, passed in 1946 and basically untouched since, are more loophole than law. Lobby reform legislation would require all lobbyists, for the first time, to fully disclose for whom they work, what they are paid, and what legislation they are trying to pass or kill. This measure is more complex than the gift ban, and conservative grass-roots groups (such as the Christian Coalition) may succeed in bogging it down; nonetheless, it is good policy and resonates somewhat with the public.

Campaign reform

3. Spell out your free TV time proposal. Apart from your brief mention of it during the State of the Union speech, we have never fleshed out your proposal to provide free TV time for candidates. Senator Dole and House Commerce Committee chairman Bliley have proposed strong free TV bills, and the concept is supported by Ross Perot, the DLC and Common Cause. This proposal could be laid out in a speech on democracy that could be high-toned and would not necessitate a subsequent crusade.

4. Alternately, propose a bipartisan commission to "cut the Gordian knot" on campaign reform -- and pledge to introduce its recommendations. Former FEC Chair Trevor Potter has proposed that the campaign finance reform conundrum be solved by legislation creating a base closing commission-style panel that would make recommendations for reform. The President would be required to propose the reforms unchanged, or reject them, and Congress would agree to vote on them without amendment. Senator Dole has endorsed this proposal. This commission itself would require legislation to be launched. (Alternately, you could appoint your own bipartisan commission to make recommendations, but it would not have the teeth of a base closing-type panel.)

Pro: This would actually bring us the closest to enacting some form of reform. It would also be a way to have the issue taken "off the table" for a time, and to enable us to refrain from making proposals that we do not live under.

Con: It eliminates this issue as an effective club to use against Dole, unless he is unwilling to embrace the panel's proposals. In addition, we won't know in advance what the proposal would look like -- it could be weak, or it could include proposals that are hard for Democrats to swallow.

Unilateral steps on campaign reform

5. Lead by example. To reengage in this debate, you will need to show that you are willing to act by restricting your own campaign committee. When you announce the beginning of campaign activities on your behalf, you have the following options:

a. *Direct the reelection campaign not to take PAC money (you did not take PAC money during the 1992 primaries either), but impose no further restrictions on your own fundraising. (Dole, Gramm, etc. are all taking PAC funds.)*

b. *Direct the reelection campaign not to take contributions from registered lobbyists. (This is now the standard followed by the Presidential Legal Expense Trust.) This would go beyond what you did in 1992.*

Pro: You have already legislatively proposed that lobbyist campaign contributions be banned. In addition, the decision to refuse such gifts by the Presidential Legal Expense Trust has established a difficult-to-ignore precedent. (Indeed, even if we say nothing, reporters will hone in on this inconsistency); Given the small number of lobbyists who actually register (about 7000), it may not directly cost the campaign that much money.

Con: It would raise a standard that the DNC will not be able to meet (i.e., "You won't take \$1000 from a lobbyist, but the DNC will take \$50,000 from the lobbyist's client."). Moreover, it might anger some Democratic supporters and fundraisers based in D.C. We can discuss potential fundraising consequences with you further if you desire.

Note: If the decision is made to refuse lobbyist contributions for the reelection campaign, we recommend that the Presidential Legal Expense Trust return the approximately \$12,000 that was received from registered lobbyists.

c. *Direct the reelection campaign not to take contributions donated by registered lobbyists, or raised by registered lobbyists.*

Pro: This option would make sense if you wanted to refuse campaign contributions from lobbyists, but believed that the press would regard that step alone as phony or hypocritical.

Con: This would cost more money, and would raise the next question: what about lobbyists raising soft money? There may be no end to the "what next" questions.

d. *In addition to, or instead of, b. and c., publicly ask the DNC not to raise soft money for the general election campaign, if the RNC will agree to refrain from doing so as well. In effect, this would challenge the RNC to a "mutually verifiable freeze" without "unilateral disarmament." The GOP is highly unlikely to rise to the bait. This is similar to the pledge you signed in New Hampshire in 1992.*

Foreign lobbyists

6. Take new action against foreign lobbyists by barring your officials from meeting with lobbyists for foreign governments or corporations. Your executive order imposing post-employment restrictions has already barred senior officials from ever lobbying for foreign governments, barred senior trade officials from lobbying for foreign firms, and barred all officials from lobbying their own agency on behalf of any client for five years. A further restriction would be to actually bar your officials from meeting with foreign lobbyists.

Pro: This is sharp, clear, and understandable; the foreign lobbying issue plays to concerns over economic nationalism as well as political reform.

Con: The argument against it is that it would be unduly harsh, is unnecessary from a reform perspective and possibly counterproductive from a policy perspective, and would focus attention on those issues where we have worked with foreign lobbyists (e.g., NAFTA) and on former foreign lobbyists in your administration (e.g., Sandy Berger, Ron Brown, Charlene Barshevsky).

III. RECOMMENDATIONS

1. Renew the push for a ban on lobbyist gifts

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

2. Renew the push for lobby disclosure legislation

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

3. Spell out the details of your free TV campaign finance proposal

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

4. In terms of unilateral steps:

a. Refuse to accept PAC contributions, as you did in 1992.

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b. Challenge the RNC to join with the DNC in not accepting soft money, as you did in 1992.

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c. Refuse to accept contributions from registered lobbyists for your reelection campaign (the standard used by the Presidential Legal Expense Trust).

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

d. Refusing to allow registered lobbyists to fundraise for your reelection campaign.

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

5. Barring your officials from meeting with foreign lobbyists

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

The staff unanimously recommends that you:

- renew call for ban on lobbyist gifts
- push for lobby disclosure
- discuss free TV time proposal
- unilaterally refuse to accept PAC contributions for your reelection campaign

The staff unanimously recommends against:

- barring your officials from meeting with foreign lobbyists

The staff does not have a consensus recommendation on:

- unilaterally rejecting lobbyist contributions
- unilaterally rejecting lobbyist contributions and fundraising
- challenging the DNC and RNC to agree not to raise soft money
- proposing a bipartisan commission on campaign reform

THE WHITE HOUSE

WASHINGTON

May 3, 1995

Dear Mr. Speaker:

I am writing to you and Senator Dole to urge Congress to pass legislation making the Air Traffic Control system a government corporation. The change was recommended in 1993 by Vice President Gore's National Performance Review, and was earlier endorsed by numerous studies during the past decade. This overdue legislation will make the Nation's critical air travel and transportation system safer, and more efficient and businesslike.

I know that you are well aware of the 1950s technology still being used in some parts of the government-run system. Vice President Gore and you have made the vacuum tube a well-known symbol of the ATC's inability to keep pace with the modern world. Flight delays and slowdowns caused by outmoded computers and radar equipment cost the airlines over \$3 billion each year, and are an inconvenience for countless travelers. A corporation would be free from the government procurement restrictions and red tape that have slowed modernization of our ATC system.

A corporation would also have greater flexibility in raising needed capital, in hiring and training people when they are needed and in assigning them where they are needed.

The proposed United States Air Traffic Corporation would quickly modernize the Nation's control towers, and would keep them up-to-date and properly staffed. Even as traffic increases in years to come, the Corporation would keep American skies the safest in the world.

This is an urgent, national problem that we can fix together.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, slightly slanted style.

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

THE WHITE HOUSE

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Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", with a long horizontal flourish extending to the right.

The Honorable Robert Dole
Republican Leader
United States Senate
Washington, D.C. 20510

REPUBLICAN PROPOSALS TO CUT THE EITC

THE PRESIDENT AND DEMOCRATS WILL FIGHT REPUBLICAN PROPOSALS TO CUT THE EARNED INCOME TAX CREDIT (EITC). *The EITC is a non-bureaucratic way to reward work over welfare for millions of families. It provides a \$22 billion tax break—averaging over \$1,500 per family—for over 16 million families with incomes under \$28,500. The Administration has led efforts to cut errors in this program, and we will work with Republicans to enact proposals to cut error rates further. But we will not join in using error rates as a smokescreen to raise taxes on working families and pay to cut taxes for the wealthy.*

REPUBLICANS MAY PROPOSE DEEP CUTS IN THE EITC. Senator Gregg has already proposed the option of eliminating indexation of the EITC for inflation. Others have expressed interest in repealing part or all of the 1993 increase in the EITC. There is even talk about scaling the credit rate from the current 40% back to 15%, eliminating most of the 1990 increase as well.

THESE CUTS WOULD RAISE TAXES FOR WORKING FAMILIES IN ORDER TO PAY FOR TAX CUTS FOR THE VERY WEALTHY. Senator Gregg's option would eliminate indexation of the EITC just as Republicans propose adding indexation to the capital gains tax and estate tax. They would effectively raise taxes for working families in order to pay to cut taxes for the wealthiest. For a family of four with one earner making \$12,000, deindexation would reduce the tax credit by over \$1,000 within 5 years. Cuts could be even deeper under other proposals. **Just as there are state-by-state estimates of the President's tax cuts for working families under the EITC, the Republican proposals would justify state-by-state estimates of the Republican tax hike for working families.**

REPUBLICANS USE ERROR RATES IN STUDY OF OLD DATA TO JUSTIFY ATTACK. The stated rationale for possible cuts is that the error rate for the EITC is too high. Republicans cite a preliminary IRS report based on 1994 data showing that about 25% of the dollars claimed for the EITC are claimed in error. However, this report is based on a partial and probably error-prone sample, and does not take into account Administration actions to reduce error rates.

THE ADMINISTRATION HAS TAKEN OVER 10 AGGRESSIVE MEASURES TO CUT ERROR RATES. Congress has passed several Administration-proposed measures to improve EITC administration, and the IRS has taken additional administrative steps. These include:

- Eliminating complex supplemental credits.
- Validating a Social Security number for each qualifying child.
- Denying the EITC to nonresident aliens.
- Delaying and investigating refunds for returns with dubious claims.
- Shortening and simplifying the EITC claim form (Schedule EIC).

THE ADMINISTRATION HAS ADDITIONAL PROPOSALS TO REDUCE ERROR RATES PENDING BEFORE CONGRESS. These include denying the EITC to undocumented workers and authorizing the IRS to use simpler and more efficient procedures when taxpayers fail to supply a valid social security number.

THE EITC HAS A HISTORY OF BIPARTISAN SUPPORT. DEMOCRATS WANT TO WORK WITH REPUBLICANS AGAIN TO CUT ERROR RATES--BUT NOT TO CUT THE EITC. Presidents Reagan and Bush supported and signed major expansions in the EITC. If Republicans truly wish to improve EITC administration and reduce error rates, Democrats will be more than happy to join them. But concerns about error rates should not be a smokescreen for tax hikes for working families in order to finance tax cuts for the wealthy.

also copy
Don Baer?
yes

Below letter
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worth a radio address
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THE PRESIDENT HAS SEEN
5/7/85

THE PRESIDENT HAS SEEN

5/7/85

Don't say

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Leon / Hiches

Green need to discuss

when I get home
from Russia -

Bo

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

April 11, 1995

MR. PRESIDENT:

Attached is a Waldman/Reed memo on political reform cleared by Leon and Harold that addresses initiatives on lobby reform, campaign reform and foreign lobbyists. The memo is an outgrowth of discussions with key staff including Harold, Leon, George, Pat Griffin, Bill Curry and Doug Sosnik.

There is staff consensus on four items: renewing your call to ban lobbyist gifts; pushing for lobbyist disclosure; spelling out your free TV time proposal; unilaterally refusing to accept PAC contributions for your reelection campaign.

They also raise for argument and unanimously reject the idea of a ban on your officials meeting with foreign lobbyists.

There is no staff consensus on four remaining items: unilaterally rejecting lobbyist contributions; unilaterally rejecting lobbyist contributions and fundraising; challenging the DNC and RNC to agree not to raise soft money; or proposing a bipartisan commission on campaign reform and pledging to introduce its recommendations.

On these last four points, you may wish to meet with relevant staff.

John Podesta
Todd Stern

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5/7/95

10
April 4, 1995

95 APR 10 P1:30

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE CHIEF-OF-STAFF 
FROM: MICHAEL WALDMAN 
BRUCE REED 
SUBJECT: LOBBY REFORM INITIATIVE

At your request, we have prepared a set of initiatives that would put you out front on the lobby reform and political reform issue.

We believe that this issue cuts to the core of why people have lost faith in government and are angry at politics. The middle class truly believes that powerful interests hold sway, and that their voice is too often ignored. At a time when Congress' unpopularity is rising, even as the GOP's overall popularity is holding steady, this issue allows you to position yourself against the part of Washington the public hates most.

However, this very cynicism makes it hard to persuade people that we are serious, and risks bruising us if we are perceived not to be. Therefore, we believe that this issue is worth pressing only if it is done in a sharp and sustained way -- if it can become and remain a central theme over the next 18 months -- or it may not be worth doing at all. Therefore, we need a clear direction from you on how to proceed.

I. BACKGROUND

Political reform continues to be a core issue for the Perot voters and independents. (Public opinion research is under separate cover.) It also has the potential to be a wedge issue between you and potential Republican opponents -- who tend to favor wealthy special interests at the expense of the middle class. In fact, this is one of the few major areas where the Republicans have completely ceded the field to us, if we choose to enter it. At the same time, if we approach 1996 with few political reform achievements, we will be vulnerable to attack from Perot or some other independent candidate from outside Washington.

If a decision is made to engage on political reform, now is the time to do so, for several reasons.

- Congress' First 100 Days is ending, with a sense that it has not reformed itself. In particular, the defeat of term limits will mean that Congress passed no major reform of

itself. In addition, the press is finally beginning to paint the GOP Congress as a tool of wealthy special interests -- as *Time* has put it, the GOP has granted "unprecedented access" to lobbyists. (For example, the *Washington Post* reported that lobbyists wrote the regulatory moratorium bill, and were even given a room off the House floor from which to operate; the *New York Times* reported that GOP members were refusing to talk to lobbyists who had contributed to Democrats; and it was widely reported that the GOP used lobbyists to conduct the official briefing on their regulatory reform bill.)

- The GOP presidential race is being heavily defined by the so-called \$20 million fundraising entrance fee.

- Your announcement of your own organizational plans will force the issue of what restrictions you are willing to put on your own fundraising. Next year, the need to raise tens of millions of dollars will bring into higher relief the question of campaign financing.

- Democrats in Congress are starting to become active on the matter once again, albeit in a guerilla fashion. Rep. Bryant (with the support of the Democratic leadership) is filing a discharge petition to bring up the ban on lobbyist gifts; Sen. Wellstone plans to seek to attach the gift ban to legislation sometime before the Easter recess.

- A bipartisan group of moderate lawmakers is becoming visibly active. A group led by Rep. Chris Shays has put forward a package of lobbying and other political reforms, and will be pressuring the leadership to act.

- You led the State of the Union with a call to act, but your Administration has not yet fleshed out those proposals in public.

II. OPTIONS

Here is a set of initiatives that could be announced immediately. They could be announced in one major speech, or could be broken out (unilateral steps, legislative proposals, a speech on democracy and citizenship) for maximum effect.

Lobby reform

1. Renew the call for a ban on lobbyist gifts, meals and travel to Members of Congress. This is being pushed by Democrats in both chambers. During the State-of-the-Union, you called for Members of Congress to voluntarily give up lobbyist gifts. Because of its stark simplicity -- lawmakers being treated to tropical vacations by lobbyists, etc. -- this has the greatest resonance of any political reform proposal.

2. Renew the call for reform of the lobby disclosure laws. The current lobby disclosure laws, passed in 1946 and basically untouched since, are more loophole than law. Lobby reform legislation would require all lobbyists, for the first time, to fully disclose for whom they work, what they are paid, and what legislation they are trying to pass or kill. This measure is more complex than the gift ban, and conservative grass-roots groups (such as the Christian Coalition) may succeed in bogging it down; nonetheless, it is good policy and resonates somewhat with the public.

Campaign reform

3. Spell out your free TV time proposal. Apart from your brief mention of it during the State of the Union speech, we have never fleshed out your proposal to provide free TV time for candidates. Senator Dole and House Commerce Committee chairman Bliley have proposed strong free TV bills, and the concept is supported by Ross Perot, the DLC and Common Cause. This proposal could be laid out in a speech on democracy that could be high-toned and would not necessitate a subsequent crusade.

4. Alternately, propose a bipartisan commission to "cut the Gordian knot" on campaign reform -- and pledge to introduce its recommendations. Former FEC Chair Trevor Potter has proposed that the campaign finance reform conundrum be solved by legislation creating a base closing commission-style panel that would make recommendations for reform. The President would be required to propose the reforms unchanged, or reject them, and Congress would agree to vote on them without amendment. Senator Dole has endorsed this proposal. This commission itself would require legislation to be launched. (Alternately, you could appoint your own bipartisan commission to make recommendations, but it would not have the teeth of a base closing-type panel.)

Pro: This would actually bring us the closest to enacting some form of reform. It would also be a way to have the issue taken "off the table" for a time, and to enable us to refrain from making proposals that we do not live under.

Con: It eliminates this issue as an effective club to use against Dole, unless he is unwilling to embrace the panel's proposals. In addition, we won't know in advance what the proposal would look like -- it could be weak, or it could include proposals that are hard for Democrats to swallow.

Unilateral steps on campaign reform

5. Lead by example. To reengage in this debate, you will need to show that you are willing to act by restricting your own campaign committee. When you announce the beginning of campaign activities on your behalf, you have the following options:

a. *Direct the reelection campaign not to take PAC money* (you did not take PAC money during the 1992 primaries either), but impose no further restrictions on your own fundraising. (Dole, Gramm, etc. are all taking PAC funds.)

b. *Direct the reelection campaign not to take contributions from registered lobbyists.* (This is now the standard followed by the Presidential Legal Expense Trust.) This would go beyond what you did in 1992.

Pro: You have already legislatively proposed that lobbyist campaign contributions be banned. In addition, the decision to refuse such gifts by the Presidential Legal Expense Trust has established a difficult-to-ignore precedent. (Indeed, even if we say nothing, reporters will hone in on this inconsistency); Given the small number of lobbyists who actually register (about 7000), it may not directly cost the campaign that much money.

Con: It would raise a standard that the DNC will not be able to meet (i.e., "You won't take \$1000 from a lobbyist, but the DNC will take \$50,000 from the lobbyist's client."). Moreover, it might anger some Democratic supporters and fundraisers based in D.C. We can discuss potential fundraising consequences with you further if you desire.

Note: If the decision is made to refuse lobbyist contributions for the reelection campaign, we recommend that the Presidential Legal Expense Trust return the approximately \$12,000 that was received from registered lobbyists.

c. *Direct the reelection campaign not to take contributions donated by registered lobbyists, or raised by registered lobbyists.*

Pro: This option would make sense if you wanted to refuse campaign contributions from lobbyists, but believed that the press would regard that step alone as phony or hypocritical.

Con: This would cost more money, and would raise the next question: what about lobbyists raising soft money? There may be no end to the "what next" questions.

d. *In addition to, or instead of, b. and c., publicly ask the DNC not to raise soft money for the general election campaign, if the RNC will agree to refrain from doing so as well.* In effect, this would challenge the RNC to a "mutually verifiable freeze" without "unilateral disarmament." The GOP is highly unlikely to rise to the bait. This is similar to the pledge you signed in New Hampshire in 1992.

Foreign lobbyists

6. Take new action against foreign lobbyists by barring your officials from meeting with lobbyists for foreign governments or corporations. Your executive order imposing post-employment restrictions has already barred senior officials from ever lobbying for foreign governments, barred senior trade officials from lobbying for foreign firms, and barred all officials from lobbying their own agency on behalf of any client for five years. A further restriction would be to actually bar your officials from meeting with foreign lobbyists.

Pro: This is sharp, clear, and understandable; the foreign lobbying issue plays to concerns over economic nationalism as well as political reform.

Con: The argument against it is that it would be unduly harsh, is unnecessary from a reform perspective and possibly counterproductive from a policy perspective, and would focus attention on those issues where we have worked with foreign lobbyists (e.g., NAFTA) and on former foreign lobbyists in your administration (e.g., Sandy Berger, Ron Brown, Charlene Barshevsky).

III. RECOMMENDATIONS

1. Renew the push for a ban on lobbyist gifts

☐ Agree ☐ Agree as amended ☐ Reject ☐ No action

2. Renew the push for lobby disclosure legislation

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3. Spell out the details of your free TV campaign finance proposal

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4. In terms of unilateral steps:

a. Refuse to accept PAC contributions, as you did in 1992.

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b. Challenge the RNC to join with the DNC in not accepting soft money, as you did in 1992.

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c. Refuse to accept contributions from registered lobbyists for your reelection campaign (the standard used by the Presidential Legal Expense Trust).

___ Agree ___ Agree as amended ___ Reject ___ No action

d. Refusing to allow registered lobbyists to fundraise for your reelection campaign.

___ Agree ___ Agree as amended ___ Reject ___ No action

5. Barring your officials from meeting with foreign lobbyists

___ Agree ___ Agree as amended ___ Reject ___ No action

The staff unanimously recommends that you:

- renew call for ban on lobbyist gifts
- push for lobby disclosure
- discuss free TV time proposal
- unilaterally refuse to accept PAC contributions for your reelection campaign

The staff unanimously recommends against:

- barring your officials from meeting with foreign lobbyists

The staff does not have a consensus recommendation on:

- unilaterally rejecting lobbyist contributions
- unilaterally rejecting lobbyist contributions and fundraising
- challenging the DNC and RNC to agree not to raise soft money
- proposing a bipartisan commission on campaign reform