THE WHITE HOUSE
WASHINGTON

July 26, 1995

The Honorable Theodore Sorensen
Paul, Weiss, Rifkind, Wharton
and Garrison
1285 Avenue of the Americas
New York, New York 10019

Dear Ted:

Thank you for joining me for lunch at the White House. I was delighted with our conversation and found it very helpful. I appreciate, as well, the warm thoughts in your recent letter -- your support means a great deal to me.

I hope to see you again soon.

Sincerely,

Bill

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

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THEODORE C. SORENSEN
(212) 373-3790

July 14, 1995

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

Dear Mr. President:

Deepest thanks for including me in a most interesting and enjoyable luncheon meeting last week. It was my first visit to the Mansion in some time.

I came away greatly reassured by your determination to fight -- with the veto pen and otherwise -- for the preservation of those basic principles of equity and humanity that distinguish most Democrats from most Republicans. I firmly believe that by projecting strength in this manner -- as distinct from confrontation, much less incivility -- you can silence those constantly accusing you of vacillation and weakness (provided, as I said at lunch, that anonymous subordinates do not leak every internal debate or ascribe political motivations to every worthy statement).

Please call upon me at any time you think I could be of use. Keep up the good work!

Sincerely,

Theodore C. Sorensen

COMMENTARY

THE PRESIDENT HAS SEEN
7-28-95

Clinton really can carry Florida in '96,

contends Chiles the canny optimist

Florida's sly he-coon, Lawton Chiles, lights up at talk of next year's presidential campaign. The sole surviving Democratic governor in the 10 largest states, Chiles says his party will target Florida and blithely claims President Clinton has a chance to carry it.

That could be preposterous political optimism, considering Florida's pronounced recent swing toward Republicans. In 1988 George Bush annihilated Michael Dukakis in Florida, and a stumbling Bush carried the state against Clinton in 1992, despite nearly one-fifth of the voters casting ballots for Ross Perot.

Last year Republicans took over the state Senate, narrowed the gap in the House and almost won the governorship as a cocky Jeb Bush, George's son, fumbled away a lead and lost to Chiles. It's easy to be overconfident while running against Chiles, who looks like Opie from Hicksville and utterly baffles the sharp-suited climbers from Yuppieville.

Nobody has ever beaten Chiles, not for the Florida House, not for the Florida Senate, not for the United States Senate where he spent 18 years, not for governor. He campaigns intuitively, paying attention to polls only when it suits him.

In a debate with Jeb Bush last year, Chiles lapsed into Cracker lingo, referring to himself as a he-coon (male raccoon) who hunts just before dawn. Even many native Floridians couldn't decipher that remark, which evidently meant the canny governor waits until the pre-dawn, when everyone else is at a low ebb of energy, and then strikes. Jeb never knew what hit him.

I don't pretend to understand Chiles, except to guess wildly he might be a combination of mystic and small-town lawyer. That's the kind of lawyer who, while deprecating his unsophisticated background, wins the case and the marbles, and by sunset owns the town.

Chiles, who for 15 years practiced law in his hometown of Lakeland, sometimes answers questions by saying the reverse of what he means. I like

JAMES G. DRISCOLL
Editorial Writer



that technique because it keeps listeners at a peak level of alertness. Or, at times, confusion.

"Anybody but Phil Gramm," a grinning Chiles said last week when asked which candidate the Democrats would like to campaign against in the 1996 presidential campaign. "Anybody but Phil or Newt," he continued, meaning the exact opposite.

If I didn't know better, I'd say Chiles was actually licking his chops at the prospect of towing Clinton around the state and lambasting Gramm or Gingrich at every barbecue and corn roast. Such easy targets. Such thin skins.

Unless I mistook his meaning, which wouldn't be the first time, Chiles really believes Bob Dole or Indiana's smart senator, Richard Lugar, would be the toughest candidates Republicans could field. Lugar, with no chance at the GOP nomination, still is an intriguing subject.

Lugar and Clinton, two Rhodes Scholars from different eras, would make unusual opponents in a presidential race. Not, of course, that another Hoosier, Dan Quayle, wouldn't have been equally brilliant. He dropped out, more's the pity.

From the broad perspective of long-term political ebbs and flows, Chiles sees the pendulum already starting to swing back from the right toward the center. He calls this America's "phenomenal self-correcting mechanism," and its existence and constant movement form the basis for his upbeat predictions about Democrats next year in Florida.

Chiles considers California and Florida two of the battleground states in 1996, and maybe he'll turn out to be right, no matter what more "sophisticated" observers are saying. If Clinton is smart enough to enlist Chiles to plot the presidential campaign in Florida, the Democrats could do well.

When the surprisingly healthy-looking governor met with the *Sun-Sentinel* Editorial Board last week, he was just five days out of a hospital where he'd been treated for a mild ischemic attack. This scary episode, which often foretells a stroke, involves a lack of blood to the brain and apparently was triggered by dehydration after a fishing weekend.

To head off future dehydration, and worse, Chiles' doctors ordered him to drink copious amounts of liquids, which he's doing — in his own style. At his aides' request, we furnished root beer and coffee for the recovering governor.

How does he drink coffee? Black? With cream? With sugar? With both?

All of the above, it turns out. He varies his coffee, which of course I don't understand. He does, I suppose.

5491

THE PRESIDENT HAS SEEN
7.27.95

THE WHITE HOUSE
WASHINGTON
July 27, 1995

95 JUL 27 P12:14

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Reply to Paul Quinn

Purpose

To respond to Quinn's letter of July 14.

Background

Quinn, whom you met at dinner July 13, wrote to ask you to remain involved in the Northern Ireland peace process and to include a visit to the city of Derry in your visit to Northern Ireland. In Derry, Quinn invites you to participate in the establishment of the Tip O'Neill Peace Chair at the University of Ulster. We suggest that you respond positively, saying that you will include Derry and the endowment in your schedule if possible.

RECOMMENDATION

That you sign the letter to Quinn at Tab A.

2 PRESSURE CO
T Mem

Attachments
Tab A Reply to Paul Quinn
Tab B Incoming correspondence

7/27
Lake copied already.
Should Billy W. get a copy?
yes
Jack Quinn
S

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Paul:

Thank you for your letter and your kind words about my Administration's role in furthering the peace process in Northern Ireland. I will continue to do everything I can to help bring about a just and lasting settlement to the conflict there.

For years, images of violence and hatred have shaped our impressions of Northern Ireland. It will give me great pleasure to experience the improved atmosphere you describe when I visit Northern Ireland later this year.

The schedule for my trip is not yet firm, but I will keep the proposal to visit Derry to participate in the establishment of the Tip O'Neill Peace Chair very much in mind.

Again, thank you for staying in touch on this important issue.

Sincerely,

Bill Clinton

Paul S. Quinn, Esq.
1735 New York Avenue, N.W.
Washington, D.C. 20006

5491

Staff
To Peters

Wilkinson, Barker, Knauer & Quinn
1735 New York Avenue, N.W.
Washington, D.C. 20006
(202) 783-4141/fax: (202) 628-1852

FACSIMILE COVER LETTER

TO:	Nancy Soderberg	FAX NO:	456-9460
FROM:	Paul Quinn	CLIENT:	0.815.4
DATE:	July 14, 1995		
RE:	President's Future Trip to Ireland		

In reference to President Clinton, here is a copy of a letter which I sent to him today. The letter has been also been faxed to Susan Brophy and Kingsley Aikens, and Michael Powell.

[This note was dictated--but not read-- by Mr. Quinn]

To Nancy & Peters
pls draft
reply

TOTAL PAGE: 2

SENT BY: TP

IMPORTANT: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via the United States Postal Service. Receipt by anyone other than the intended recipient is not a waiver of any attorney-client or work-product privilege. Thank you.

PAUL S. QUINN
1735 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 783-4141
FAX (202) 783-5851

July 14, 1995

The Honorable William J. Clinton
The President of the United States
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Mr. President:

It was good to be with you last night at the nice dinner hosted by our friends, Tom and Cynthia Schneider. Congratulations again on your remarks and the clear and unequivocal answers you provided to the many questions that were raised following them.

As I mentioned, I recently visited Northern Ireland as a member of the Board of Directors of the American Ireland Fund - my second since the cease-fire - and was greatly reassured by the improved atmosphere resulting from the cease-fire and the spirit of optimism and determination which pervaded the country. To a great extent, this is a result of your constructive and courageous role regarding Northern Ireland in the last two and a half years. However, much remains to be done, and I hope that you will continue to stay fully involved (see enclosed Tom Friedman's *New York Times* Op Ed, 7/13/95 and today's *Washington Post* editorial).

I am delighted that you will be visiting Northern Ireland and the Republic in November. I hope your itinerary will include a visit to Derry, and while there you would consider participating in the establishment of the Tip O'Neill Peace Chair at the University of Ulster - which will be the recipient of a $200,000 endowment from the American Ireland Fund, our major flagship in Northern Ireland.

Keep up the good work. Warm Regards.

Sincerely,

Paul Quinn

A20 FRIDAY, JULY 14, 1995

The Washington Post

AN INDEPENDENT NEWSPAPER

The Marching Season

IT MAY BE the dog days in hot and humid Washington, but in Belfast and environs this is known as "the marching season." Protestants parade on July 12 to commemorate the victory, in 1690, of William of Orange over the Catholic King James II in the Battle of the Boyne. Catholics march next month to celebrate their own heroes. For a quarter of a century, these occasions, and the countless minor demonstrations that precede and follow them during the summer months, were rife with taunting, boasting and the kind of stiff-necked posturing that frequently led to violence. This year was supposed to be better.

Nevertheless, in the last week the apparent strain of maintaining the cease-fire that has held in Northern Ireland for almost 11 months became apparent. British Prime Minister John Major freed an English soldier who had been sent to prison for killing a Catholic teenager riding in a stolen car. There may have been good reason for this decision, but Catholic forces protesting the failure to include any of their jailed compatriots in the amnesty rioted in the streets. No one was killed or seriously injured, but much property was destroyed.

This week, when Ulster police (who are overwhelmingly Protestant) stopped Boyne celebrators from parading through a Catholic neighborhood, it was the Protestants who threw rocks at the police.

These are minor skirmishes compared with the bloody events of earlier years, but it probably wouldn't take much to rekindle real violence. Much is at stake. For almost a year, the beleaguered province has been at peace. Tourism and industry have been revived, and some semblance of normal family life has been possible for people used to decades of killing.

Having pleased the Protestant hard-liners with his release of the soldier, Mr. Major should now use his influence to keep that faction from disrupting the peace process. President Clinton should urge him to do so. Mr. Clinton, who took a risk in encouraging Gerry Adams to go to the negotiating table, should keep the pressure on the Sinn Fein leader as well. The marching season will be a critical test period. The United States helped to launch these peace talks, and it should stay on the case.

THE NEW YORK TIMES OP-ED WEDNESDAY, JULY 12, 1995

Foreign Affairs

THOMAS L. FRIEDMAN

Meddling For Peace

WASHINGTON

Strap on the electrodes and rev up the car battery. It's time for President Clinton to administer another jolt of shock therapy to Britain's Prime Minister, John Major. He's gone wobbly again on Northern Ireland.

The cease-fire in Northern Ireland is fast approaching its first anniversary, Sept. 1, and yet efforts to build on this longest pause in the fighting in Belfast for 25 years are totally stalled. There is blame aplenty to go around, but clearly the strongest, most influential actor in this drama — the British Government — could do the most to get peace talks going now and instead is doing the least. London is paralyzed by a deep ambivalence about dealing with the Irish Republican Army. Even though it is ready in principle to negotiate with the Irish Catholic militants, the British Government seems to be looking for any excuse not to do so.

It's time to get on with it, and if the Major Government won't act, then President Clinton should start dabbling again in Irish politics. It was his initial intervention last year — trading the I.R.A. leader Gerry Adams a visit to the U.S. in return for agreement on a cease-fire — that was instrumental in bringing about this 10-month pause in the fighting. The Brits hated Mr. Clinton for doing it, but they grudgingly responded to the I.R.A.'s cessation of fighting.

Since it seems that Mr. Major can only be shaken from his ambivalence by the fear of more international meddling, Mr. Clinton should start meddling some more. Go ahead, Mr. President, dabble away, drive John Major crazy. You will be doing him and Northern Ireland a favor.

This is urgent. Last week, the cease-fire was challenged for the first time when Catholic rioters in West Belfast torched 160 cars in protest over Mr. Major's decision to give early parole to a British soldier sentenced to life imprisonment for the 1990 killing of a Catholic woman, who ran through a security checkpoint in a stolen car. Mr. Major signed the parole on the eve of his re-election battle in a play to shore up support among Conservative Party hard-liners.

That may have been good politics. But his failure to follow up such an incendiary move with a token release of some Catholic and Protestant prisoners was brain-dead diplomacy. The fact that the cease-fire has held this long demonstrates that a majority of Protestants and Catholics desperately want to move away from the barricades. Instead of nurturing this historic moment to isolate the "hard men" doing the fighting in Belfast, Mr. Major is risking it for a few cheap votes from the hard right of his own party.

The bigger logjam is London's insistence that the I.R.A. begin handing over some of its weapons — as a precondition for participating in all-party negotiations to resolve the conflict — and the I.R.A.'s refusal to do so. Considering the damage inflicted on London by I.R.A. terrorism, Britain's emphasis on disarmament now is understandable, but it is not going to happen as a precondition to negotiations. Even Israel did not demand that the P.L.O. turn over its arms as a precondition to negotiations. To insist on it now is to insist on a deadlock.

The U.S. should opt for a two-pronged approach. Gerry Adams owes Mr. Clinton big time for the free pass the President gave him to raise money in the U.S. Mr. Clinton should call in that chit now and signal the I.R.A. that while it may not be willing formally to turn over any weapons, it has to take the initiative with some symbolic act. It is not enough for it just to blame London. An anonymous phone call that tips off the British to a small I.R.A. arms cache would be a very useful "coincidence" right now.

At the same time, Washington should press the British to accept an arrangement, similar to the one used to settle the El Salvador civil war, in which a commission is set up to discuss disarmament — how, where, when — parallel with the peace talks to resolve the big power-sharing questions. That way the I.R.A. and London could be in a dialogue about arms, but no one would have to surrender any military assets until the wider settlement is forged.

Look, most of the Catholic and Protestant weapons are flaming bottles and small arms. They could hand them all in tomorrow and acquire new ones overnight. The problem is not to take away their weapons, but to take away their reasons for using them. The only way to do that is by starting the peace talks. If that doesn't happen soon, the first anniversary of the cease-fire is going to be the last.

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(202) 783-4141
FAX (202) 783-5824

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07/27
Todd,

This came into the office today .

Shouldn't we send to Jocelyn to handle?

s

7/28/95

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

MARCY KAPTUR
9TH DISTRICT, OHIO

July 21, 1995

95 JUL 27 P12:00

Dear Mr. President:

As I promised you at the White House Picnic for Members of Congress, enclosed is a copy of the "Bill Clinton 1992" print by well-known pop artist Jim Dine. It was completed as a fundraising project for your 1992 Democratic Campaign, and is representative of Mr. Dine's series of classic robe images. The technique used is a combination woodcut and etching. The actual size of the original print is 21" long by 15" high. Edition size is 100.

My guest at the picnic, Mr. Stephen Rowe, 6301 Stevenson Ave., Apt. 511, Alexandria, Va 22304, brought this work to my attention and has provided this packet for your enjoyment.

With my best regards,

Marcy Kaptur

The Honorable William J. Clinton
The White House
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20500

no need for 7.26.95
need to talk to
Oakley-Sue /
N
Ben Johnson
sees these!
B

Todd -
Come from Nancy's
bot. Send to Dorskind?
- Jessica 1/28/95

✓ Yes
No

"A PEOPLE'S PERSON"

GARDEST
GILLESPIE
COUNCILMAN
for the 1st



6750 ASH PLACE • GARY, INDIANA 46403 • (219) 938-6914

4

GARY COMMON COUNCIL OFFICE: 401 BROADWAY (Room 209) GARY, INDIANA 46402
881-1315 - 881-1316

"POSITIVE THOUGHT – POSITIVE ACTION"

JULY 19, 1995

MR. BEN JOHNSON
ASSOCIATE DIRECTOR
OFFICE OF PUBLIC LIAISON
WHITE HOUSE
WASHINGTON, D.C. 20500

DEAR MR. JOHNSON:

THANK YOU FOR KEEPING ME INFORMED ON ISSUES THAT IMPACT UPON THE QUALITY OF LIFE IN GARY AND THE UNITED STATES.

THE FAX COPY CONCERNING AFFIRMATIVE ACTION TALKING POINTS WAS SHARED WITH ALL GARY CITY COUNCIL MEMBERS AND THE PUBLIC VIA CABLE TELEVISION.

PLEASE CONTINUE TO KEEP ME INFORMED AND I WILL CONTINUE TO CREATE THE LINKAGE ON THIS END.

AGAIN, THANK YOU.

SINCERELY,

Gardest Gillespie

GARDEST GILLESPIE
COUNCILMAN, 1ST DISTRICT

GG/5484

St. Stephen Baptist Church

1414 Truman Road 842-6311
Kansas City, Missouri 64106

Dr. Mac Charles Jones
Pastor

Rev. Eric D. Belt
Assistant to the Pastor

Jannella Johnson
Office Administrator/Church Clerk

Wanda R. Winters
Receptionist

Ivoe C. Dean
Social Worker

Ethel Roath
Director Social Services

Leola W. Pippens
Coordinator for Special Programs

Rev. Donald Graves
Minister of Visitation

Rev. Desiree Davis
Minister of Christian Education

Rev. Paul Cowley
Youth Ministries

Samuel Murrell
Minister of Music

Dea. Sterling Roath
Chairman Deacon Board

Dea. Hobert Gentry
Chairman Emeritus Deacon Board

Dea. Freeman Keyes
Chairman Finance Committee

Dea. Maceo V. Thompson
Financial Secretary

Dea. Julius Moore
Treasurer

Dea. Norman C. Tombs
Chairman Trustee Board

Carolyn Boyd
Secretary Trustee Board

July 25, 1995

President William Clinton
White House
Washington, DC

Dear President Clinton,

We realize that these are turbulent and tough times for you and this nation as it relates to the issue of racism. The recent events surrounding the defeat of Dr. Henry Foster's nomination, the vote of the Supreme Court redistricting, the recent laws passed in California relating to immigration and the vote of the California Board of region to turn back Affirmative Action driven by Governor Pete Wilson's presidential bid, are all signs of a cancer of the spirit created by the sin of racism endemic to this nation.

However, in the midst of the attempted roll backs we as a National body applaud your courageous stance on Affirmative Action. I am convinced that where there is strong Presidential and National leadership grounded in principle rather than polls, ultimately the nation will benefit and address the underlying issues that create the need for Affirmative Action.

Stay strong and remember that principled leadership may be attacked but never undermined.

Yours in the name of the Christ,

Rev. Dr. Mac Charles Jones

cc: Rev. Dr. Joan Brown Campbell, General Secretary
National Council of Churches
Rev. Dr. E. Edward Jones, President
National Baptist Convention of America, Inc.
Rev. Dr. Otis Moss, President
Progressive Baptist Convention
Rev. Dr. Henry Lyons, President
National Baptist Convention USA, Inc.
Rev. Dr. Timothy Mitchell
National Baptist Convention USA, Inc.

7/26

To Dorskind ?

~~cc:~~ yes -
but also
Ickes, Bowles,
Tyson, Mikva FYI
From me.

Original to Dorskind.

J. Arons
7/28/95

THE WHITE HOUSE
WASHINGTON

July 28, 1995

TO: Harold Ickes
Erskine Bowles
Laura Tyson
Abner Mikva

FROM: Todd Stern

For your information.

cc: Jim Dorskind

July 26, 1995

95 JUL 26 P7:07

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

It has been widely reported that the Food and Drug Administration (FDA) is in the process of making recommendations to you regarding the regulation of the tobacco industry, including the regulation of tobacco advertising and promotion. As members of the Freedom to Advertise Coalition, which represents a wide array of advertising and media interests, the FDA's recommendations have prompted us to reexamine the issue of which federal agency is the appropriate regulator of advertising and promotion in the United States. As set forth below, we believe that the Federal Trade Commission (FTC or the "Commission") remains the appropriate agency to regulate the advertising and promotion of legal products, including tobacco.

- **Since the inception of the Commission, the regulation of advertising and promotion has been, with several small exceptions, the exclusive domain of the FTC.** Under Section 5 of the Federal Trade Commission Act, the FTC has the power to regulate false, misleading or deceptive advertising. Over the years, the FTC has developed the extensive knowledge and expertise on the advertising industry necessary to regulate appropriately the advertising and promotion of legal products.

- **The FTC consistently uses its authority and its expertise to regulate the advertising and promotion of tobacco products.** Tobacco advertising is highly restricted under federal law. The FTC pursues tobacco advertising campaigns that it feels are in violation of federal law and often enters into consent agreements with the alleged offending parties. For example, earlier

American Advertising Federation

American Association of Advertising Agencies

Association of National Advertisers

Magazine Publishers of America

Outdoor Advertising Association of America

Point of Purchase Advertising Institute

FREEDOM
TO
ADVERTISE
COALITION

AAF
1101 Vermont Ave.
Washington, D.C. 20005
(202) 898-0089

4-A's
1899 L Street, NW
Suite 700
Washington, D.C.

ANA
700 11th Street, NW
Suite 650
Washington, D.C. 20001

MPA
1211 Conn. Ave., NW
Suite 610
Washington, D.C. 20036

OAAA
1850 M Street, NW
Suite 1040
Washington, D.C. 20036

POPAI
66 N. Van Brunt St.
Englewood, NJ
07631

this year the FTC entered into a consent agreement with the American Tobacco Company, settling charges over tar and nicotine content claims for Carlton cigarettes. In 1992, the FTC entered into a consent agreement with Pinkerton Tobacco regarding sponsorship of sporting events broadcast on television. In 1988, the Commission also entered into a consent agreement with R.J. Reynolds settling charges over advertising claims regarding the health effects of smoking. Under the strong and active leadership of FTC Chairman Robert Pitofsky, the FTC undoubtedly will continue to regulate actively false and deceptive tobacco advertisements.

- **Given that the FDA is failing to meet its current regulatory obligations, it does not make sense to give the FDA this additional--and contentious--responsibility.** The FDA has many important responsibilities. In recent months the FDA has been repeatedly criticized for, among other things, failing to meet statutory deadlines for product approvals. If the FDA sought to regulate tobacco advertising under its current statutory authority, the agency also undoubtedly would face time-consuming, high-profile First Amendment litigation. Adding to the agency's rigorous workload in this manner would only weaken the agency and distract it from carrying out its existing mandates.

- **The decision whether to regulate tobacco under the Federal Food, Drug and Cosmetic Act (the "Act") is one that should be made by Congress.** For the last ninety years, the FDA and other regulatory agencies have agreed that tobacco does not fall within FDA's jurisdiction under the Act. Therefore, any decision to bring tobacco within the jurisdiction of the Act represents a fundamental change in policy. Such a decision should be made, if at all, by the legislative branch.

- **The FDA has a complementary yet very different mandate than the FTC.** Pursuant to its dual mandate of protecting consumers and promoting competition, the FTC balances consumer protection against benefits to competition when regulating advertising and promotion. In contrast, the FDA, which has jurisdiction over, and expertise in, the regulation of foods, drugs, medical devices, biologics, cosmetics and related products, does not consider the benefits of advertising when imposing restrictions on them.

Given its mandate to regulate products, not their advertisement and promotion, the FDA generally lacks the expertise necessary to regulate the advertising and promotion of such products appropriately. As a result, with several narrow exceptions, the FTC

regulates the advertising and promotion of products within the FDA's jurisdiction. When the FTC regulates the advertising of products within FDA's jurisdiction, the FTC should continue to exercise its regulatory authority in consultation with the FDA.

- **Labeling and advertising serve fundamentally different functions in the marketing process and should not be regulated in the same manner.** An advertisement serves to provoke the consumer's interest in a product by providing the consumer with basic information about the product's most appealing benefits. A label, on the other hand, provides detailed information about the product, allowing the consumer to make side-by-side comparisons at the point of purchase.

  The FDA has sought to expand the scope of the agency's jurisdiction and inappropriately regulate advertising as labeling. For example, the FDA often regulates point-of-purchase advertising, such as shelf talkers and promotional displays, as product labeling. While a product's advertising should not contradict its labeling, neither should it be bound to the regulations governing labeling. If a product's advertising does contradict its labeling, making the advertisement untruthful, the FTC has the authority to take action against the violator.

- **Given the opportunity to regulate product advertising, the FDA would likely go beyond the regulation of false, misleading or deceptive advertising and regulate truthful, nondeceptive speech.** In fact, the FDA is currently involved in litigation challenging the constitutionality of its restrictions on drug promotion activities. Just as consumers may be harmed by the presence of a deceptive claim, they may also be harmed by the absence of a truthful claim. FDA currently regulates the advertising and promotion of such items as prescription drugs. However, FDA's regulation of such advertising reduces the flow of truthful information about the legal products it regulates and frequently violates the First Amendment.

- **The Constitution provides significant protection for commercial speech.** The Supreme Court has repeatedly reaffirmed that commercial speech is entitled to substantial protection under the First Amendment. Restrictions on lawful, nonmisleading commercial speech must (1) serve a substantial government interest; (2) be narrowly tailored to directly advance their intended purpose; and (3) must not be more restrictive than necessary.

Advertising should be truthful. **If, however, advertising is untruthful, the FTC has the expertise, authority and willingness to take action. Allowing the FDA to regulate**

product advertising and promotion will undoubtedly result in reducing the overall flow of truthful information about the products under FDA's jurisdiction. As the United States' foremost authority in the area of advertising and promotion, the FTC clearly remains the appropriate regulator of such activity. As you consider your response to the FDA's recommendations regarding tobacco products, we hope you will keep these issues in mind.

Sincerely,

Jeffry L. Perlman
Senior Vice President Government Relations
American Advertising Federation

George Gross
Executive Vice President
Magazine Publishers of America

Harold A. Shoup
Executive Vice President
American Association of Advertising Agencies

Ruth Segal
Executive Vice President
Outdoor Advertising Association of America

Daniel L. Jaffe
Executive Vice President
Association of National Advertisers, Inc.

Richard K. Blatt
President and Executive Director
Point-of-Purchase Advertising Institute

Original sent to JAD for redo.
J. Arons
7/28/95

THE WHITE HOUSE

WASHINGTON

July 26, 1995

The Honorable Terry E. Branstad
Governor of Iowa
Des Moines, Iowa 50319

Dear Terry:

Thank you for sharing your views regarding U.S.-Japan trade relations. I appreciate knowing your perspective.

For 20 years, the United States has tried unsuccessfully to open Japan's auto and auto parts market. After 20 months of negotiations, on June 28, U.S. and Japanese negotiators came to an agreement that represents a significant step toward fundamental change in U.S.-Japan automotive trade.

This agreement is based on the principle that trade must be a two-way street. Japan will take specific steps that should increase the number of dealers selling non-Japanese cars by 200 next year and 1,000 over the next five years. Japan will also begin to undo the rigid regulations of its market for repair parts, thereby breaking the stranglehold Japanese manufacturers have had over repair shops and garages. Finally, Japanese carmakers will expand their production in the United States and buy more American parts both here and in Japan. These measurable plans should increase purchases of American car parts by almost $9 billion by 1998 -- a 50-percent increase.

This breakthrough furthers free trade throughout the world and means tens of thousands of new jobs for American workers. I look forward to your continued involvement.

Sincerely,

T—
Letter needs editing—
this should reference
agricultural exports
as well as autos.
I agree— Phil

#113004

2325299

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

May 24, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President,

Representing a Midwestern state in which seventeen percent of our beef production is sold in the Japanese market, I have some serious misgivings about your proposed trade sanctions. My gravest concern is that a trade war may ensue -- a trade war which would devastate Iowa agriculture.

The approach the United States has been taking -- one of tough negotiations -- has worked slowly, but successfully. Over the years, we have been able to open up Japanese markets for beef, citrus, and apples. And I have been told by our Embassy agriculture attaché that great food export opportunities exist in Japan. Without argument our biggest hurdle is changing the mind set of the Japanese, but that is best accomplished through sound trade policy and market forces.

In terms of the automobile industry, the problem appears to be correcting itself as the weak dollar lowers the cost of U.S. goods sold in Japan thereby expanding our market share. On the other hand, the strong yen is driving the price up on Japanese cars well beyond what the average American car buyer is willing to spend. Given this market reaction, I question how wise it is at this time to discard current trade policy in favor of a strong-armed approach which more than likely will result in retaliation.

As you may recall, the United States tried a similar embargo tactic against Russia. The Carter Administration thought it would teach the Russians a lesson for going into Afghanistan. In response, Russia simply turned to Hungary and other eastern European countries for grain. The big loser was the American farmer.

This time around, the scenario is the same, but the players have changed. If we impose an extreme tariff on Japanese luxury cars, the Japanese will expand into other markets in the world while U.S. car dealerships fold putting Americans out of work. The big loser will be American car dealers and their employees. An even graver consequence could result if Japan retaliates against American food exports. Beef, pork, soybeans and corn would all suffer and the effect on the American farmer could be devastating.

Before proceeding any further with changes in trade policy, I ask that you weigh the economic message you wish to relay to Japan against the possible loss of Americans jobs and incomes. Families in Iowa and throughout the nation will feel the impact of your decision.

I would appreciate the opportunity to discuss this with you further.

Sincerely,

Terry E. Branstad

Terry E. Branstad
Governor of Iowa

Original sent to JAD for redo. J. Arons 7/28/95

EC

JAD Lackritz/Fink letter (USTR cleared)

WHITE HOUSE
WASHINGTON

TO: JD

July 26, 1995

Mr. Marc E. Lackritz
Mr. Matthew P. Fink
Securities Industry Association
and Investment Company Institute
1401 I Street, N.W.
Washington, D.C. 20005

Dear Marc and Matthew:

Thank you for your letter regarding WTO financial services negotiations. I appreciate knowing your concerns.

As you know, last month my Administration announced its decision to provide foreign companies with MFN treatment regarding their existing operations; however, this decision does not offer the same MFN commitment to the future operations of existing companies or to new entrants to the U.S. market.

My Administration recognizes the importance of keeping U.S. firms strong and competitive. As we work to improve the world's financial services markets, I look forward to your continued involvement.

Sincerely,

T-
should this
be 2 sep.
letters?
PM

Securities Industry Association

INVESTMENT COMPANY INSTITUTE

95 JUN 28 AM 11:04

June 28, 1995

The Honorable William Jefferson Clinton
The President of the United States
The White House
Washington, DC 20500-2000

Re: WTO Financial Services Negotiations

Dear Mr. President:

On behalf of the Securities Industry Association and the Investment Company Institute we are writing to express our serious concern regarding the status of the WTO financial services negotiations. We appreciate your Administration's strong efforts over the past few years to open foreign financial markets to our firms. During the negotiations, our position has been consistent – the U.S. must achieve substantial liberalization in commercially important developed and developing countries or must prevent countries that fail to put forth adequate offers from taking advantage of our open markets. Despite the best efforts of our negotiators, however, prospects for liberalization appear dim.

We strongly urge the Administration to remain steadfast in its commitment to take an MFN exemption for financial services, as is our explicit legal right under the Uruguay Round Agreement. It is critical that the U.S. preserve its leverage – access to the U.S. markets – for future negotiations. Otherwise, we will assume a legal obligation to keep our markets open to all, and lose the unique leverage we have today to secure comparable access to important and growing markets. Such a result is simply unacceptable.

Opening foreign markets for U.S. financial service firms would strengthen one of the most competitive U.S. industries -- a sector that employs nearly 5.5 million individuals. If, therefore, an agreement that offers true liberalization cannot be achieved, we urge the United States to take an MFN exemption and to harvest -- through bilateral or plurilateral agreements -- the good offers that have been put forward.

Sincerely,

Marc

Marc E. Lackritz
President
Securities Industry Association

Matthew P. Fink

Matthew P. Fink
President
Investment Company Institute

Jim Dorskind

Please coordinate the reply.

THE PRESIDENT HAS SEEN
7.27.95

THE WHITE HOUSE

WASHINGTON

95 JUL 25 P4:09

July 17, 1995

RECOMMENDED TELEPHONE CALL

TO: Donald Sioss, National Commander
Disabled American Veterans
(702) 732-5111 (Las Vegas Hilton Hotel)

DATE: July 26, between 8:00 and 9:00am, Pacific Coast Time
11am - 12pm EDT

RECOMMENDED BY: Alexis Herman
Bob Jones

PURPOSE: To congratulate Mr. Sioss on the occasion of DAV's 74th Annual Convention and reaffirm the Administration's commitment to the nation's veterans. Thank the 5,000 DAV members attending the Convention in Las Vegas for their service and dedication to America's veterans. The Administration appreciates the help and guidance DAV provides to Secretary Brown and VA. The Administration recognizes the leadership position DAV has taken to secure benefits and services for veterans. The Administration is committed to treating veterans fairly in the budget process and looks forward to working with DAV in an effort to maintain a veterans' benefits and health care system worthy of those who sacrificed so much for their country.

BACKGROUND: Donald Sioss is a Vietnam Army veteran who lost his leg in service. The DAV is the nation's third largest veterans service organization with a membership of approximately 1.2 million. At their annual convention, the DAV formulates their positions on key issues such as health care, employment, and national security. DAV has been supportive of the Administration. The President was invited to the convention. The Vice President addressed the convention on Sun, July 23.

TOPICS OF DISCUSSION: 1. Acknowledge the efforts of the organization and thank the organization for support on the budget.

7.27.95

Call not made - letter to be sent. b

2. Reaffirm your commitment toward veterans issues including: protection of services for veterans; support for veterans preference; and continuing the search for POW/MIA information.

CONTACT PERSON AND TELEPHONE NUMBER: Arthur Wilson, National Adjutant
(202) 554-3501

DATE OF SUBMISSION: July 25, 1995

ACTION: _____

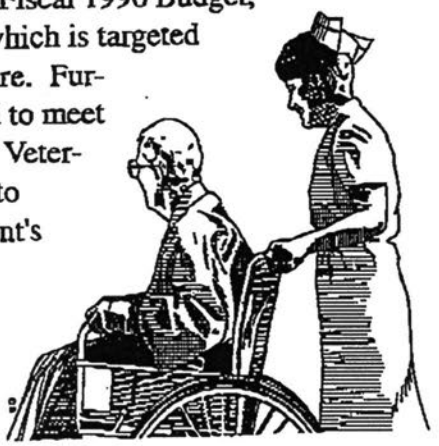
Veterans Benefits and Services

IMPACT OF ADMINISTRATION, CONGRESSIONAL FUNDING PROPOSALS

President

The President has proposed a 10-year plan to eliminate the deficit, while protecting critical programs. He has proposed no new cuts in veterans' entitlements.

The President has recommended a $1.3 billion increase in VA's Fiscal 1996 Budget, nearly $1 billion of which is targeted to veterans' health care. Further, he has promised to meet with the Secretary of Veterans Affairs annually to review the Department's needs and treat veterans fairly in each year's budget.



Congress

Congress has adopted a budget resolution containing a 7-year plan to eliminate the deficit, which would be devastating to veterans' programs.

That congressional budget resolution essentially freezes VA's funding for Fiscal 1996 at 1995 dollar levels. The consequences of the budget resolution would be: eliminating 3,200 health care positions in 1996 and 61,000 by the year 2002; forcing closure of at least two hospitals in 1996 and 41 hospitals by 2002; denying care to 55,000 veterans in 1996 and more than 1,000,000 by 2002; raising many poor and service-connected veterans' copayments for medication to $5 in '96 and '97 and to $8 thereafter; canceling approximately 40 construction projects needed to bring VA hospitals up to community standards. The congressional budget also eliminates compensation for certain incompetent service-connected disabled veterans.

THE '96 VA FUNDING PROCESS CONTINUES . . .

The Congress must decide how it will carry out the cuts required under its budget. A budget is simply a blueprint; the appropriations and legislative processes determine what cuts are actually made.

The House Appropriations Committee has approved a $499 million increase over Fiscal 1995 for VA medical care . . . but that is misleading. A significant portion of this increase has been taken from other vital veterans' programs. For instance, the Committee voted to take $170 million from certain incompetent veterans with service-connected disabilities, a particularly vulnerable group. The committee also took $171 million from VA major construction, which will result in the cancellation of long-planned hospitals in Brevard County, Fla., and Travis, Calif. The Committee also cut $57 million from the administration of veterans benefits, which will cripple VA's efforts to streamline benefits claims processing. The budget cut would eliminate more than 489 positions in 1996 and 2,000 by the year 2002, seriously hampering VBA efforts to reduce claims processing time and delaying vocational rehabilitation services.

The House Appropriations Committee health care funding level fails to provide for inflation. Even with what the Committee considers an increase, VA cannot maintain its current level of services. Fewer veterans would receive health care.

The full House of Representatives must approve the Committee's proposal, and the Senate must undertake a similar procedure. This will take place within the next two months.

LEWIS MANILOW

THE PRESIDENT HAS SEEN
7.27.95

19820 South Wolf Road Mokena, Illinois 60448 Telephone 312-654-1900 FAX 708-479-8587

95 JUL 19 P3:10

July 10, 1995

President William Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Dear Mr. President:

Seeing you and Hillary in Chicago recently was a happy and important time for Susan and me. Both of you seem to be in good spirits, understand the situation and are looking forward to the battles that must be fought.

Your speech was marvelous, like those of 1992. It clearly set forth differences in principle and defines those positions that must be defended. It was optimistic about America's future and proud of its people and its past. It was partisan without being unfair, cliched or disrespectful. It reminded us why we are Democrats and how we can keep faith with America's fundamental values.

Mr. President, I continue to believe that, above all, the country is now demanding great leadership, which you have the unique ability to provide. To paraphrase the old joke about the three most important things for success in real estate - location, location, location - the three most important things in Presidential politics today are leadership, leadership, leadership.

Truly,

Lewis Manilow

LM:jg

POTUS Should see this.
Patty

BILL CLINTON

July 14, 1995

Mr. Lew Manilow
Mrs. Susan Manilow
1900 North Howe Street
Chicago, IL 60614

Dear Lew and Susan:

Thank you for serving as a Co-Chair of the Illinois Presidential Dinner and for making the event such a tremendous success. Your leadership and tireless efforts are helping to give us the resources we need to communicate our message of accomplishment to all Americans.

Your support of my Administration and of the Clinton-Gore '96 Primary Committee has proved critical to our efforts and will be increasingly important in the coming months.

Thanks again for always being there when you're asked to help out. I look forward to continuing to work with you.

Hillary and I send our warmest regards and hope to see you again soon.

Sincerely,

Bill Clinton

P.O. Box 19100 WASHINGTON, D.C. 20036-9100
Paid for by the Clinton/Gore '96 Primary Committee, Inc. Contributions to Clinton/Gore '96 are not Tax Deductible

THE WHITE HOUSE
WASHINGTON

July 25, 1995

Mr. President:

These letters crossed in the mail.

Todd Stern

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

7.27.95

Do you want to discuss w/ Mack.

Pls see me re this

ASAP

BC

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
7.27.95

95 JUL 18 A9:36

July 17, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: MACK McLARTY

SUBJECT: OSCAR WYATT

From time to time you and I have visited briefly about Oscar Wyatt's request to see you. Per Harold's recent memorandum (attached) and other feedback I have had from Bill White and Truman Arnold, I recommend you call Oscar in the next week. I think your touching base with him by phone and getting his views on a number of issues is the right way to handle this matter. Oscar has some keen insights that are worth hearing, and I am sure he will present them to you in his usual colorful manner.

Given that this matter has slipped a bit, I strongly urge you to call him within the week, and I would appreciate it if Nancy or Betty would let me know when you have made contact with Oscar.

If you would like to discuss further, I am, of course, available to do so.

Attachment

cc: Leon Panetta
Harold Ickes
Bill White

THE WHITE HOUSE

WASHINGTON

Potus phone call

5 July 1995

MEMORANDUM TO MACK MCLARTY

FROM: Harold Ickes (HI)

SUBJECT: Oscar Wyatt

Mack, I understand through other channels that Oscar Wyatt is again complaining that he has no access to the President. Based on our discussion of several months ago about him, I assume that there is no need for him to meet with the President?

Let me know.

The Anniston Star

"Alabama's Largest Home-Owned Newspaper"

95 JUL 27 AM : 35

Office of the Editor and Publisher

July 18, 1995

The President
The White House
Washington, DC 20500-2000

Dear Mr. President:

Your genuine and helpful speech on religion in schools deserves the applause it received. I'm enclosing a footnote from Justice Black's Engle vs. Vitaly together with my editorial on the subject in hopes it will be useful to you and Dick.

Judge Black was a great teacher and friend to Josie and me, and I hope that one day you may include him among those to receive a posthumous U.S. Medal of Freedom Award. Again, please don't feel it's necessary for you or your staff to answer every letter from me, but I do hope Josie and I will be able to see you and our Washington friends before too long.

Cordially,

H. Brandt Ayers
HBA: bjh
Enclosure
cc: The Hon. Richard Riley

7/27/95

Todd -
Should we send to Jim Dorskind for appropriate handling?

Yes ———

No ✓

TREM

216 West Tenth Street • P.O. Box 189 • Anniston, Alabama 36202
Telephone (205) 236-1551 or 238-9556 • FAX 231-0027

mental activity which New York has attempted here. These men knew that the First Amendment, which tried to put an end to governmental control of religion and of prayer, was not written to destroy either. They knew rather that it was written to quiet well-justified fears which nearly all of them felt arising out of an awareness that governments of the past had shackled men's tongues to make them speak only the religious thoughts that government wanted them to speak and to pray only to the God that government wanted them to pray to. It is neither sacrilegious nor anti-religious to say that each separate government in this country should stay out of the business of writing or sanctioning official prayers and leave that purely religious function to the people themselves and to those the people choose to look to for religious guidance.[1]

It is true that New York's establishment of its Regents' prayer as an officially approved religious doctrine of that State does not amount to a total establishment of one particular religious sect to the exclusion of all others—that, indeed, the governmental endorsement of that prayer seems relatively insignificant when compared to the governmental encroachments upon religion which were commonplace two hundred years ago. To those who may subscribe to the view that because the Regents' official prayer is so brief and general there can be no danger to religious freedom in its governmental establishment, however, it may be appropriate to say in the words of James Madison, the author of the First Amendment:

> [I]t is proper to take alarm at the first experiment on our liberties. . . . Who does not see that the same authority which can establish Christianity, in exclusion of all other Religions, may establish with the same ease any particular sect of Christians, in exclusion of all other Sects? That the same authority which can force a citizen to contribute three pence only of his property for the support of any one establishment, may force him to conform to any other establishment in all cases whatsoever?

[1] Editor's Note: At this point the opinion included the following footnote:

There is of course nothing in the decision reached here that is inconsistent with the fact that school children and others are officially encouraged to express love for our country by reciting historical documents such as the Declaration of Independence which contain references to the Deity or by singing officially espoused anthems which include the composer's professions of faith in a Supreme Being, or with the fact that there are many manifestations in our public life of belief in God. Such patriotic or ceremonial occasions bear no true resemblance to the unquestioned religious exercise that the State of New York has sponsored in this instance.

Public prayer

Faith goes to school

PRESIDENT CLINTON helped school boards all over the country cut through the fog of confusion over what place religion has in the school, except for the tricky question of how to begin the school day — if not a prayer or a moment of silence, then what?

When his guidelines reach school superintendents' offices this summer, principals throughout the nation will be much clearer about what religious practices are allowed (a lot) and which are not (very few).

In essence, the President said "nothing in the First Amendment converts our public schools into religion-free zones, or requires all religious expression to be left behind at the schoolhouse door."

However, he went on to say that the courts have drawn a line: "The right to engage in voluntary prayer or religious discussion free from discrimination does not include the right to have a captive audience listen or to compel other students to participate...in religious activity."

That line was emphatically drawn first by a former teacher of the Baraca Class at the First Baptist Church of Birmingham, Associate Justice Hugo L. Black of the U.S. Supreme Court in his thoroughly misunderstood, so-called "Prayer Decision," *Engel v. Vitale* , decided in 1962.



All his decision said was that neither national, state nor local government can write prayers and force students — or anyone else — to recite the official government prayer.

Judge Black was a student of history and human nature. He reminded us that one of the major reasons our forefathers left England was that everyone there had to belong to and believe the doctrines of the Episcopal Church, the Church of England.

Early Americans, the former Alabama senator noted, sought freedom from the State Religion of England, but they brought with them the natural and perverse human tendency to require others to conform to their beliefs — if they can enforce obedience.

Eight of the original 13 colonies proved that Americans would abuse government authority if they could — each one had an official state-sanctioned religion. So important is the principle embodied in the line between church and state that Thomas Jefferson listed authorship of the Statute of Virginia Religious Freedom as one of his three greatest accomplishments. Being President didn't make the list.

Which brings us back to the question of that awkward silence at the beginning of the school day. Justice Black, in a footnote to *Engel v. Vitale* said that school children should be "officially encouraged to express love for our country by reciting historical documents... which contain references to the Deity..., singing officially espoused anthems which include the composer's professions of faith..., or with the fact that there are many manifestation in our public life of belief in God."

Imagine what impact it would have on the character of our children to have their heads and souls filled at the beginning of every school day with God and the majestic language of such patriotic documents as the Declaration of Independence.

WOULDN'T THAT be an improvement over a moment of silence, or some neutered, non-denominational, pureed prayer composed by a committee!

tum of gall.

With the advent of the Republican ascendancy in Congress, the hopper is crammed with plans embodying the immortal dictum of former Attorney General Ed Meese that the progressive income tax is "immoral" because it operates on the Robin Hood principle. House Majority Leader Dick Armey, a former

— an even tighter box t federal fisc in than the budget amendment.

The Gephardt plan giv indication of having been together on a slow afterno beer or two. The cong renunciation of tax would probably mean pinch Congress would tur or "luxury" taxes, fatal i

Speak out...Hov

I'M WRITING in response to a disturbing practice that the state of Alabama has chosen to implement again — the chain gang. There are many reasons for doing away with this method of punishment and I would like to mention a few.



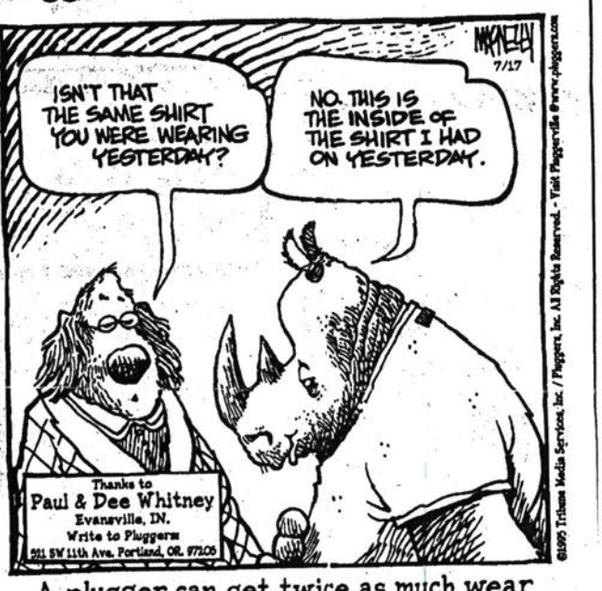
First of all, it is degrading. Yes, prison is necessary to punish lawbreakers — be it first time or repeat offenders. But going out of bounds by stripping inmates of their basic dignity never produces better adjusted individuals upon release back into society. And it never will.

Another has to do with precisely who is shackled in leg irons. Most of the 300-plus are poorly educated repeaters and are disproportionately black.

For this reason alone, let's either do away with this practice entirely or chain together Charles Keating, Ivan Boesky and Edward McBirney and force them to clean Alabama's roadways in the searing, unrelenting heat. After all, these three men alone ruined more lives than all of the prisoners doing 12-hour-a-day labor combined.

Moreover, this appear tle more than a political In short, it's a way for to say see, we are doing with your penal dolla crime. True, the state's be cleaner and the inma in order. But I guarante this form of humiliatic the long run, end u Alabama, as it will have angrier, more emb cons to deal with. And of those incarcerated d society at some point.

Pluggers



A plugger can get twice as much wear out of a favorite T-shirt.

7/26/95 4 p.m.

THE PRESIDENT HAS SEEN
7-27-95

PRESIDENT WILLIAM JEFFERSON CLINTON

STATE VISIT OF PRESIDENT KIM

ARRIVAL STATEMENT

THE WHITE HOUSE

JULY 27, 1995

THE PRESIDENT HAS SEEN
7-27-95

President and Mrs. Kim; members of the Korean delegation: welcome to Washington.

Let me extend a special greeting to the many Korean-Americans ~~who are with us today~~, who contribute so much to America's strength and diversity. Thank you for being here.

The Republic of Korea and the United States are joined by a history of shared sacrifice and a future of common purpose. Today, President Kim and I will pay tribute to that past and continue our work toward that future.

5

Mr. President, your great personal sacrifice and single-mindedness of purpose helped return democracy to your country for the first time in three decades. Since your election two and a half years ago, South Korea has matched incredible economic success with remarkable political progress.

6

And in so many areas -- from regional security to expanded trade... from peacekeeping to diplomacy -- you have strengthened the partnership between our nations.

7

Today, I reaffirm America's pledge to stand by that partnership. Our forces will remain in Korea as long as the Korean people want them to.

8

Ultimately, the North-South dialogue and the future of the Korean peninsula are in the hands of the Korean people. But you will always have the support of the United States.

9

Together, we have made great progress. With Japan, we secured an agreement from North Korea to end its dangerous nuclear program.

10

With other Northeast Asian nations, we are strengthening our security alliances so that a region too often torn apart by war knows a future of peace. And we are taking historic steps to make trade and investment more free throughout the Asia Pacific area so that our people know a future of prosperity.

11

South Korea is and must remain a vital leader in these efforts -- all of which are on our agenda today.

12

Today, President Kim and I will commemorate the foundation of our partnership when we dedicate the Korean War Veterans Memorial.

13

The monument pays tribute to those Americans who fought with South Koreans in defense of their land. And it stands as evidence of an unshakable alliance between our nations -- an alliance that today is stronger than ever.

14

Mr. President, we are glad to have you with us. Welcome back to the White House. Welcome back to America.

7/26/95 4 p.m. THE PRESIDENT HAS SEEN 7-27-95 DRAFT

ORIG / MINUS FROM

PRESIDENT WILLIAM JEFFERSON CLINTON

STATE VISIT OF PRESIDENT KIM

ARRIVAL STATEMENT

THE WHITE HOUSE

JULY 27, 1995

THE PRESIDENT HAS SEEN 7-27-95

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8

Ultimately, the North-South dialogue and the future of the Korean peninsula are in the hands of the Korean people. But ~~they~~ you will always have the support of ~~a helping hand from~~ the United States ~~as they work toward lasting peace, reconciliation and security in Korea and throughout Asia~~.

8

Ultimately, the North-South dialogue and the future of the Korean peninsula are in the hands of the Korean people. But you will have the support of the United States.

9

Together, we have made great progress ~~toward these goals~~. With Japan, we secured an agreement from North Korea to end its dangerous nuclear program -- ~~which already is frozen under international inspection~~.

With other Northeast Asian nations, we are strengthening our security alliances so that a region too often torn apart by war knows a future of peace. And we are taking historic steps to make trade and investment more free throughout the Asia Pacific area so that our people know a future of prosperity.

South Korea is and must remain a vital leader in these efforts -- all of which are on our agenda today.

Today
President Kim and I also will ~~commemorate the foundation of the partnership between our nations~~ commemorate this forward-looking partnership when we dedicate the Korean War Veterans Memorial.

The monument pays tribute to those Americans who fought with ~~the sons and daughters of~~ South Korea's in defense of their land. ~~It reminds us of all that we sacrificed, together, for freedom~~. And it stands as evidence of an unshakable alliance between our nations -- an alliance that today is stronger than ever.

Mr. President, we are glad to have you with us. Welcome back to the White House. Welcome back to America.

Fyi

Jim -

I thought draft you brought in was not really adequate to the moment -- this was going to be read in the Oval with Potus standing there. I thought we needed a little lift & eloquence. Unfortunately, there was no time to go back & forth -- so I just did it & gave it to Tim.

Todd

Carl -

To do

pls copy

for me

T.

The President of the United States of America

Presents the

Congressional Space Medal of Honor

to

JAMES ARTHUR LOVELL, JR.

From his days as a Navy test pilot to his brilliant career as a pioneer in space, Captain James Arthur Lovell, Jr., USN (Ret.), has embodied the finest American tradition of courage and resolve. He piloted Gemini 7 in 1965 and commanded Gemini 12 the next year. Later, he served as Command Module Pilot on the epic voyage of Apollo 8, the first human mission to orbit the Moon. Finally, as Commander of Apollo 13 in 1970, his second mission to the Moon, he brought his crew safely home through a near-fatal crisis, demonstrating the kind of resourcefulness, grit, and grace under pressure that is the province of true heroes. By his bold efforts to extend humanity's reach, Captain Lovell has left an enduring legacy.

The White House
Washington, D.C. July 26, 1995

William J. Clinton

Captain James A. Lovell, USN (Retired), has been a true pioneer. Repeatedly ~~visiting~~ braving the vast frontier of space, he piloted Gemini VII, commanded ~~the~~ Gemini XII, ~~mission~~, and served as Command Module Pilot on Apollo VIII's epic maiden voyage to the Moon.

As Commander of Apollo XIII in 1970, Captain Lovell became the first human ever to journey twice to the Moon and helped to prove our ~~program's~~ ability to overcome a crisis in space and return a crew safely to Earth.

By his unprecedented achievements to extend humanity's bold reach, Captain Lovell has left an enduring legacy.

9 # words

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: July 24, 1995

95 JUL 26 A10 : 11

Date of Request: 06/16/95

Request for: POTUS/FLOTUS

Type of Request: Honorary Patrons

Requestor Name: Mrs. Bill Archer

Title: Co-Chair

Organization: National Multiple Sclerosis Society
2021 K Street, N.W.
Suite 100
Washington, D.C. 20006-1003

Contact Tel. #:

Event Date: 9/28/95

Event Description: 1995 Ambassadors Ball

Notes: The gala will benefit the National Multiple Sclerosis Society and will honor the Ambassadorial Corps. The President and First Lady accepted in 1994 and regretted in 1993.

Recommendations:

MW _____ TS OK EB _____

Please return to Room 457

okay from Maggie Williams
Form letter

Ginny Angelo
202-296-5363

Jessica would call

rec'd 7/7/95
JRA

June 16, 1995

The President of the United States
and Mrs. Clinton
The White House
Washington, DC 20500

My dear Mr. President and Mrs. Clinton:

As Co-Chairs of the 1995 Ambassadors Ball, we are writing to ask that you once again serve as Honorary Patrons of this gala to benefit the National Multiple Sclerosis Society. In addition, Mr. President, we hope that you will agree to give the traditional "Toast to the Diplomatic Corps."

The 1995 Ambassadors Ball will be held on Thursday, September 28th at the Grand Hyatt Washington. An institution in the Washington area for seventeen years, the Ball honors the Ambassadorial Corps for their support of so many charitable activities and humanitarian endeavors that take place in our city. It also allows us to welcome the newly assigned Ambassadors to our nation's capital and make them feel a part of our political, business, and social communities.

We would be delighted if your schedule permits you to join us for all or part of the Ambassadors Ball. The festivities will begin with a reception at 7 p.m. Dinner will be served at 8 p.m. in the Ballroom, and will be followed by the program, which will begin with a "Toast to the Diplomatic Corps."

Your continuing support of the Ambassadors Ball is very much appreciated. Once again, we would be honored if you could attend, or if only to have your Honorary Patronage. We look forward with high hopes of having you join us for what promises to be a very exciting evening.

Sincerely,

Sharon Archer

Mrs. Bill Archer
Co-Chair

Mrs. John B. Breaux
Co-Chair

Approved for transmission by Todd Stern

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Neal Comstock

Fax Number: 622-0064 ⟷ **Phone Number:** 622-0073

FROM: Carol Cleveland

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet): 4

MESSAGE:

If all pages are not received, please call 202/456-2702

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

122012

July 5, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

Shortly after you were elected President, many of us wrote to you about the need to reform substantially the corporate Alternative Minimum Tax (AMT). We continue to believe that additional AMT reform is critical to long-term economic growth and hope that it can be accomplished this year.

Although Congress adopted changes in 1993, they did not go as far toward reducing the AMT penalty on investment for many basic manufacturing assets as your original budget proposal. Even with those changes, most U.S. companies making large investments are still subject to the worst cost recovery system in the industrialized world.

Technology is rapidly advancing, but many of us are paying a great penalty for simply trying to provide our workers with the best possible tools to compete in a fiercely competitive global marketplace. We are concerned that as a nation we are not replacing this country's capital stock at a fast enough pace to maintain U.S. competitiveness. AMT reform is an essential first step toward making it more affordable for companies to undertake new investment.

We believe significant AMT reform is necessary now, especially with the recent news of slower than expected growth, to prevent the negative effect of the AMT on job-creating investment. Whether we like it or not, the strength of our economy is subject to cycles. The AMT hits hardest and has its most negative effect on job creation and economic growth at a time the country and the individual company can least afford it, during a downturn. As Congress considers proposals to rectify the anti-capital bias of the AMT, we urge your Administration to give favorable consideration to AMT reform.

Sincerely,

John R. Hall
Chairman & CEO
Ashland Inc.

Curtis H. Barnette
Chairman & CEO
Bethlehem Steel Corporation

John D. Ong
Chairman & CEO
The BFGoodrich Company

Edward A. Blair
President & General Manager
BHP Americas

George J. Harad
President & CEO
Boise Cascade Corporation

John E. Jones
Chairman, President & CEO
CBI Industries, Inc.

Andrew C. Sigler
Chairman & CEO
Champion International Corporation

Jack Slevin
President & CEO
Comdisco, Inc.

E.W. Deavenport, Jr.
Chairman & CEO
Eastman Chemical Company

Ron W. Haddock
President & CEO
FINA, Inc.

Robert N. Burt
Chairman & CEO
FMC Corporation

Alex Trotman
Chairman
Ford Motor Company

James J. Glasser
Chairman & CEO
GATX Corporation

Robert J. Grow
President & COO
Geneva Steel

Frank Fairbanks
CEO
Horix Manufacturing Company

Robert J. Darnall
Chairman, President & CEO
Inland Steel Industries, Inc.

Robert C. Williams
Chairman, President & CEO
James River Corporation

David H. Hoag
Chairman & CEO
The LTV Corporation

George P. Mitchell
Chairman & CEO
Mitchell Energy & Development Corp.

Richard G. Holder
Chairman & CEO
Reynolds Metals Company

M. Anthony Burns
Chairman, President & CEO
Ryder System, Inc.

Robert H. Campbell
CEO
Sun Company, Inc.

R. C. Beach

Roger C. Beach
Chairman & CEO
Unocal Corporation

Thomas J. Usher
Chairman & CEO
USX Corporation

Neal Comstock

622-0064

for 622-0073

CAROL -

ORIGINAL INCOMING WENT TO KYLE BAKER IN DONSKIND'S SHOP ON MONDAY (JULY 24)

LEE

122012

July 5, 1995

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President of the United States
The White House
Washington, DC 20500

PH
CoBHK

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Curtis H. Barnette
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Bethlehem Steel Corporation

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Sun Company, Inc.

R. C. Beach

Roger C. Beach
Chairman & CEO
Unocal Corporation

Thomas J. Usher
Chairman & CEO
USX Corporation

THE WHITE HOUSE
WASHINGTON

July 27, 1995

TIM KEATING:

As you can see this briefing paper was received in this office at 8:41 PM. It did not make it in time to be included in the President's schedule that we forwarded to the Residence last evening. I did not forward it prior to today's meeting either.

Todd Stern

per Phil Caplan returned copy of Briefing Paper w/original of note — ree

THE WHITE HOUSE

WASHINGTON

95 JUL 26 P8:41

July 27, 1995

RECESSIONS BILL SIGNING

DATE:	Thursday, July 27
LOCATION:	Roosevelt Room
TIME:	9:00AM
From:	Pat Griffin

I. PURPOSE

To sign the rescissions bill.

II. BACKGROUND

You will be signing the rescissions bill, passed by the Senate on Friday, July 21 by a vote of 90 to 7. The bill passed the House on June 29 by a vote of 276 to 151. The bill cuts $16 billion in spending while protecting key investments in education and training, the environment, and other priorities. The bill also provides supplemental funds for FEMA, the federal response to the bombing in Oklahoma City, increased anti-terrorism efforts, and debt relief to Jordan to facilitate the progress of a Middle East peace settlement.

The bill contains some troubling provisions, such as the provisions relating to timber. However, the final bill does contain changes in the language that preserve our ability to implement current forest plans and standards and existing environmental laws.

You vetoed an earlier version this bill on June 7. The version that you will sign makes several improvements to the earlier version. For example, $105 million was restored to the Corporation for National and Community Service. This version also restores $220 million to your Safe and Drug-Free Schools initiative. For your Goals 2000 initiative, the bill you will sign restores $60 million.

III. PARTICIPANTS

Senator Dole
Senator Lott
Senator Ford
Senator Hatfield

Representative Livingston

IV. PRESS PLAN

Pool spray

V. SEQUENCE OF EVENTS

Make remarks, sign bill and depart

VI. TALKING POINTS

See Attached

TALKING POINTS

- Thank you for attending the signing of the rescission bill.

- The rescission bill that the Congress sent me, and that I will be pleased to sign, shows how we can work together to produce good legislation on a bipartisan basis that cuts spending while preserving important investments.

- This legislation will provide much-needed supplemental funds that I have sought for disaster relief activities of FEMA, the Federal response to the bombing in Oklahoma City, increased anti-terrorism efforts, and debt relief to Jordan to facilitate progress toward a Middle East peace settlement.

- I am pleased that bipartisan leaders of Congress worked with me to produce a good bill. Working together, we can continue to produce good legislation for the American people.

07/26

C.

The briefing paper for the 9:00 A.M. Bill signing came into the office at 8:41PM this evening. Todd had already prepared an information memo to the POTUS that I was to just put in the front flap of the POTUS notebook. Since briefing paper was rec'd so late, Todd decided not to sent it tonight (OR TOMORROW) and, in the POTUS' and SG's schedule, I used Todd's memo as the briefing paper.

He told me to write a note to Tim Keating and for you to deliver it AFTER the meeting has ended.

Pls have Todd (he might be too busy with his lawyer) or Phil to read the note and see if it sounds ok -- should be harsher/milder/OK as is????

s

cc: PHIL

7/25

To Kitty Higgins - FYI

or for appropriate action

or Dorskind for a reply?

Jim -

I don't know what you want to do w/this.

T.

7/26/95

July 24, 1995

95 JUL 25 P4:46

The Honorable William Jefferson Clinton
President of The United States
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Honorable Mr. President:

Please find enclosed "Turkey Brief", a frank, comprehensive and serious critique of Small Business Administration (SBA) Disaster Loan Program.

This is presented to you as my answer to the SBA Administrator's (January 3, 1995) and the SBA Legal Counsel's (June 27, 1995) memorandums which were seeking employee suggestions regard to "how SBA should be changed and improved.....anything is superfluous, wasteful, or just plain stupid." and "....to conduct a careful page-by-page review of all current regulations to determine which should be eliminated or revised.... to simplify and streamline our regulations, forms, process and procedures...." under the President's Regulatory Reinvention Initiative, respectively.

I include all my sincere and straight forward ideas in the brief. From beginning to the end, each word is very carefully chosen by me. I take full responsibility for the total content of this critique which represents solely my personal suggestions as an employee and I support it completely.

I hope this is the response which was sought after. This is your copy. I mailed a copy of this brief to all related offices.

I will be available for further discussions if it is needed.

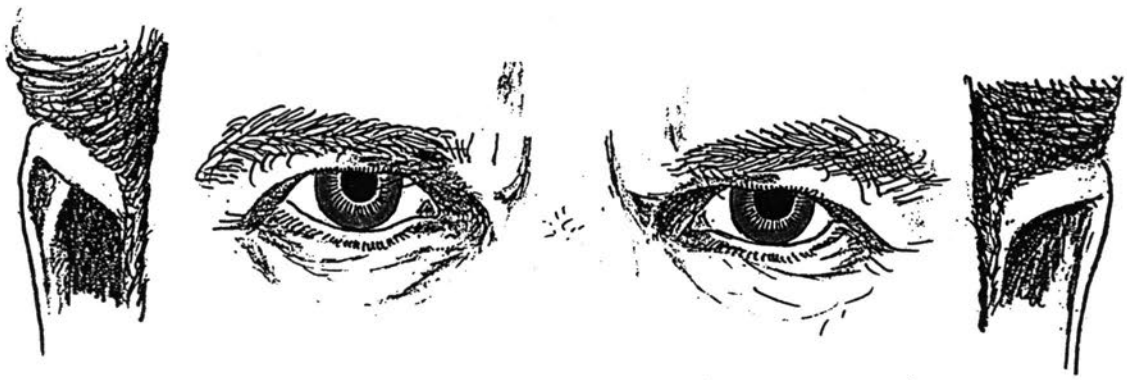
Sincerely,

Ali Riza Elmas

Ali Riza Elmas

ARE/are

cc: Phil Lader, Administrator
Bernard Kulik, Associate Administrator
John T. Spotila, General Counsel
Al Gore, Vice President of United States
Erskine Bowles, White House Staff
Alfred Judd, Area Director
Dick Nash, Area Director
Raymind Chatham, Area Director
Greta Johannson, Area Director



TURKEY BRIEF

it should be

TOP SECRET



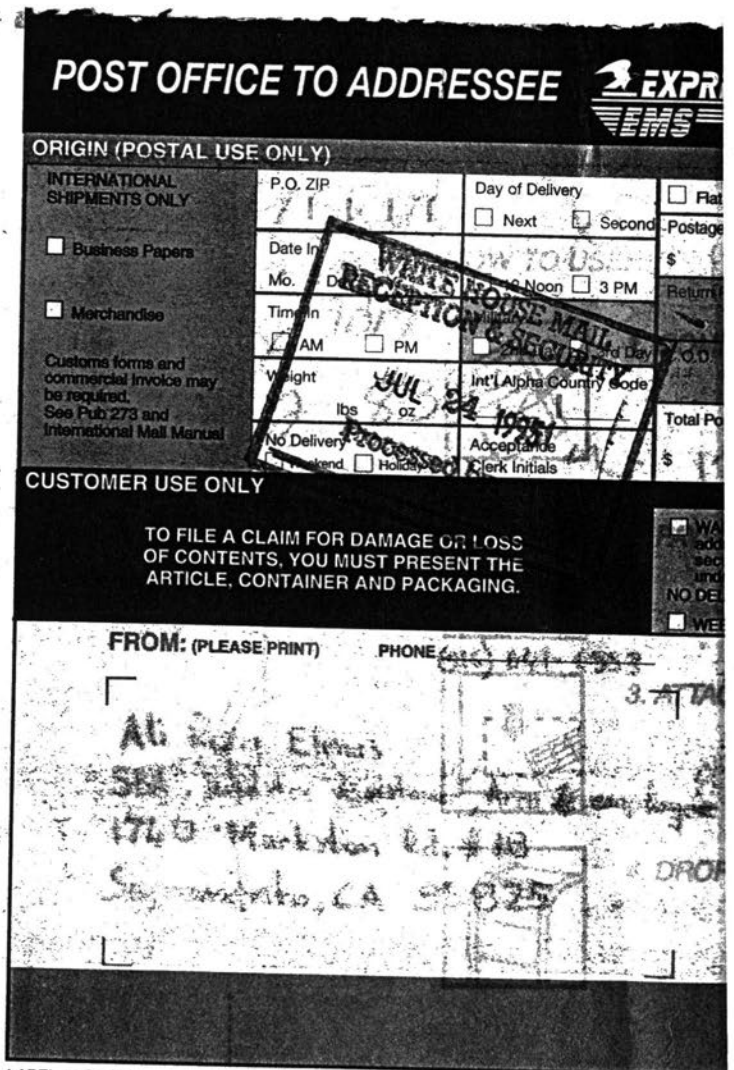
BY ALI RIZA ELMAS

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JUL 24 1995

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FROM: (PLEASE PRINT) PHONE

Al Kidd Elmo

1710 Markham Ct. #10

Simi Valley, CA 93065

LABEL 11-B 5/94

For Pickup or

7/26/95

Told -
Should we send to
T. in Denkind for
appropriate action?

Yes ↙

No ———

C.

MR PRESIDENT CLINTON, THIS IDEA WILL HELP YOUR RE ELECTION. NOT AS A CAMPAIGN ISSUE, BUT AS A SUCCESS. CONGRESS CANNOT SAY NO TO THIS IDEA.

~~General Manager~~
~~Program Director~~
~~News Room~~
~~Radio/T.V. Stations~~

Please ask your audience regarding this idea on health care funding..

PLEASE GET THIS TO THE MEDIA AND YOU WILL SAVE MEDICARE.

Would you be willing to pay $1.00 for a 99¢ item if you knew that the penny went for health care and politicians couldn't touch the money?

And would you prefer to pay taxes everyday instead of April 15th or by payroll deduction?

Would you like your insurance premium reduced?

It's possible with a 1% sales premium.

FAXED TO CONGRESS COMMITTEES
CONGRESSPERSONS
WHITE HOUSE (35 DEPTS)

Please advise your Washington representative to look in to this opportunity

or for more information contact:

CHARLES KLEIN • 3213 FLOWERTREE ROAD • ORLANDO, FL 32817
(407) 438-6433 • (809) 778-1247

95 JUL 26 A 8:13

PREMIUMS FOR THE PEOPLE...TAXES FOR THE COUNTRY

A Change In The Way We Do Government

General Manager
Program Director
News Room
Radio/T.V. Stations

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(407) 438-6433 • (809) 778-1247

PREMIUMS FOR THE PEOPLE...TAXES FOR THE COUNTRY
A Change In The Way We Do Government

PRESIDENT CLINTON

••• *Please Copy and Pass Around* •••

WOULD YOU LIKE TO RECEIVE A PARTIAL REFUND ON YOUR INSURANCE POLICY?
WOULD YOU LIKE TO SEE ALL AMERICAN CITIZENS HAVE HEALTH INSURANCE?
WOULD YOU LIKE TO HELP VICTIMS OF AIDS AND OTHER DISEASES?
WOULD YOU LIKE TO SEE ALL CHILDREN AND ELDERLY TAKEN CARE OF?

THIS IS AN IDEA TO SUBSIDIZE HEALTH CARE

AND HELP SAVE MEDICARE!

A 1% Premium

Would you be willing to pay $1.00 for a 99¢ item (with vehicles, boats, and real estate exempt) if you knew that the penny went for health care and politicians couldn't touch the money?

A 1% Premium

☛ **Please Note:**

HEALTH INSURANCE COMPANIES WOULD REGISTER ALL AMERICANS,
SOCIAL SECURITY WOULD BE THE FORM OF IDENTIFICATION,
HEALTH INSURANCE COMPANIES WOULD PROCESS ALL CLAIMS,
POLICY HOLDERS WOULD CONTINUE TO PAY PREMIUMS,
AND WITH ALL HEALTH CARE FUNDS ACCOUNTED FOR
HEALTH CARE FRAUD COULD BE STOPPED!

This idea would generate a minimum of $234 million dollars per month!

- *(Figure based on 261 million people spending only $3.00 per day per month.)*

THIS IS NOT AN IDEA FOR SOCIALIZED MEDICINE!

PREMIUMS FOR THE PEOPLE...TAXES FOR THE COUNTRY

A Change In The Way We Do Government

Please advise your Washington representative; or for more information contact:

CHARLES KLEIN • 3213 FLOWERTREE ROAD • ORLANDO, FL 32812
(407) 438-6433 • (809) 778-1247

• • • *Please Copy and Pass Around* • • •

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SOCIAL SECURITY WOULD BE THE FORM OF IDENTIFICATION,
HEALTH INSURANCE COMPANIES WOULD PROCESS ALL CLAIMS,
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(407) 438-6423 (800) 778-1247 4074386433 CHARLIE.KLEIN WED 08:49 HP P.04

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: July 24, 1995

95 JUL 26 P1 : 29

Date of Request: 5/03/95

Request for: POTUS

Type of Request: Honorary Member

Requestor Name: Mr. and Mrs. Charles Newton

Title:

Organization: Rumblers
150 Wasserman Road
Hamilton, Ohio 45013

Contact Tel. #:

Event Date: n/a

Event Description: no event

Notes: Mr. and Mrs. Newton would like to make the President an Honorary Member of their car club, the "Rumblers." In the past, it is likely that this would have been regretted.

Recommendations:

TS MM EB _____

7.26.95

Please return to Room 457

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: July 26, 1995

95 JUL 26 P1:29

Date of Request: 7/10/95

Request for: POTUS/FLOTUS

Type of Request: Honorary Chairs

Requestor Name: Mr. Tony Coelho

Title:

Organization: Equitable Center
787 Seventh Avenue
Fifth Floor
New York, New York 10019-6016

Contact Tel. #: 212/492-6423

Event Date: 9/28/95

Event Description: American Heart Association Healthy Choice American Heart Walk

Notes: The event will be the national kick-off of a major fall fundraiser for the American Heart Association. The First Lady has already accepted.

Recommendations:

MW _____ TS OK 7-26-95 EB _____

Please return to Room 457

THE PRESIDENT HAS SEEN
7.26.95

THE WHITE HOUSE

WASHINGTON

July 26, 1995

Kitty Higgins

MR. PRESIDENT:

Attached are memos from Donna Shalala and Reed/Emanuel on the proposed Massachusetts welfare waiver. Two issues are addressed: family caps and protections for recipients facing a cut-off of benefits. The negotiating deadline is August 4, but with the NGA meeting coming up, you will probably want to resolve the issue this week.

Family caps. Donna suggests that, in light of the unimpressive early results from New Jersey and the opposition of both women's and pro-life groups, "you may want to consider denying" the Massachusetts and other family cap waivers. Bruce and Rahm disagree, saying: (i) we shouldn't change course now; (ii) any bill Congress passes is almost sure to include it; (iii) it is too early to say the New Jersey cap isn't working.

Protections. Massachusetts wants a two-year limit on recipients with school-age children and then sole discretion to grant extensions. Donna wants a guaranteed extension for anyone who can't find a job (same terms applied to Virginia and other states). Bruce and Rahm agree with Donna on this -- but see a likely impasse with Massachusetts on the issue.

Family caps

Accept Mass. caps ✓ Deny___ Discuss___

Protections

Agree with HHS ✓ Agree with Mass.___ Discuss___

Todd Stern

THE PRESIDENT HAS SEEN
7.26.95

July 25, 1995

MEMORANDUM FOR THE PRESIDENT

95 JUL 26 A9:54

FROM: Rahm Emanuel
Bruce Reed

SUBJECT: The Massachusetts Waiver

The attached memo from HHS outlines two issues they would like you to resolve before granting the Massachusetts waiver: 1) whether to grant Massachusetts a family cap; and 2) what protections to demand for recipients who have been cut off. We recommend that you advise HHS to continue to allow family caps as a state option, and encourage them to negotiate the best protections they can for recipients who hit the time limit.

1. Family Cap: As you know, our welfare reform plan last year made the family cap a state option. We have granted family cap waivers to Democratic and Republican governors in eight states, in addition to the New Jersey experiment granted by Bush. Five other states have family cap waivers pending, including California, Massachusetts, and Maryland. The House Democratic alternative included the family cap as a state option; the Senate Democratic bill does not address the issue. It is virtually certain that any welfare reform bill Congress passes will give states the freedom to do this.

You should review the preliminary evidence from New Jersey and judge for yourself, but in our view, it's just too soon to tell whether the idea will have a significant impact on additional births. (Some proponents, like Assemblyman Wayne Reynolds in New Jersey, have argued all along that the importance of the family cap was not its immediate impact on illegitimacy, but its long-term signal that people on welfare must take responsibility for their actions.) In any event, with the Senate scheduled to take up welfare reform August 7, a sudden change of course on the family cap right now would give Republicans a popular issue to use against us in the debate over block grants and state flexibility.

2. Protections: The Massachusetts welfare reform plan would place a two-year time limit on welfare recipients with school-age children, after which they would be ineligible for benefits for three years. Massachusetts wants to make it a matter of state discretion whether to grant an extension to anyone who reaches the time limit and can't find a job. HHS wants an explicit guarantee. HHS would like Massachusetts to accept the same terms that were included in George Allen's Virginia waiver, which protects the children of recipients who play by the rules and cannot find a job.

We think HHS is right to seek these protections. <u>We recommend that HHS tell Massachusetts we will grant the waiver with the family cap, but with the time limit protections they negotiated with George Allen in Virginia.</u> However, you should know that the downside to this approach is that Massachusetts probably will not take that deal, which will leave us at an impasse when we reach the 120-day negotiating deadline August 4.

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUL 20 1995

MEMORANDUM TO THE PRESIDENT

95 JUL 25 P4:19

SUBJECT: Family Caps and the Massachusetts Waiver

At your meeting with representatives of Catholic Charities on Wednesday, you agreed to review the issues and the evidence on family cap policies, and to consider the Massachusetts waiver and other pending family cap waiver requests in the light of that review. This memo lays out the issues for your consideration. It also raises an additional policy question arising from the Massachusetts waiver application, and asks for your support in holding firm on protections after a time limit for families who play by the rules.

Your Executive Order targeting 120 days to reach decisions on welfare reform demonstrations would place the decision deadline for Massachusetts during the last days of July. This coincides with the NGA's annual summer gathering which you will attend and which, this year, is taking place in Vermont, a neighboring state to Massachusetts. It is, consequently, vital to reach a timely resolution on these issues.

FAMILY CAPS

Background

Family cap policies have generated controversy since New Jersey first proposed such a policy in 1992. As you know, proponents of family caps argue that increasing a family's AFDC benefits when a new child is born, as current statute requires, may encourage out-of-wedlock births and at the very least send the wrong signal about parental responsibility. Opponents of family caps argue that children will be harmed by the reduced welfare payments, that births are not likely to be deterred, and that if births are reduced, the reductions could well come from increased abortions.

In drafting the administration's welfare reform legislation, the Work and Responsibility Act, the arguments for and against family caps were carefully considered by the administration and by you personally. You decided, consistent with your own beliefs about both parental responsibility and state flexibility, that the WRA should allow family caps as a state option.

In the context of the administration's strong commitment to state flexibility, and its support for a family cap state option, HHS has considered and granted waivers for demonstrations of family caps in seven states in addition to the two states granted family cap waivers by the Bush administration. We currently have

pending five applications for additional family cap waivers, including Massachusetts. (A list of the family cap waivers that have been granted, and those that are pending, is attached.) The Massachusetts proposal was passed by its legislature with bipartisan support. Nonetheless, it has generated especially strong opposition from a variety of groups including organized labor, the mayor of Boston, a broad spectrum of legal services and advocacy groups, and, as you heard last Wednesday, the Catholic Church.

There are obvious arguments against changing course on family cap waivers at this point, given your continuing support for state innovation in welfare reform and the administration's position on family caps in the WRA. Family caps tend to have strong public support. And of course, appearing to be inconsistent on an important issue has its costs. Nonetheless, there are also compelling arguments for reconsidering our waiver policy and approving no more family cap demonstrations, starting with denial of this part of the Massachusetts waiver.

Discussion

As you know, supporters of the family cap believe that it addresses the serious issue of out-of-wedlock births through both financial incentives and strong signals about parental responsibility. They argue in addition that since working families typically do not get a pay raise when they have an additional child, it is only fair for AFDC recipients to have to face the same hard choices about having additional children when financial resources are constrained.

Opponents of family caps, among whom are both women's groups and pro-life groups, argue that the denial of benefits to children does serious harm to those children whose families receive reduced cash grants, and that there is no evidence that denying benefits will actually increase parental responsibility. They argue that working families get additional tax deductions for additional children, thus somewhat mitigating the fairness argument. They argue that decisions about sexual activity and pregnancy are highly unlikely to be influenced by the prospect of a reduced AFDC grant, and that to the extent they are influenced, the most likely effect is to increase the number of abortions. Many pro-life and religious groups are extremely concerned about a policy which they see as not supportive of a mother's choice for life and indeed implicitly encouraging of abortion.

<u>New evidence.</u> Before the family cap waiver demonstrations, evidence to support one or the other arguments was based on studies which did not specifically consider the impact of a family cap using direct experimental experience. We are now

beginning to get some early direct evidence from the evaluation of the New Jersey family cap demonstration, the only demonstration that has been running long enough to generate any reliable results. The early results show that from August 1993 through July 1994 there was no statistically significant difference in births between the experimental and the control groups. The evaluation found that 6.9 percent of the mothers subject to the family cap gave birth to an additional child during that period, and that 6.7 percent of the control group mothers not subject to the family cap gave birth to an additional child. Because the results are preliminary, they cannot be interpreted as definitive. And because they are based on experimental-control group differences they cannot speak to the question of whether a general change in attitude encouraged by the family cap reduced births for both groups. But they are solid results, in contrast to the early statements by New Jersey officials which were based on very short-term and incomplete data.

Unfortunately no solid data are available to illuminate the issue of abortions. Opponents of family caps note trend data which suggest that abortion rates appear to be slightly higher in New Jersey after the family cap provisions went into effect than before. However these trend data suffer from the same reporting biases that led others to use trend data on births as evidence of the family cap's effectiveness. If there were no decrease in births, as the experimental-control data suggest, one would not expect an increase in abortions. It is, of course, very important to continue to monitor the evaluation data to see whether increased abortions do in fact occur, as the pro-life opponents of family caps fear.

The experimental-control findings on births provide no support for those who argue that family caps are an effective policy for reducing out-of-wedlock births. They also provide a context for assessing potential harm to children from reduced AFDC grants. In New Jersey, 8444 babies have already been born to families affected by the family cap. Their families receive on average $64 or 13 percent less in benefits than they would have. The ability of the families to meet the needs of these newborn babies is therefore extremely strained.

At the national level, we know that in 1993 2.1 million children on AFDC were born to mothers who were receiving AFDC at the time of their conception. If family cap policies had been in effect, and if none of these births had been deterred by the policies--a result that is suggested by the New Jersey findings--the families of all of these children would be receiving lower benefits. On average, this benefit reduction would be $72 on a median monthly grant of $366, which could mean real material hardship for substantial numbers of children, both the children who were the object of the family cap and their brothers and sisters. Even if

birth rates went down by some amount as a result of family cap policies adopted on a large scale, millions of babies would still be born to mothers on AFDC and would therefore receive lower benefits.

Congressional deliberations. Meanwhile, Congress is debating welfare reform, with illegitimacy an important focus of the debate. Many opponents of the House approach argue strongly against the provisions in H.R. 4 that punish children in the guise of deterring illegitimacy, and have urged the Senate not to adopt such punitive policies, including mandatory family caps. The Senate Finance Committee bill is silent on this issue, while the Senate Democratic leadership bill explicitly prohibits family caps, reflecting strong feelings among at least some Democrats that permitting family caps allows states to deprive children of desperately needed benefits. The family cap issue is one about which Congress clearly intends to make a decision, with the outcome quite unclear. Some in Congress argue that granting large numbers of waivers for virtually identical policies in many states is inconsistent with the demonstration intent of Section 1115. An obvious issue is whether or not family cap policy is not better decided in Congressional debate rather than by allowing any or all states to adopt the policy by waiver.

Waiver decisions. We now have demonstrations of the family cap operating in nine states. Over the next few years, these nine demonstrations can provide comprehensive evidence on the likely impact of family caps in diverse demographic and policy settings. There are family cap waiver requests currently pending from five additional states--Massachusetts, California, Maryland, Mississippi and South Carolina. Nearly all the existing and pending family caps demonstrations cover the entire state. If the pending waiver requests were granted, family caps would be in effect in states with 36 percent of the total AFDC recipient population. As a result, Congressional authority to decide national policy on a crucially important and controversial issue would be significantly limited.

In this context--of new evidence and intense Congressional debate--it may not be appropriate to continue granting waivers for family cap demonstrations. As you know, the statutory authority under which I may grant waivers of specific sections of the Social Security Act is explicitly for demonstrations, evaluations and pilots. You have always emphasized the importance of good evaluations and of learning from our waiver demonstrations, recognizing that the waiver authority should not give the appearance of the executive branch undermining the congressional prerogative of determining national policy change.

Recommendation

For all these reasons, you may want to consider denying the Massachusetts family cap waiver and subsequent pending family cap waivers. I do not believe that a limited decision would compromise the administration's commitment to state flexibility for innovative welfare reform approaches. We should continue to work vigorously with the states and continue to grant other waivers.

PROTECTIONS AFTER A TIME LIMIT

Massachusetts is also proposing to implement a two-year time limit beyond which recipients who are not exempt from the time limit will be ineligible to receive benefits for three years. The state's waiver application does not provide for guaranteed extensions of the time limit for adults who cannot find jobs by the end of the twenty-four month time period, or who lose a job and cannot find another, even if the individual is making every reasonable effort to do so. The state proposes instead to give the commissioner of the Department of Transitional Benefits total discretion with respect to granting or denying extensions.

Department Policy

In reviewing demonstration proposals, the Department has followed a policy of insisting on the basic principle that, at a minimum, the children of recipients who play by the rules and who cannot find a job must be protected. It has approved only waivers that embody this basic principle, which is at the core of the Work and Responsibility Act.

Fifteen states are currently conducting demonstrations that include some form of time limit on benefits. Although several other states initially proposed policies similar to those of Massachusetts, all of these states ultimately agreed to provide for extensions in cases where recipients cannot find employment, or to guarantee employment to recipients who cannot find unsubsidized jobs.

Recommendation

While negotiations with Massachusetts may become stalled or delayed over this issue, the Department intends to adhere to its policy throughout the negotiations. We should stand firm on this crucially important principle.

Donna E. Shalala

Diane D. Blair
1011 Tanglebriar
Fayetteville, Arkansas 72701

THE PRESIDENT HAS SEEN
7-26-95

To Sconich
Fyi - BC

July 26, 1995

To: President Clinton

From: Diane Blair

I thought you'd like to see this editorial from this morning's Springdale News.

Seems to me that the Tyson/Stephens/Murphy "defections" could work wonderfully for the campaign themes discussed at dinner the other night.

Love,
Diane

The Morning News of NW Ark
7/26/95

No Political Defection

The national media have made too much of the perceived "defection" of Tyson and Stephens interests from the Clinton campaign. Don Tyson and Jack Stephens have never been major Bill Clinton fans. And, after almost three years of constant media and government scrutiny of their firms and Arkansas in general, they're tired of the fallout.

Last week, the *Los Angeles Times* broke a story saying Tyson, the retired president of Springdale-based Tyson Foods, and Stephens, the Little Rock financier, were not contributing to the Clinton re-election campaign. Instead, both have contributed to the campaign of Kansas Sen. Bob Dole, the front-runner for the Republican nomination.

Campaign-finance reports showed that the Tyson political-action committee had donated $3,000 and the Stephens Inc. committee had contributed $6,000 to the Dole campaign. In addition, members of the Tyson family were recorded as making personal contributions, and a small personal donation from Stephens was listed.

The figures excited the national media because both Tyson and Stephens, and some of their executives, had contributed heavily to the Clinton presidential campaign in 1992. Thus the shift in contributions to the GOP side was interpreted as a dramatic shift in allegience from the camp of the Arkansas-born president.

Comments from spokespersons embellished the story. "Bill Clinton's election as president is the worst thing that ever happened to Tyson Foods and the state of Arkansas," said Archie R. Schaffer, who directs Tyson's media relations. Schaffer went on to say that Clinton isn't a bad guy, it's just that all the media speculation about Tyson and Clinton being birds of a feather has become a mill stone for the company.

History shows that Tyson, despite the Democratic ties of company counsel Jim Blair and Schaffer, has in the past made contributions to many Republican candidates. And Don Tyson has has never been Clinton's best pal. In fact, Tyson has a long and probably more friendly relationship with Sen. Dole.

Ditto Jack Stephens. He has over the years probably made more contributions to Republicans than to Democrats. Several Stephens executives helped Clinton in the 1991-92 campaign, but Jack Stephens contributed to George Bush's re-election effort. Stephens has been a Dole supporter for years, and he supported Republican Frank White when he defeated Clinton in 1980.

Some political observers credit the Tyson and Stephens support for Clinton in 1992 more to Arkansas loyalty than to particular personal support for the candidate — more of a political aberration than the so-called "incestuous" relationship between business and politics for which the national media ridicules Arkansas. (Of course, nothing like

that goes on in Washington, right?)

Decisions by Don Tyson and Jack Stephens to not throw in with Clinton this time is more the rule than the exception. But, then, that wouldn't make Arkansas politics so interesting to the national media, would it?

DIANE D. BLAIR

Phone: (o) 501-575-3356
(h) 501-521-1066

Fax: (o) 501-575-2642
(h) 501-521-8373

To: Nancy Herweich

Number of pages including this page 3

PHILIP C. JAMISON . 1848 Greenplace Terrace . Rockville, Maryland 20850
(301) 251-9709 (H) / (703) 695-5678 (W)

THE PRESIDENT HAS SEEN
7.26.95

July 24, 1995

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Dear Bill,

My family and I thoroughly enjoyed visiting with you in the Oval Office Saturday. Susan's Mom (86 years young) resides in the Asbury Methodist retirement center in Gaithersburg -- I have heard that most of Betty's several hundred neighbors at Asbury knew all about her visit within an hour of her return.

Good luck as you lead us through the Bosnia crisis. As I mentioned to you Saturday, you might want to arrange a quick in-and-out visit to the troops over there if it looks as if we will be involved in an extensive air campaign.

Thanks again.

Sincerely,

Phil

FAX

PHILIP C. JAMISON . 1848 Greenplace Terrace . Rockville, Maryland 20850
(301) 251-9709 (H) / (703) 695-5678 (W)

July 24, 1995

NUMBER OF PAGES ___1__ (Including Cover Page)

TO: Nancy Hernreich

FAX #: (202) 456-6703

PHONE #: (202) 456-6794

COMMENTS:

Nancy,

The radio show was a great White House event to attend. Please thank Rebecca for making the arrangements. She did a terrific job organizing the affair.

Great news about your daughter's choice of Duke -- it was my favorite campus to visit.

Attached a note to the President. Thanks.



FAX

Original to Goody Marshall
Copy to ORM
mlb
7/26/95

To Goody Marshall
with thanks
Bill Clinton

REMARKS BY THE PRESIDENT
ON AFFIRMATIVE ACTION

July 19, 1995

The Rotunda
National Archives

In recent weeks I have begun a conversation with the American people about our fate and our duty to prepare our nation not only to meet the new century, but to live and lead in a world transformed to a degree seldom seen in all of our history. Much of this change is good, but it is not all good, and all of us are affected by it. Therefore, we must reach beyond our fears and our divisions to a new time of great and common purpose.

Our challenge is twofold: first, to restore the American dream of opportunity and the American value of responsibility; and second, to bring our country together amid all our diversity into a stronger community, so that we can find common ground and move forward as one.

More than ever these two endeavors are inseparable. I am absolutely convinced we cannot restore economic opportunity or solve our social problems unless we find a way to bring the American people together. To bring our people together we must openly and honestly deal with the issues that divide us. Today I want to discuss one of those issues: affirmative action.

It is, in a way, ironic that this issue should be divisive today, because affirmative action was begun 25 years ago under a Republican president with bipartisan support. It began simply as a means to an end of enduring national purpose -- equal opportunity for all Americans.

So let us today trace the roots of affirmative action in our never-ending search for equal opportunity. Let us determine what it is and what it isn't. Let us see where it has worked and where it hasn't, and ask ourselves what we need to do now. Along the way, let us remember always that finding common ground as we move toward the 21st century depends fundamentally on our shared commitment to equal opportunity for all Americans. It is a moral imperative, a constitutional mandate, and a practical necessity.

There could be no better place for this discussion than the National Archives, for within these walls are America's bedrocks of our common ground -- the Declaration of Independence, the Constitution, the Bill of Rights. No paper is as lasting as the

words these documents contain. So we put them in these special cases to protect the parchment from the elements. No building is as solid as the principles these documents embody, but we sure tried to build one with these metal doors 11 inches thick to keep them safe. These documents are America's only crown jewels. But the best place of all to hold these words and these principles is the one place in which they can never fade and never grow old -- in the stronger chambers of our hearts.

Beyond all else, our country is a set of convictions: "We hold these truths to be self-evident that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

Our whole history can be seen first as an effort to preserve these rights, and then as an effort to make them real in the lives of all our citizens. We know that from the beginning, there was a great gap between the plain meaning of our creed and the meaner reality of our daily lives. Back then, only white male property owners could vote. Black slaves were not even counted as whole people, and Native Americans were regarded as little more than an obstacle to our great national progress. No wonder Thomas Jefferson, reflecting on slavery, said he trembled to think God is just.

On the 200th anniversary of our great Constitution, Justice Thurgood Marshall, the grandson of a slave, said, "The government our founders devised was defective from the start, requiring several amendments, a civil war, and momentous social transformation to attain the system of constitutional government and its respect for the individual freedoms and human rights we hold as fundamental today."

Emancipation, women's suffrage, civil rights, voting rights, equal rights, the struggle for the rights of the disabled -- all these and other struggles are milestones on America's often rocky, but fundamentally righteous journey to close the gap between the ideals enshrined in these treasures here in the National Archives and the reality of our daily lives.

I first came to this very spot where I'm standing today 32 years ago this month. I was a 16-year-old delegate to the American Legion Boys Nation. That summer was a high-water mark on our national journey. That was the summer that President Kennedy ordered Alabama National Guardsmen to enforce a court order to allow two young blacks to enter the University of Alabama. As he told our nation, "Every American ought to have the right to be treated as he would wish to be treated; as one would wish his children to be treated."

Later that same summer, on the steps of the Lincoln Memorial, Martin Luther King told Americans of his dream that one day the sons of former slaves and the sons of former slave-owners would sit down together at the table of brotherhood; that one day his four little children would be judged not by the color of their skin, but by the content of their character. His words captured the hearts and steeled the wills of millions of Americans. Some of them sang with him in the hot sun that day. Millions more, like me, listened and wept in the privacy of their homes.

It's hard to believe where we were just three decades ago. When I came up here to Boys Nation and we had this mock congressional session, I was one of only three or four southerners who would even vote for the civil rights plank. That's largely because of my family. My grandfather had a grade school education and ran a grocery store across the street from the cemetery in Hope, Arkansas, where my parents and my grandparents are buried. Most of his customers were black, were poor, and were working people. As a child in that store I saw that people of different races could treat each other with respect and dignity.

But I also saw that the black neighborhood was the only one in town where the streets weren't paved. And when I returned to that neighborhood in the late '60s to see a woman who had cared for me as a toddler, the streets still weren't paved. A lot of you know that I am an ardent movie-goer. As a child I never went to a movie where I could sit next to a black American. They were always sitting upstairs.

In the 1960s, believe it or not, there were still a few courthouse squares in my state where the rest rooms were marked "white" and "colored." I graduated from a segregated high school seven years after President Eisenhower integrated Little Rock Central High School. And when President Kennedy barely carried my home state in 1960, the poll tax system was still alive and well there.

Even though my grandparents were in a minority, being poor, Southern whites who were pro-civil rights, I think most other people knew better than to think the way they did. And those who were smart enough to act differently, discovered a lesson that we ought to remember today: Discrimination is not just morally wrong, it hurts everybody.

In 1960, Atlanta, Georgia, in reaction to all the things that were going on all across the South, adopted the motto, "The city too busy to hate." And however imperfectly over the

years, they tried to live by it. I am convinced that Atlanta's success -- it now is home to more foreign corporations than any other American city, and one year from today it will host the Olympics -- that success all began when people got too busy to hate.

The lesson we learned was a hard one. When we allow people to pit us against one another or spend energy denying opportunity based on our differences, everyone is held back. But when we give all Americans a chance to develop and use their talents, to be full partners in our common enterprise, then everybody is pushed forward.

My experiences with discrimination are rooted in the South and in the legacy slavery left. But I also lived with a working mother and a working grandmother when women's work was far rarer and far more circumscribed than it is today. We all know there are millions of other stories -- those of Hispanics, Asian Americans, Native Americans, people with disabilities, others against whom fingers have been pointed. Many of you have your own stories, and that's why you're here today -- people who were denied the right to develop and use their full human potential. And their progress, too, is a part of our journey to make the reality of America consistent with the principles just behind me here.

Thirty years ago in this city, you didn't see many people of color or women making their way to work in the morning in business clothes, or serving in substantial numbers in powerful positions in Congress or at the White House, or making executive decisions every day in businesses. In fact, even the employment want ads were divided, men on one side and women on the other.

It was extraordinary then to see women or people of color as television news anchors, or, believe it or not, even in college sports. There were far fewer women and minorities as job supervisors, or firefighters, or police officers, or doctors, or lawyers, or college professors, or in many other jobs that offer stability and honor and integrity to family life.

A lot has changed, and it did not happen as some sort of random evolutionary drift. It took hard work and sacrifices and countless acts of courage and conscience by millions of Americans. It took the political courage and statesmanship of Democrats and Republicans alike, the vigilance and compassion of courts and advocates in and out of government committed to the Constitution, to equal protection, and to equal opportunity. It took the leadership of people in business who knew that in the end we would all be better. It took the leadership of people in labor unions who knew that working people had to be recognized.

Some people, like Congressman Lewis here, put their lives on the line. Other people lost their lives. And millions of Americans changed their own lives and put hate behind them. As a result, today all our lives are better. Women have become a major force in business and political life and far more able to contribute to their families' incomes. A true and growing black middle class has emerged. Higher education has literally been revolutionized, with women and racial and ethnic minorities attending once overwhelmingly white and sometimes all male schools. In communities across our nation, police departments now better reflect the make-up of those whom they protect. A generation of professionals now serve as role models for young women and minority youth. Hispanics and newer immigrant populations are succeeding in making America stronger.

For an example of where the best of our future lies, just think about our space program and the stunning hook-up with the Russian space station this month. Let's remember that that program, the world's finest, began with heroes like Alan Shepard and Senator John Glenn, but it's also had American heroes like Sally Ride, Ellen Ochoa, Leroy Chiao, Guy Bluford and other outstanding, completely qualified women and minorities.

How did this happen? Fundamentally, because we opened our hearts and minds and changed our ways. But not without pressure -- the pressure of court decisions, legislation, executive action, and the power of examples in the public and private sectors. Along the way we learned that laws alone do not change society; that old habits and thinking patterns are deeply ingrained and die hard; and that more is required to really open the doors of opportunity. Our search to find ways to move more quickly to equal opportunity led to the development of what we now call affirmative action.

The purpose of affirmative action is to give our nation a way to address the systemic exclusion of individuals of talent, on the basis of their gender or race, from opportunities to develop, perform, achieve and contribute. Affirmative action is an effort to develop a systematic approach to open the doors of education, employment and business development opportunities to qualified individuals who happen to be members of groups that have experienced longstanding and persistent discrimination.

It is a policy that grew out of many years of trying to navigate between two unacceptable paths. One was to say simply that we declared discrimination illegal and that's enough. But that way still relegated blacks with college degrees to jobs as railroad porters and kept women with degrees under a glass ceiling with a lower paycheck.

The other path was simply to impose change by leveling draconian penalties on employers who didn't meet certain imposed, ultimately arbitrary, and sometimes unachievable quotas. That, too, was rejected out of a sense of fairness.

So a middle ground was developed that would change an inequitable status quo gradually, but firmly, by building the pool of qualified applicants for college, for contracts, for jobs, and giving more people the chance to learn, work and earn. When affirmative action is done right, it is flexible, it is fair, and it works.

I know some people are honestly concerned about the times affirmative action doesn't work, when it's done in the wrong way. There are times when some employers don't use it in the right way. They may cut corners and treat a flexible goal as a quota. They may give opportunities to people who are unqualified instead of those who deserve it. They may, in so doing, allow a different kind of discrimination. When this happens, it is also wrong. But it isn't affirmative action. And it is not legal.

When our Administration finds cases of that sort, we will enforce the law aggressively. The Justice Department files hundreds of cases every year, attacking discrimination in employment, including suits on behalf of white males. Most of these suits, however, affect women and minorities for a simple reason -- because the vast majority of discrimination in America is still discrimination against them. But the law does require fairness for everyone, and we are determined to see that that is exactly what the law delivers.

Let me be clear about what affirmative action must not mean and what I won't allow it to be. It does not mean -- and I don't favor -- the unjustified preference of the unqualified over the qualified of any race or gender. It doesn't mean -- and I don't favor -- numerical quotas. It doesn't mean -- and I don't favor -- rejection or selection of any employee or student solely on the basis of race or gender without regard to merit.

Like many business executives and public servants, my views on this subject are, more than anything else, the product of my personal experience. I have had experience with affirmative action, nearly 20 years of it now, and I know it works.

When I was Attorney General of my home state, I hired a record number of women and African American lawyers -- every one clearly qualified and exceptionally hardworking. As

Governor, I appointed more women to my Cabinet and state boards than any other governor in the state's history and more African Americans than all the governors in the state's history combined. No one ever questioned their qualifications or performance. And our state was better and stronger because of their service.

As President, I am proud to have the most diverse Administration in history in my Cabinet, my agencies and my staff. And I must say, I have been surprised at the criticism I have received from some quarters in my determination to achieve this.

In the last two and a half years, the most outstanding example of affirmative action in the United States, the Pentagon, has opened 260,000 positions for women who serve in our Armed Forces. I have appointed more women and minorities to the federal bench than any other president, more than the last two combined. And yet, far more of our judicial appointments have received the highest rating from the American Bar Association than any other Administration since those ratings have been given.

In our Administration, many government agencies are doing more business with qualified firms run by minorities and women. The Small Business Administration has reduced its budget by close to 40 percent, doubled its loan output, and increased the number of loans to women by more than 80 percent and to minority small business people by nearly sixty percent, without reducing the number of loans to white male business owners and without changing the loan standards for a single, solitary application. Quality and diversity can go hand in hand, and they must.

Affirmative action has also done more than just open the doors of opportunity to individual Americans. Most economists who study it agree that affirmative action has also been an important part of closing gaps in economic opportunity in our society, thereby strengthening the entire economy.

A group of distinguished business leaders told me just a couple of days ago their companies are stronger and their profits are larger because of the diversity and the excellence of their work forces achieved through intelligent and fair affirmative action programs. They said they had gone far beyond anything the government requires they had because managing diversity and individual opportunity and being fair to everybody is the key to their future economic success in the global marketplace.

Now, there are those who say that even good affirmative action programs are no longer needed; that it should be enough to resort to the courts or the Equal Employment Opportunity

Commission in cases of actual, provable, individual discrimination because there is no longer any systematic discrimination in our society. In deciding how to answer that let us consider the facts.

The unemployment rate for African Americans remains about twice that of whites. The Hispanic rate is still much higher. Women have narrowed the earnings gap, but still make only 72 percent as much as men do for comparable jobs. The average income for an Hispanic woman with a college degree is still less than the average income of a white man with a high school diploma.

According to the recently completed Glass Ceiling Report, sponsored by Republican members of Congress, in the nation's largest companies only six-tenths of one percent of senior management positions are held by African Americans, four-tenths of a percent by Hispanic Americans, three-tenths of a percent by Asian Americans; women hold between three and five percent of these positions. White males make up 43 percent of our work force, but hold 95 percent of these jobs.

Just last week, the Chicago Federal Reserve Bank reported that black home loan applicants are more than twice as likely to be denied credit as whites with the same qualifications; and that Hispanic applicants are more than one and a half times as likely to be denied loans as whites with the same qualifications.

Last year alone the federal government received more than 90,000 complaints of employment discrimination based on race, ethnicity or gender. Less than three percent were for reverse discrimination.

Evidence abounds in other ways of the persistence of the kind of bigotry that can affect the way we think, even if we're not conscious of it, in hiring and promotion in business and education.

Crimes and violence based on hate against Asians, Hispanics, African Americans and other minorities are still with us. And, I'm sorry to say, that the worst and most recent evidence of this involves a recent report of federal law enforcement officials in Tennessee attending an event literally overflowing with racism -- a sickening reminder of just how pervasive these kinds of attitudes still are.

By the way, I want to tell you that I am committed to finding the truth about what happened there and to taking appropriate action. If anybody who works in federal law enforcement thinks that that kind of behavior is acceptable, they ought to think about working someplace else.

Now, let's get to the other side of the argument. If affirmative action has worked and if there is evidence that discrimination still exists on a wide scale in ways that are conscious and unconscious, then why should we get rid of it as many people are urging? Some question the effectiveness or the fairness of particular affirmative action programs. I say to all of you, those are fair questions, and they prompted the review of our affirmative action programs, about which I will talk in a few moments.

Some question the fundamental purpose of the effort. There are people who honestly believe that affirmative action always amounts to group preferences over individual merit; that affirmative action always leads to reverse discrimination; that ultimately, therefore, it demeans those who benefit from it and discriminates against those who are not helped by it.

All of you have to decide how you feel about that, and all of our fellow countrymen and women have to decide as well. But I believe if there are no quotas, if we give no opportunities to unqualified people, if we have no reverse discrimination, and if, when the problem ends -- the program ends, that criticism is wrong. That's what I believe.

Now let's deal with what I really think is behind so much of this debate today. There are a lot of people who oppose affirmative action today who supported it for a very long time. I believe they are responding to the sea change in the expe-riences that most Americans have in the world in which we live.

If you say now you're against affirmative action because the government is using its power or the private sector is using its power to help minorities at the expense of the majority, that gives you a way of explaining away the economic distress that a majority of Americans honestly feel. It gives you a way of turning their resentment against the minorities or against a particular government program, instead of having an honest debate about how we all got into the fix we're in and what we're all going to do together to get out of it.

That explanation, the affirmative action explanation for the fix we're in is just wrong. It is just wrong. Affirmative action did not cause the great economic problems of the American middle class. And because most minorities or women are either members of that middle class or people who are poor who are struggling to get into it, we must also admit that affirmative

action alone won't solve the problems of minorities and women who seek to be a part of the American Dream. To do that, we have to have an economic strategy that reverses the decline in wages and the growth of poverty among working people. Without that, women, minorities and white males will all be in trouble in the future.

But it is wrong to use the anxieties of the middle class to divert the American people from the real causes of their economic distress -- the sweeping historic changes taking all the globe in its path, and the specific policies or lack of them in our own country that have aggravated those challenges. It is simply wrong to play politics with the issue of affirmative action and divide our country at a time when, if we're really going to change things, we have to be united.

I must say, I think it is ironic that some of those -- not all, but some of those who call for an end to affirmative action also advocate policies that will make the real economic problems of the anxious middle class even worse. If the real goal is economic opportunity for all Americans, why in the world would we reduce our investment in education from Head Start to affordable college loans? Why don't we make college loans available to every American instead?

If the real goal is empowering all middle class Americans and empowering poor people to work their way into the middle class without regard to race or gender, why in the world would the people who advocate that turn around and raise taxes on our poorest working families, or reduce the money available for education and training when they lose their jobs or they're living on poverty wages, or increase the cost of housing for lower-income, working people with children?

Why would we do that? If we're going to empower America, we have to do more than talk about it, we have to do it. And we surely have learned that we cannot empower all Americans by taking opportunity away from some Americans.

So to those who use this as a political strategy to divide us, we must say: no.

But to those who raise legitimate questions about the way affirmative action works, or who raise the larger question about the genuine problems and anxieties of all the American people and their sense of being left behind and treated unfairly, we must say, yes, you are entitled to answers to your questions. We must say yes to that.

That's why I ordered this review of all of our affirmative action programs; a review to look at the facts, not the politics of affirmative action. This review concluded that affirmative

action remains a useful tool for widening economic and educational opportunity. The model used by the military, the Army in particular -- and I'm delighted to have the Commanding General of the Army here today because he set such a fine example -- has been especially successful because it emphasizes education and training, ensuring that it has a wide pool of qualified candidates for every level of promotion. That approach has given us the most racially diverse and best-qualified military in our history. There are more opportunities for women and minorities there than ever before. And now there are over 50 generals and admirals who are Hispanic, Asian or African Americans.

We found that the Education Department had programs targeted on under-represented minorities that do a great deal of good with the tiniest of investments. We found that these programs comprised only 40 cents of every $1,000 in the Education Department's budget.

College presidents say that their schools benefit from diversity. If their colleges look like the world students are going to live and work in, and they learn from all different kinds of people things they can't learn in books, our systems of higher education are stronger.

On the other hand, every child, without regard to race or gender, needs the chance to go to college. Every child. That means every child has to have a chance to get affordable and repayable college loans, Pell Grants for poor kids and a chance to do things like join AmeriCorps and work their way through school. Every child is entitled to that. But that is not an argument <u>against</u> affirmative action, it's an argument <u>for</u> more opportunity for more Americans until everyone is reached.

This review also found that the executive order on employment practices of large federal contractors also has helped to bring more fairness and inclusion into the work force.

Since President Nixon's Administration, America has used goals and timetables to preserve opportunity and to prevent discrimination, to urge businesses to set higher expectations for themselves and to realize those expectations. But we did not and we will not use rigid quotas to mandate outcomes.

We also looked at the way we award procurement contracts under the programs known as set-asides. There's no question that these programs have helped to build up firms owned by minorities and women, who historically have been excluded from the old-boy networks in these areas. They have helped a new generation of

entrepreneurs to flourish, opening new paths to self-reliance and an economic growth in which all of us ultimately share. Because of the set-asides, businesses ready to compete have had a chance to compete, a chance they would not have otherwise had.

But as with any government program, set-asides can be misapplied, misused, even intentionally abused. There are critics who exploit that fact as an excuse to abolish all these programs, regardless of their effects. I believe they are wrong, but I also believe, based on our factual review, we clearly need some reform. So first, we should crack down on those who take advantage of everyone else through fraud and abuse. We must crack down on fronts and pass-throughs, people who pretend to be eligible for these programs and aren't. That is wrong.

We also, in offering new businesses a leg up, must make sure that the set-asides go to businesses that need them most. We must really look and make sure that our standard for eligibility is fair and defensible. We have to tighten the requirement to move businesses out of programs once they've had a fair opportunity to compete. The graduation requirement must mean something -- it must mean graduation. There should be no permanent set-aside for any company.

Second, we must, and we will, comply with the Supreme Court's Adarand decision of last month. In particular, that means focusing set-aside programs on particular regions and business sectors where the problems of discrimination or exclusion are provable and are clearly requiring affirmative action. I have directed the Attorney General and the agencies to move forward with compliance with Adarand expeditiously.

But I also want to emphasize that the Adarand decision did not dismantle affirmative action and did not dismantle set-asides. In fact, while setting stricter standards to mandate reform of affirmative action, it actually reaffirmed the need for affirmative action and reaffirmed the continuing existence of systematic discrimination in the United States.

What the Supreme Court ordered the federal government to do was to meet the same more rigorous standard for affirmative action programs that state and local governments were ordered to meet several years ago. And the best set-aside programs under that standard have been challenged and have survived.

Third, beyond discrimination we need to do more to help disadvantaged people and distressed communities, no matter what their race or gender. There are places in our country where the free enterprise system simply doesn't reach. It simply isn't working to provide jobs and opportunity. These areas in urban

and rural America are populated by racial minorities, but not entirely. To make this initiative work, I believe the government must become a better partner for people in places in urban and rural America that are caught in a cycle of poverty. And I believe we have to find ways to get the private sector to assume their rightful role as a driver of economic growth.

It has always amazed me that we have given incentives to our business people to help to develop poor economies in other parts of the world, our neighbors in the Caribbean, our neighbors in other parts of the world, which I have supported except when they have been abused, but we ignore the biggest source of economic growth available to the American economy, the poor economies isolated within the United States of America.

There are those who say, well, even if we made the jobs available people wouldn't work. They haven't tried. Most of the people in disadvantaged communities work today, and most of them who don't work have a very strong desire to do so. In central Harlem, 14 people apply for every single minimum-wage job opening. Think how many more would apply if there were good jobs with a good future. Our job is to connect disadvantaged people and disadvantaged communities to economic opportunity so that everybody who wants to work can do so.

We've been working at this through our empowerment zones and community development banks, through the initiatives of Secretary Cisneros and the Housing and Urban Development Department, and many other things that we have tried to do to put capital where it is needed. And now I have asked Vice President Gore to develop a proposal to use our contracting to support businesses that locate themselves in these distressed areas or hire a large percentage of their workers from these areas -- not to substitute for affirmative action, but to go beyond it, to do something that will help to deal with the economic crisis of America.

My fellow Americans, affirmative action has to be made consistent with our highest ideals of personal responsibility and merit, and our urgent need to find common ground, and to prepare all Americans to compete in the global economy.

Today, I am directing all our agencies to comply with the Supreme Court's Adarand decision, and also to apply the four standards of fairness to all our affirmative action programs that I have already articulated: No quotas in theory or practice; no illegal discrimination of any kind, including reverse discrimination; no preference for people who are not qualified for any job or other opportunity; and as soon as a program has succeeded, it must be retired. Any program that doesn't meet these four principles must be eliminated or reformed to meet them.

But let me be clear: Affirmative action has been good for America.

Affirmative action has not always been perfect, and affirmative action should not go on forever. It should be changed now to take care of those things that are wrong, and it should be retired when its job is done. I am resolved that that day will come. But the evidence suggests, indeed screams, that that day has not come.

The job of ending discrimination in this country is not over. That should not be surprising. We had slavery for centuries before the passage of the 13th, 14th and 15th Amendments. We waited another hundred years for the civil rights legislation. Women have had the vote less than a hundred years. We have always had difficulty with these things, as most societies do. But we are making more progress than many other nations.

Since, based on the evidence, the job is not done, here is what I think we should do. We should reaffirm the principle of affirmative action and fix the practices. We should have a simple slogan: Mend it, but don't end it.

Let me ask all Americans, whether they agree or disagree with what I have said today, to see this issue in the larger context of our times. President Lincoln said we cannot escape our history. We cannot escape our future either. And that future must be one in which every American has the chance to live up to his or her God-given capacities.

The new technology, the instant communications, the explosion of global commerce have created enormous opportunities and enormous anxieties for Americans. In the last two and a half years, we have seen seven million new jobs, more millionaires and new businesses than ever before, high corporate profits, and a booming stock market. Yet, most Americans are working harder for the same or lower pay. And they feel more insecurity about their jobs, their retirement, their health care, and their children's education. Too many of our children are exposed to poverty and welfare, violence and drugs.

These are the great challenges for our whole country on the homefront at the dawn of the 21st century. We've got to find the wisdom and the will to create family-wage jobs for all the people who want to work; to open the door of college to all Americans; to strengthen families and reduce the awful problems to which our children are exposed; to move poor Americans from welfare to work.

This is the work of our Administration -- to give the people the tools they need to make the most of their own lives, to give families and communities the tools they need to solve their own problems. But let us not forget affirmative action didn't cause these problems. And it won't solve them. And getting rid of affirmative action certainly won't solve them.

If properly done, affirmative action can help us come together, go forward and grow together. It is in our moral, legal and practical interest to see that every person can make the most of his or her life. In the fight for the future, we need all hands on deck. And some of those hands still need a helping hand.

In our national community we're all different, but we're all the same. We want liberty and freedom. We want the embrace of family and community. We want to make the most of our own lives and we're determined to give our children a better one. Today there are voices of division who would say forget all that. Don't you dare. Remember we're still closing the gap between our founders' ideals and our reality. But every step along the way has made us richer, stronger and better. And the best is yet to come.

Thank you very much. And God bless you.

I received a copy of the speech from

THURGOOD MARSHALL JR.

Mr. President—

When my Dad delivered that speech on the Constitution, few seemed to understand and fewer had the courage to speak out. You managed to do both and more.

As always, I am honored to serve in your White House and moved by your leadership.

Goody

Original to Don Baer,
Copy to ORM

Jessica
7/26/95

To Don Baer
with thanks
for all you do
Bill Clinton

REMARKS BY THE PRESIDENT
ON AFFIRMATIVE ACTION

July 19, 1995

The Rotunda
National Archives

In recent weeks I have begun a conversation with the American people about our fate and our duty to prepare our nation not only to meet the new century, but to live and lead in a world transformed to a degree seldom seen in all of our history. Much of this change is good, but it is not all good, and all of us are affected by it. Therefore, we must reach beyond our fears and our divisions to a new time of great and common purpose.

Our challenge is twofold: first, to restore the American dream of opportunity and the American value of responsibility; and second, to bring our country together amid all our diversity into a stronger community, so that we can find common ground and move forward as one.

More than ever these two endeavors are inseparable. I am absolutely convinced we cannot restore economic opportunity or solve our social problems unless we find a way to bring the American people together. To bring our people together we must openly and honestly deal with the issues that divide us. Today I want to discuss one of those issues: affirmative action.

It is, in a way, ironic that this issue should be divisive today, because affirmative action was begun 25 years ago under a Republican president with bipartisan support. It began simply as a means to an end of enduring national purpose -- equal opportunity for all Americans.

So let us today trace the roots of affirmative action in our never-ending search for equal opportunity. Let us determine what it is and what it isn't. Let us see where it has worked and where it hasn't, and ask ourselves what we need to do now. Along the way, let us remember always that finding common ground as we move toward the 21st century depends fundamentally on our shared commitment to equal opportunity for all Americans. It is a moral imperative, a constitutional mandate, and a practical necessity.

There could be no better place for this discussion than the National Archives, for within these walls are America's bedrocks of our common ground -- the Declaration of Independence, the Constitution, the Bill of Rights. No paper is as lasting as the

words these documents contain. So we put them in these special cases to protect the parchment from the elements. No building is as solid as the principles these documents embody, but we sure tried to build one with these metal doors 11 inches thick to keep them safe. These documents are America's only crown jewels. But the best place of all to hold these words and these principles is the one place in which they can never fade and never grow old -- in the stronger chambers of our hearts.

Beyond all else, our country is a set of convictions: "We hold these truths to be self-evident that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

Our whole history can be seen first as an effort to preserve these rights, and then as an effort to make them real in the lives of all our citizens. We know that from the beginning, there was a great gap between the plain meaning of our creed and the meaner reality of our daily lives. Back then, only white male property owners could vote. Black slaves were not even counted as whole people, and Native Americans were regarded as little more than an obstacle to our great national progress. No wonder Thomas Jefferson, reflecting on slavery, said he trembled to think God is just.

On the 200th anniversary of our great Constitution, Justice Thurgood Marshall, the grandson of a slave, said, "The government our founders devised was defective from the start, requiring several amendments, a civil war, and momentous social transformation to attain the system of constitutional government and its respect for the individual freedoms and human rights we hold as fundamental today."

Emancipation, women's suffrage, civil rights, voting rights, equal rights, the struggle for the rights of the disabled -- all these and other struggles are milestones on America's often rocky, but fundamentally righteous journey to close the gap between the ideals enshrined in these treasures here in the National Archives and the reality of our daily lives.

I first came to this very spot where I'm standing today 32 years ago this month. I was a 16-year-old delegate to the American Legion Boys Nation. That summer was a high-water mark on our national journey. That was the summer that President Kennedy ordered Alabama National Guardsmen to enforce a court order to allow two young blacks to enter the University of Alabama. As he told our nation, "Every American ought to have the right to be treated as he would wish to be treated; as one would wish his children to be treated."

Later that same summer, on the steps of the Lincoln Memorial, Martin Luther King told Americans of his dream that one day the sons of former slaves and the sons of former slave-owners would sit down together at the table of brotherhood; that one day his four little children would be judged not by the color of their skin, but by the content of their character. His words captured the hearts and steeled the wills of millions of Americans. Some of them sang with him in the hot sun that day. Millions more, like me, listened and wept in the privacy of their homes.

It's hard to believe where we were just three decades ago. When I came up here to Boys Nation and we had this mock congressional session, I was one of only three or four southerners who would even vote for the civil rights plank. That's largely because of my family. My grandfather had a grade school education and ran a grocery store across the street from the cemetery in Hope, Arkansas, where my parents and my grandparents are buried. Most of his customers were black, were poor, and were working people. As a child in that store I saw that people of different races could treat each other with respect and dignity.

But I also saw that the black neighborhood was the only one in town where the streets weren't paved. And when I returned to that neighborhood in the late '60s to see a woman who had cared for me as a toddler, the streets still weren't paved. A lot of you know that I am an ardent movie-goer. As a child I never went to a movie where I could sit next to a black American. They were always sitting upstairs.

In the 1960s, believe it or not, there were still a few courthouse squares in my state where the rest rooms were marked "white" and "colored." I graduated from a segregated high school seven years after President Eisenhower integrated Little Rock Central High School. And when President Kennedy barely carried my home state in 1960, the poll tax system was still alive and well there.

Even though my grandparents were in a minority, being poor, Southern whites who were pro-civil rights, I think most other people knew better than to think the way they did. And those who were smart enough to act differently, discovered a lesson that we ought to remember today: Discrimination is not just morally wrong, it hurts everybody.

In 1960, Atlanta, Georgia, in reaction to all the things that were going on all across the South, adopted the motto, "The city too busy to hate." And however imperfectly over the

years, they tried to live by it. I am convinced that Atlanta's success -- it now is home to more foreign corporations than any other American city, and one year from today it will host the Olympics -- that success all began when people got too busy to hate.

The lesson we learned was a hard one. When we allow people to pit us against one another or spend energy denying opportunity based on our differences, everyone is held back. But when we give all Americans a chance to develop and use their talents, to be full partners in our common enterprise, then everybody is pushed forward.

My experiences with discrimination are rooted in the South and in the legacy slavery left. But I also lived with a working mother and a working grandmother when women's work was far rarer and far more circumscribed than it is today. We all know there are millions of other stories -- those of Hispanics, Asian Americans, Native Americans, people with disabilities, others against whom fingers have been pointed. Many of you have your own stories, and that's why you're here today -- people who were denied the right to develop and use their full human potential. And their progress, too, is a part of our journey to make the reality of America consistent with the principles just behind me here.

Thirty years ago in this city, you didn't see many people of color or women making their way to work in the morning in business clothes, or serving in substantial numbers in powerful positions in Congress or at the White House, or making executive decisions every day in businesses. In fact, even the employment want ads were divided, men on one side and women on the other.

It was extraordinary then to see women or people of color as television news anchors, or, believe it or not, even in college sports. There were far fewer women and minorities as job supervisors, or firefighters, or police officers, or doctors, or lawyers, or college professors, or in many other jobs that offer stability and honor and integrity to family life.

A lot has changed, and it did not happen as some sort of random evolutionary drift. It took hard work and sacrifices and countless acts of courage and conscience by millions of Americans. It took the political courage and statesmanship of Democrats and Republicans alike, the vigilance and compassion of courts and advocates in and out of government committed to the Constitution, to equal protection, and to equal opportunity. It took the leadership of people in business who knew that in the end we would all be better. It took the leadership of people in labor unions who knew that working people had to be recognized.

Some people, like Congressman Lewis here, put their lives on the line. Other people lost their lives. And millions of Americans changed their own lives and put hate behind them. As a result, today all our lives are better. Women have become a major force in business and political life and far more able to contribute to their families' incomes. A true and growing black middle class has emerged. Higher education has literally been revolutionized, with women and racial and ethnic minorities attending once overwhelmingly white and sometimes all male schools. In communities across our nation, police departments now better reflect the make-up of those whom they protect. A generation of professionals now serve as role models for young women and minority youth. Hispanics and newer immigrant populations are succeeding in making America stronger.

For an example of where the best of our future lies, just think about our space program and the stunning hook-up with the Russian space station this month. Let's remember that that program, the world's finest, began with heroes like Alan Shepard and Senator John Glenn, but it's also had American heroes like Sally Ride, Ellen Ochoa, Leroy Chiao, Guy Bluford and other outstanding, completely qualified women and minorities.

How did this happen? Fundamentally, because we opened our hearts and minds and changed our ways. But not without pressure -- the pressure of court decisions, legislation, executive action, and the power of examples in the public and private sectors. Along the way we learned that laws alone do not change society; that old habits and thinking patterns are deeply ingrained and die hard; and that more is required to really open the doors of opportunity. Our search to find ways to move more quickly to equal opportunity led to the development of what we now call affirmative action.

The purpose of affirmative action is to give our nation a way to address the systemic exclusion of individuals of talent, on the basis of their gender or race, from opportunities to develop, perform, achieve and contribute. Affirmative action is an effort to develop a systematic approach to open the doors of education, employment and business development opportunities to qualified individuals who happen to be members of groups that have experienced longstanding and persistent discrimination.

It is a policy that grew out of many years of trying to navigate between two unacceptable paths. One was to say simply that we declared discrimination illegal and that's enough. But that way still relegated blacks with college degrees to jobs as railroad porters and kept women with degrees under a glass ceiling with a lower paycheck.

The other path was simply to impose change by leveling draconian penalties on employers who didn't meet certain imposed, ultimately arbitrary, and sometimes unachievable quotas. That, too, was rejected out of a sense of fairness.

So a middle ground was developed that would change an inequitable status quo gradually, but firmly, by building the pool of qualified applicants for college, for contracts, for jobs, and giving more people the chance to learn, work and earn. When affirmative action is done right, it is flexible, it is fair, and it works.

I know some people are honestly concerned about the times affirmative action doesn't work, when it's done in the wrong way. There are times when some employers don't use it in the right way. They may cut corners and treat a flexible goal as a quota. They may give opportunities to people who are unqualified instead of those who deserve it. They may, in so doing, allow a different kind of discrimination. When this happens, it is also wrong. But it isn't affirmative action. And it is not legal.

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Governor, I appointed more women to my Cabinet and state boards than any other governor in the state's history and more African Americans than all the governors in the state's history combined. No one ever questioned their qualifications or performance. And our state was better and stronger because of their service.

As President, I am proud to have the most diverse Administration in history in my Cabinet, my agencies and my staff. And I must say, I have been surprised at the criticism I have received from some quarters in my determination to achieve this.

In the last two and a half years, the most outstanding example of affirmative action in the United States, the Pentagon, has opened 260,000 positions for women who serve in our Armed Forces. I have appointed more women and minorities to the federal bench than any other president, more than the last two combined. And yet, far more of our judicial appointments have received the highest rating from the American Bar Association than any other Administration since those ratings have been given.

In our Administration, many government agencies are doing more business with qualified firms run by minorities and women. The Small Business Administration has reduced its budget by close to 40 percent, doubled its loan output, and increased the number of loans to women by more than 80 percent and to minority small business people by nearly sixty percent, without reducing the number of loans to white male business owners and without changing the loan standards for a single, solitary application. Quality and diversity can go hand in hand, and they must.

Affirmative action has also done more than just open the doors of opportunity to individual Americans. Most economists who study it agree that affirmative action has also been an important part of closing gaps in economic opportunity in our society, thereby strengthening the entire economy.

A group of distinguished business leaders told me just a couple of days ago their companies are stronger and their profits are larger because of the diversity and the excellence of their work forces achieved through intelligent and fair affirmative action programs. They said they had gone far beyond anything the government requires they had because managing diversity and individual opportunity and being fair to everybody is the key to their future economic success in the global marketplace.

Now, there are those who say that even good affirmative action programs are no longer needed; that it should be enough to resort to the courts or the Equal Employment Opportunity

Commission in cases of actual, provable, individual discrimination because there is no longer any systematic discrimination in our society. In deciding how to answer that let us consider the facts.

The unemployment rate for African Americans remains about twice that of whites. The Hispanic rate is still much higher. Women have narrowed the earnings gap, but still make only 72 percent as much as men do for comparable jobs. The average income for an Hispanic woman with a college degree is still less than the average income of a white man with a high school diploma.

According to the recently completed Glass Ceiling Report, sponsored by Republican members of Congress, in the nation's largest companies only six-tenths of one percent of senior management positions are held by African Americans, four-tenths of a percent by Hispanic Americans, three-tenths of a percent by Asian Americans; women hold between three and five percent of these positions. White males make up 43 percent of our work force, but hold 95 percent of these jobs.

Just last week, the Chicago Federal Reserve Bank reported that black home loan applicants are more than twice as likely to be denied credit as whites with the same qualifications; and that Hispanic applicants are more than one and a half times as likely to be denied loans as whites with the same qualifications.

Last year alone the federal government received more than 90,000 complaints of employment discrimination based on race, ethnicity or gender. Less than three percent were for reverse discrimination.

Evidence abounds in other ways of the persistence of the kind of bigotry that can affect the way we think, even if we're not conscious of it, in hiring and promotion in business and education.

Crimes and violence based on hate against Asians, Hispanics, African Americans and other minorities are still with us. And, I'm sorry to say, that the worst and most recent evidence of this involves a recent report of federal law enforcement officials in Tennessee attending an event literally overflowing with racism -- a sickening reminder of just how pervasive these kinds of attitudes still are.

By the way, I want to tell you that I am committed to finding the truth about what happened there and to taking appropriate action. If anybody who works in federal law enforcement thinks that that kind of behavior is acceptable, they ought to think about working someplace else.

Now, let's get to the other side of the argument. If affirmative action has worked and if there is evidence that discrimination still exists on a wide scale in ways that are conscious and unconscious, then why should we get rid of it as many people are urging? Some question the effectiveness or the fairness of particular affirmative action programs. I say to all of you, those are fair questions, and they prompted the review of our affirmative action programs, about which I will talk in a few moments.

Some question the fundamental purpose of the effort. There are people who honestly believe that affirmative action always amounts to group preferences over individual merit; that affirmative action always leads to reverse discrimination; that ultimately, therefore, it demeans those who benefit from it and discriminates against those who are not helped by it.

All of you have to decide how you feel about that, and all of our fellow countrymen and women have to decide as well. But I believe if there are no quotas, if we give no opportunities to unqualified people, if we have no reverse discrimination, and if, when the problem ends -- the program ends, that criticism is wrong. That's what I believe.

Now let's deal with what I really think is behind so much of this debate today. There are a lot of people who oppose affirmative action today who supported it for a very long time. I believe they are responding to the sea change in the experiences that most Americans have in the world in which we live.

If you say now you're against affirmative action because the government is using its power or the private sector is using its power to help minorities at the expense of the majority, that gives you a way of explaining away the economic distress that a majority of Americans honestly feel. It gives you a way of turning their resentment against the minorities or against a particular government program, instead of having an honest debate about how we all got into the fix we're in and what we're all going to do together to get out of it.

That explanation, the affirmative action explanation for the fix we're in is just wrong. It is just wrong. Affirmative action did not cause the great economic problems of the American middle class. And because most minorities or women are either members of that middle class or people who are poor who are struggling to get into it, we must also admit that affirmative

action alone won't solve the problems of minorities and women who seek to be a part of the American Dream. To do that, we have to have an economic strategy that reverses the decline in wages and the growth of poverty among working people. Without that, women, minorities and white males will all be in trouble in the future.

But it is wrong to use the anxieties of the middle class to divert the American people from the real causes of their economic distress -- the sweeping historic changes taking all the globe in its path, and the specific policies or lack of them in our own country that have aggravated those challenges. It is simply wrong to play politics with the issue of affirmative action and divide our country at a time when, if we're really going to change things, we have to be united.

I must say, I think it is ironic that some of those -- not all, but some of those who call for an end to affirmative action also advocate policies that will make the real economic problems of the anxious middle class even worse. If the real goal is economic opportunity for all Americans, why in the world would we reduce our investment in education from Head Start to affordable college loans? Why don't we make college loans available to every American instead?

If the real goal is empowering all middle class Americans and empowering poor people to work their way into the middle class without regard to race or gender, why in the world would the people who advocate that turn around and raise taxes on our poorest working families, or reduce the money available for education and training when they lose their jobs or they're living on poverty wages, or increase the cost of housing for lower-income, working people with children?

Why would we do that? If we're going to empower America, we have to do more than talk about it, we have to do it. And we surely have learned that we cannot empower all Americans by taking opportunity away from some Americans.

So to those who use this as a political strategy to divide us, we must say: no.

But to those who raise legitimate questions about the way affirmative action works, or who raise the larger question about the genuine problems and anxieties of all the American people and their sense of being left behind and treated unfairly, we must say, yes, you are entitled to answers to your questions. We must say yes to that.

That's why I ordered this review of all of our affirmative action programs; a review to look at the facts, not the politics of affirmative action. This review concluded that affirmative

action remains a useful tool for widening economic and educational opportunity. The model used by the military, the Army in particular -- and I'm delighted to have the Commanding General of the Army here today because he set such a fine example -- has been especially successful because it emphasizes education and training, ensuring that it has a wide pool of qualified candidates for every level of promotion. That approach has given us the most racially diverse and best-qualified military in our history. There are more opportunities for women and minorities there than ever before. And now there are over 50 generals and admirals who are Hispanic, Asian or African Americans.

We found that the Education Department had programs targeted on under-represented minorities that do a great deal of good with the tiniest of investments. We found that these programs comprised only 40 cents of every $1,000 in the Education Department's budget.

College presidents say that their schools benefit from diversity. If their colleges look like the world students are going to live and work in, and they learn from all different kinds of people things they can't learn in books, our systems of higher education are stronger.

On the other hand, every child, without regard to race or gender, needs the chance to go to college. Every child. That means every child has to have a chance to get affordable and repayable college loans, Pell Grants for poor kids and a chance to do things like join AmeriCorps and work their way through school. Every child is entitled to that. But that is not an argument <u>against</u> affirmative action, it's an argument <u>for</u> more opportunity for more Americans until everyone is reached.

This review also found that the executive order on employment practices of large federal contractors also has helped to bring more fairness and inclusion into the work force.

Since President Nixon's Administration, America has used goals and timetables to preserve opportunity and to prevent discrimination, to urge businesses to set higher expectations for themselves and to realize those expectations. But we did not and we will not use rigid quotas to mandate outcomes.

We also looked at the way we award procurement contracts under the programs known as set-asides. There's no question that these programs have helped to build up firms owned by minorities and women, who historically have been excluded from the old-boy networks in these areas. They have helped a new generation of

entrepreneurs to flourish, opening new paths to self-reliance and an economic growth in which all of us ultimately share. Because of the set-asides, businesses ready to compete have had a chance to compete, a chance they would not have otherwise had.

But as with any government program, set-asides can be misapplied, misused, even intentionally abused. There are critics who exploit that fact as an excuse to abolish all these programs, regardless of their effects. I believe they are wrong, but I also believe, based on our factual review, we clearly need some reform. So first, we should crack down on those who take advantage of everyone else through fraud and abuse. We must crack down on fronts and pass-throughs, people who pretend to be eligible for these programs and aren't. That is wrong.

We also, in offering new businesses a leg up, must make sure that the set-asides go to businesses that need them most. We must really look and make sure that our standard for eligibility is fair and defensible. We have to tighten the requirement to move businesses out of programs once they've had a fair opportunity to compete. The graduation requirement must mean something -- it must mean graduation. There should be no permanent set-aside for any company.

Second, we must, and we will, comply with the Supreme Court's Adarand decision of last month. In particular, that means focusing set-aside programs on particular regions and business sectors where the problems of discrimination or exclusion are provable and are clearly requiring affirmative action. I have directed the Attorney General and the agencies to move forward with compliance with Adarand expeditiously.

But I also want to emphasize that the Adarand decision did not dismantle affirmative action and did not dismantle set-asides. In fact, while setting stricter standards to mandate reform of affirmative action, it actually reaffirmed the need for affirmative action and reaffirmed the continuing existence of systematic discrimination in the United States.

What the Supreme Court ordered the federal government to do was to meet the same more rigorous standard for affirmative action programs that state and local governments were ordered to meet several years ago. And the best set-aside programs under that standard have been challenged and have survived.

Third, beyond discrimination we need to do more to help disadvantaged people and distressed communities, no matter what their race or gender. There are places in our country where the free enterprise system simply doesn't reach. It simply isn't working to provide jobs and opportunity. These areas in urban

and rural America are populated by racial minorities, but not entirely. To make this initiative work, I believe the government must become a better partner for people in places in urban and rural America that are caught in a cycle of poverty. And I believe we have to find ways to get the private sector to assume their rightful role as a driver of economic growth.

It has always amazed me that we have given incentives to our business people to help to develop poor economies in other parts of the world, our neighbors in the Caribbean, our neighbors in other parts of the world, which I have supported except when they have been abused, but we ignore the biggest source of economic growth available to the American economy, the poor economies isolated within the United States of America.

There are those who say, well, even if we made the jobs available people wouldn't work. They haven't tried. Most of the people in disadvantaged communities work today, and most of them who don't work have a very strong desire to do so. In central Harlem, 14 people apply for every single minimum-wage job opening. Think how many more would apply if there were good jobs with a good future. Our job is to connect disadvantaged people and disadvantaged communities to economic opportunity so that everybody who wants to work can do so.

We've been working at this through our empowerment zones and community development banks, through the initiatives of Secretary Cisneros and the Housing and Urban Development Department, and many other things that we have tried to do to put capital where it is needed. And now I have asked Vice President Gore to develop a proposal to use our contracting to support businesses that locate themselves in these distressed areas or hire a large percentage of their workers from these areas -- not to substitute for affirmative action, but to go beyond it, to do something that will help to deal with the economic crisis of America.

My fellow Americans, affirmative action has to be made consistent with our highest ideals of personal responsibility and merit, and our urgent need to find common ground, and to prepare all Americans to compete in the global economy.

Today, I am directing all our agencies to comply with the Supreme Court's Adarand decision, and also to apply the four standards of fairness to all our affirmative action programs that I have already articulated: No quotas in theory or practice; no illegal discrimination of any kind, including reverse discrimination; no preference for people who are not qualified for any job or other opportunity; and as soon as a program has succeeded, it must be retired. Any program that doesn't meet these four principles must be eliminated or reformed to meet them.

But let me be clear: Affirmative action has been good for America.

Affirmative action has not always been perfect, and affirmative action should not go on forever. It should be changed now to take care of those things that are wrong, and it should be retired when its job is done. I am resolved that that day will come. But the evidence suggests, indeed screams, that that day has not come.

The job of ending discrimination in this country is not over. That should not be surprising. We had slavery for centuries before the passage of the 13th, 14th and 15th Amendments. We waited another hundred years for the civil rights legislation. Women have had the vote less than a hundred years. We have always had difficulty with these things, as most societies do. But we are making more progress than many other nations.

Since, based on the evidence, the job is not done, here is what I think we should do. We should reaffirm the principle of affirmative action and fix the practices. We should have a simple slogan: Mend it, but don't end it.

Let me ask all Americans, whether they agree or disagree with what I have said today, to see this issue in the larger context of our times. President Lincoln said we cannot escape our history. We cannot escape our future either. And that future must be one in which every American has the chance to live up to his or her God-given capacities.

The new technology, the instant communications, the explosion of global commerce have created enormous opportunities and enormous anxieties for Americans. In the last two and a half years, we have seen seven million new jobs, more millionaires and new businesses than ever before, high corporate profits, and a booming stock market. Yet, most Americans are working harder for the same or lower pay. And they feel more insecurity about their jobs, their retirement, their health care, and their children's education. Too many of our children are exposed to poverty and welfare, violence and drugs.

These are the great challenges for our whole country on the homefront at the dawn of the 21st century. We've got to find the wisdom and the will to create family-wage jobs for all the people who want to work; to open the door of college to all Americans; to strengthen families and reduce the awful problems to which our children are exposed; to move poor Americans from welfare to work.

This is the work of our Administration -- to give the people the tools they need to make the most of their own lives, to give families and communities the tools they need to solve their own problems. But let us not forget affirmative action didn't cause these problems. And it won't solve them. And getting rid of affirmative action certainly won't solve them.

If properly done, affirmative action can help us come together, go forward and grow together. It is in our moral, legal and practical interest to see that every person can make the most of his or her life. In the fight for the future, we need all hands on deck. And some of those hands still need a helping hand.

In our national community we're all different, but we're all the same. We want liberty and freedom. We want the embrace of family and community. We want to make the most of our own lives and we're determined to give our children a better one. Today there are voices of division who would say forget all that. Don't you dare. Remember we're still closing the gap between our founders' ideals and our reality. But every step along the way has made us richer, stronger and better. And the best is yet to come.

Thank you very much. And God bless you.