PRESIDENT WILLIAM JEFFERSON CLINTON
ROUNDTABLE DISCUSSION ON SMOKING
OVAL OFFICE
AUGUST 10, 1995

95 AUG 9 P6:03

Today, I have brought together medical experts and children who have taken a pledge against smoking to talk about my commitment to ending youth smoking. This issue is critical to our efforts to improve the health of our nation. According to the CDC, of the two million Americans who will die in 1995, approximately 420,000 will die of conditions associated with tobacco. I am proud that later today I will announce my strategy for combatting this problem.

Right now, I'd like to hear from a young person [TBD] from a successful program that teaches students how and why they should stay smoke-free.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	From Harold Ickes re: Bi-weekly Democratic National Committee Report (17 pages)	08/07/1995	Personal Misfile

COLLECTION:
Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 7689

FOLDER TITLE:
Chron Files August 6-12, 1995 [2]

2019-0774-S
rs3292

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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b(1) National security classified information [(b)(1) of the FOIA]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

WASHINGTON

95 AUG 8 P6:20

August 7, 1995

MEMORANDUM FOR TODD STERN
STAFF SECRETARY

FROM ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

I am forwarding on to you a recommendation for the awarding of the Medal of Freedom to Jack Greenberg. I do not know Mr. Johnston, but I feel his suggestion has merit and is worthy of consideration.

8/8

TO Dorskind

yes

LOWELL JOHNSTON
ATTORNEY AT LAW
330 MADISON AVENUE
11TH FLOOR
NEW YORK, N.Y. 10017

TELEPHONE
(212) 297-3304

TELECOPIER
(212) 338-0704

August 2, 1995

Abner Mikva,
Counsel to the President of the
United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C.

Re: Jack Greenberg

Dear Mr. Mikva,

This is to ask President Bill Clinton to award Jack Greenberg the Medal of Freedom, or to honor him in some comparable way, for his commitment to, efforts, and accomplishments in eradicating racial segregation in America.

I have enclosed for your information a copy of a book review that I wrote of Mr. Greenberg's recently published memoirs, Crusaders In The Courts. The review may be useful to you because it provides a partial summary of Mr. Greenberg's career.

Jack Greenberg's career deserves recognition for any number of reasons. To highlight a few, I note that as someone not black, and at a time when the possibilities for success were few, he chose to make the struggle of blacks for freedom his own; that he was a principal advocate with Thurgood Marshall before the Supreme Court in the group of cases that resulted in the monumental decision in Brown v. Board of Education; that under his leadership from 1961 to 1983, the N.A.A.C.P. Legal Defense & Educational Fund, Inc. was the organization that played the primary role in eliminating the formal legal barriers to the enjoyment by blacks of equality in the United States; that throughout his career his efforts have been grounded in belief in the Constitution, and characterized by the highest standards of integrity in advocacy and respect for the judicial system.

A last thought is that, however difficult and unresolved issues of race still are in our country, the fact of these accomplishments has produced hope, rather than despair, and has

made predominant the belief that racial conflict may be worked out using constitutional means.

It is important to the life of our country that our Nation recognize the example and accomplishments of Jack Greenberg.

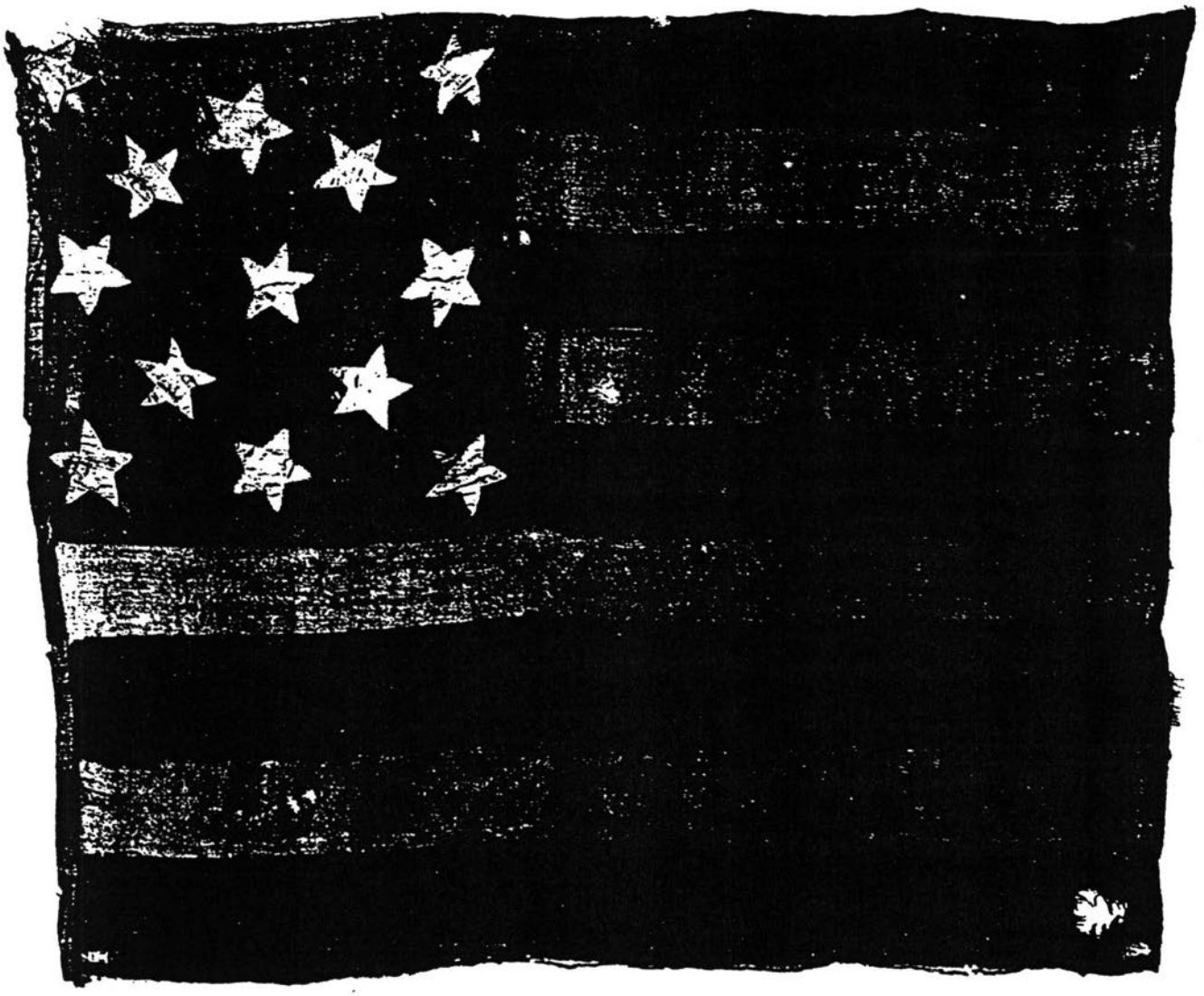
Sincerely yours,



EXPLORING THE FOUNDATION OF THE AMERICAN SPIRIT

CONSTITUTION

Volume 6/No. 2 Fall/1994



SPECIAL REPORT

Responsibilities of Citizenship

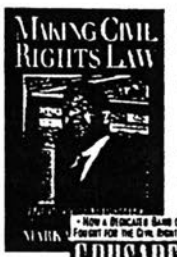
sparked by his death qualifies as apotheosis. Dismissing Nixon in 1977 as "the Jesse James of American constitutional history," Amherst political scientist Earl Latham captured in one unforgettable metaphor the prevailing understanding of Nixon's place in history. *Nixon Reconsidered* challenges this assessment—with mixed results.

Joan Hoff, who teaches American history at Indiana University, inverts the conventional wisdom that the monument of Nixon's presidency was its foreign policy and its greatest flaw was its domestic policy. She argues convincingly that, in retrospect, Nixon's foreign-policy achievements seem transient and diminished. But her attempt to vindicate his domestic policies raises as many questions as she seeks to answer. Although Hoff champions the Nixon administration as an innovator in welfare reform, Indian policy and health care, she acknowledges that these innovations were reluctant, peripheral and even unintentional. The major flaw of her interpretation is that she neglects Nixon's greatest strength as a politician—his unerring ability to calculate the political advantages and drawbacks of domestic-policy initiatives. Nixon may have laid foundations to challenge centralized federal social policies and the conventional social-welfare system, but his major goal was political: to divert power from federal bureaucracies (which he loathed as dominated by hostile liberals) to states and localities (which he saw as refuges for his supporters).

Hoff is right (but hardly original) to argue that Watergate was the culmination of decades of careless tolerance of the imperial presidency, rather than a uniquely Nixonian episode. She is right and original when she maintains that Nixon was an aprincipled politician and President—lacking not just principles but "conscious... awareness of conventional moral or ethical standards"—and that he is more representative of American politics, then and now, than we are willing to admit.

Neely's point (echoed by Paludan and Peterson) that Lincoln united political skill with political substance is relevant here. Lincoln faced a constitutional crisis over slavery and the nature of the Union that threatened to destroy the Republic; he surmounted that crisis in large part because of his commitment to constitutional principle, and Americans revere Lincoln, in great measure, on that basis. Nixon faced a set of domestic and foreign crises that challenged the self-confidence of the American republic, but his presidency plunged the nation into a constitutional crisis that could be resolved only by his resignation. Americans are preoccupied with Nixon because, as Gore Vidal noted, Nixon symbolizes Americans as they are: capable of great good and great evil, open to the world but suspicious of it, politically skilled but distrustful of politics. If Hoff is right that the aprincipled Nixon epitomizes American politics and politicians, that kind of politics threatens the survival of the constitutional system in ways not even a Lincoln could forestall.

—Richard B. Bernstein, *New York Law School*



Making Civil Rights Law:
Thurgood Marshall and the Supreme Court, 1936-1961
by Mark V. Tushnet
New York: Oxford University Press
313 pages: hardcover, $35: 1994



Crusaders in the Courts
by Jack Greenberg
New York: Basic Books
522 pages: hardcover, $30: 1994

In 1851 the black antislavery leader Frederick Douglass broke with abolitionist William Lloyd Garrison and the American Anti-Slavery Society because of the society's view that the Constitution (and participation in the political process) should be condemned because it "immorally enshrined" slavery. Douglass believed the Constitution, "construed in the light of well established rules of legal interpretation, might be made consistent...with the noble purposes avowed in its preamble," and should "be wielded in behalf of emancipation." These two books are important additions to the growing body of literature chronicling the ongoing, epochal struggle by America's blacks to "wield" the Constitution to achieve its nobler purpose of equal justice.

Both books rework some of the ground covered in Richard Kluger's *Simple Justice*, the monumental 1976 history of the *Brown v. Board of Education* case, outlawing racial segregation in public education. Nonetheless, both works bring a new perspective to the struggle for racial justice and therefore they deserve close attention.

Mark V. Tushnet, author of *Making Civil Rights Law: Thurgood Marshall and the Supreme Court, 1936-1961* and a former law clerk of Justice Thurgood Marshall's, is a law professor at the Georgetown University Law Center. This book is the first of a two-volume examination of Marshall's legal career, including his service as the principal attorney for the National Association for the Advancement

of Colored People (NAACP), as a jurist on the Second Circuit U.S. Court of Appeals, as solicitor general of the United States, and finally as Justice of the U.S. Supreme Court. *Making Civil Rights Law* focuses on Marshall's years as director-counsel of the NAACP Legal Defense & Educational Fund (LDF), the original litigation arm of the NAACP, and his efforts to use litigation to combat discrimination against blacks, which culminated in the *Brown* decision. The volume concludes in 1961 when Marshall left LDF to join the U.S. Court of Appeals for the Second Circuit.

Tushnet's narrative deals briefly with Marshall's early years in a middle-class African-American family in segregated Baltimore, Maryland. In 1930, after graduating with honors from Lincoln University in Pennsylvania, he came under the tutelage of Charles Hamilton Houston at Howard University Law School in Washington, D.C. Houston, the first black member of the *Harvard Law Review*, was a protégé of Felix Frankfurter's. As dean of Howard's law school, Houston designed a rigorous curriculum that produced highly skilled professionals; he created a training ground for black lawyers who would fight racial discrimination "embedded in the law." Marshall finished Howard in 1933 at the top of his class.

Within a year of graduating, Marshall had opened his own law practice and, still under Houston's guidance, he challenged the University of Maryland Law School's right to refuse admittance to blacks. Tushnet demonstrates how Houston, then at the NAACP, helped Marshall develop the analytical skills and habits of care and attention to details that were to serve him later in his career. In 1936 Marshall went to work full-time in New York on the NAACP's national legal program. By 1938-39, when Houston returned to private practice, Marshall was put in charge of the organization's litigation.

Tushnet demonstrates how Marshall's personality, character, energy and abilities meshed with the requirements of the leadership role he had at LDF. His job was multifaceted. He was administrator and manager; publicist and fund-raiser; community organizer; chief strategist; coordinator for volunteer attorneys, consultants and expert witnesses; and principal trial and appellate advocate. Since the LDF litigation effort was national in scope, Marshall was constantly on the road while performing these tasks. He was very easy to like and pleasant to work with, and he was well regarded among the disparate groups who participated in the LDF campaigns.

The chapters analyzing Marshall's direction of these litigation campaigns are riveting, of interest and accessible to lawyers and nonlawyers alike. Tushnet explains lucidly how the state-action doctrine in challenges to segregation in interstate transportation and in the enforcement of racially restrictive covenants in housing was developed; the attack on the use of the white primary to deprive blacks of the right to vote; and the incremental development of legal principles in the cases challenging segregation in graduate and professional schools that were then applied to elementary and secondary schools.

Tushnet reveals the deliberations of individual Justices in these cases by using historical materials such as their notes and memoranda fully and innovatively. He tells his story in a multidimensional way, including the contentions of the different parties, the reactions of the Justices and descriptions of how they arrived at their decisions.

By ending this volume in 1961, Tushnet concludes on a dispirited note. By then the southern states were rebelling against the *Brown* decision, especially after the Court's disastrous "with all deliberate speed" decision in 1955, which set no deadlines for the desegregation of public schools. In addition, many states, including Texas, Alabama, Virginia and Florida, devised ways to prevent the NAACP and its lawyers from operating within their borders. Their efforts were eventually unsuccessful, but scarce resources and years of effort were required to beat them back. By 1961 Marshall was exhausted and later confessed that he felt he had "kind of outlived my usefulness." It is sad to learn that Marshall left the LDF for the federal bench with mixed feelings about what he had accomplished. The legal framework for the eradication of segregation in America was in place largely because of his leadership. One hopes he came to appreciate the immensity of that accomplishment in an unqualified way.

The author of *Crusaders in the Courts*, Jack Greenberg, who is white and Jewish, was selected by Marshall in 1949 to be his successor. Marshall hired Greenberg out of law school to join the fledgling LDF staff, which included, among others, Robert Carter, hired in 1944, and Constance Baker Motley, hired in 1945. Greenberg, who participated in the oral arguments in one of the *Brown* cases (the companion case from Delaware), was director-counsel of LDF from 1961 to 1984, when he resigned to join the faculty of Columbia Law School. He has written what he describes as both a history and a memoir of his years at LDF. The book is rich both in personal anecdote and in "war" stories about the people involved in the various events he describes.

Crusaders in the Courts is not a detailed, multidimensional description of the development of the legal princi-

ples established by the courts during Greenberg's time at LDF. Not surprisingly, given the breadth and variety of the LDF legal program during Greenberg's tenure, much of the legal program is treated summarily. However, as an account from the viewpoint of one of the LDF's principal actors during a critical period, it is important.

Even though the Supreme Court's "deliberate speed" decision denied to most black children at that time the enjoyment of their right to a desegregated public education, the Court's central ruling that segregation is unconstitutional spurred blacks everywhere to demand an end to segregation in countless other situations. Beginning in the mid-1950s with boycotts protesting segregated seating on public buses, lunch-counter sit-ins and protests against segregated interstate travel, blacks and sympathetic whites protested racial segregation as never before. New leaders such as Dr. Martin Luther King, Jr., and new organizations such as the Southern Christian Leadership Conference (SCLC), the Student Nonviolent Coordinating Committee (SNCC) and the Congress of Racial Equality (CORE) emerged. Activities and protests drew attention to both the illegality and the immorality of segregation. Since most protests challenged laws requiring segregation, or laws such as trespass statutes that were racially neutral on their face but were used to aid segregation, these leaders and groups needed lawyers to represent them.

Under Marshall's leadership, LDF had begun to defend these activists, but under Jack Greenberg LDF truly became the legal arm of the civil-rights movement. With a basic infrastructure in place that included a network of attorneys around the country as well as in New York City, Greenberg was ready for the new legal challenges *Brown* was producing. But the number and variety of cases threatened to overwhelm the office. Greenberg, an excellent organizer and fund-raiser, built up LDF to meet its new demands. Under his leadership its budget grew to $6.5 million, the legal staff rose to 25 lawyers, and there were more than 200 cooperating attorneys. Because of the moral force and the excellence of the work done, Greenberg had no trouble attracting talented, energetic and committed attorneys. Under his direction LDF carried a docket of hundreds of cases and came to be considered as the paradigm of the public-interest law firm.

Aside from continuing to protect and implement the *Brown* mandate (work that continues to this day) and the cases involving sit-ins, marches and other protest activity of civil-rights demonstrators, the LDF legal program included systematic efforts to implement the Civil Rights Acts prohibiting discrimination in such varied areas as public accommodations; in programs receiving federal financing (for example, hospitals, school systems and universities); in private, state and federal employment; in voting; and in housing. Much of this work was carried out in the face of active opposition from several national administrations. To assure the best use of its limited resources, LDF chose to handle the cases that would benefit the greatest number of blacks, such as those involving class actions and issues of law with wide ramifications. With regard to the latter, especially the new civil-rights legislation, LDF's efforts to assure legal interpretations favorable to those the laws were designed to protect were critical. Greenberg also led litigation strategies in criminal law, for example, to develop legal standards to protect against discrimination in the selection of juries. And LDF led the challenge to the constitutionality of capital punishment.

Greenberg's book will not be the last word on many of its controversial subjects. More will be written about Marshall's decision to designate Greenberg as his successor, instead of the more senior black attorney Robert Carter. It is difficult in light of available historical materials to credit Greenberg's attribution of the litigation strategy that culminated in the *Brown* decision not to Charles Hamilton Houston, but to Nathan Margold, based on Margold's report commissioned in 1930 by the Garland Fund. Greenberg offers little in the way of justification for his theory. Finally, his account of his dispute with the staff about LDF's representation of Angela Davis and other black militants is one-sided and disparaging of the staff. Although the LDF board of directors may have resolved the issues properly in his favor, his account reflects the ridicule he displayed at the time toward those involved, whom he thought were challenging him personally, and it fails to consider the genuine issues of LDF policy that the staff was attempting in good faith to have considered.

Nonetheless, this book is an important examination of the use of constitutional litigation to aid disadvantaged groups. Among those who played critical roles in the early legal battles that led to the Court's decision in *Brown v. Board of Education,* Greenberg remains unheralded, as does his subsequent, perhaps more remarkable work as leader of the LDF for 23 years. Ironically, this neglect would probably not have happened if he were black. One hopes this memoir will garner him the public recognition that his efforts and accomplishments deserve.

—Lowell Johnston, *assistant LDF counsel (1968-89), is an attorney in private practice in New York*

THE PRESIDENT HAS SEEN
8.8.95

GS/Aeiw
some good ideas
and can pass,
Chief. Stop —

BK

THE TRINITY FORUM

FACSIMILE TRANSMISSION SHEET

TO: The President

ATTENTION: Nancy Hernreich

ORGANIZATION: The White House

FAX NUMBER: 456-6703

DATE: August 7, 1995

PAGES: 3

FROM: Os Guinness

REMARKS: Dear Nancy,

I was asked how the President might think of following up his major substantive addresses of last month. Here are my thoughts, which you might pass on to the President if he is interested.

Warm regards,
Sincerely,

Os Guinness

Dr. Os Guinness

SENDER'S NAME: Debi Siler

5210 LYNGATE COURT, SUITE B BURKE, VIRGINIA 22015-1631
703-764-1070 FAX 703-764-0993

cc: Don Baer
& V. Bowles
J. Podesta

THE TRINITY FORUM

FOLLOW UP BY OS CULVER'S TO YOUR "COMMON GROUND" SPEECHES.

August 7, 1995

The President
The White House
Washington, DC 20510

Dear Mr. President,

Thank you for your letter and the copies of your other recent major speeches. It was a privilege to be at both Georgetown University and James Madison High School and especially to hear you articulate your positions on religious liberty. It was quite simply the fullest and best presidential speech on religious liberty in the past generation—though cynics might say the competition is thin!

It has been particularly heartening to watch the speeches being slowly recognized as a statesmanlike definition rather than a mere political exercise. The passenger next to me on a flight to San Francisco last Saturday put another positive angle: "Finally, someone is standing up to the bullies."

May I offer some suggestions as the White House staff considers ways to follow-up on these speeches?

First, ensure that from here onward all your major speeches have a common component—articulating American first principles on the topic at hand, heeding the framers' vision of the subject and setting out your own position in light of contemporary challenges (and all this as a matter of genuine reflection rather than rhetorical quotations).

Second, have op-ed pieces in your name drafted beforehand on major defining addresses, such as affirmative action and religious liberty, so that these hit the press at the same time as news reports of the speeches.

Third, create a list of 50–100 opinion leaders to whom the full texts of major speeches go with a personal letter from you, setting out why you raise this important topic and inviting their thoughtful response. These conversation partners should be recognized American leaders and opinion makers from diverse spheres of life. An underlying goal of this exercise should be to restore the role of intellectuals from being adversaries of American culture to being pioneers and custodians as they were once.

Fourth, plan to give a second speech on religious liberty that takes the argument to a higher level yet. If I had one reservation about the speech at James Madison High School, it was that it failed to capitalize on the excellent foundational thinking you had laid. In four or five areas it could have "gone for the gold." If this were of interest, I could specify what I mean. But I would recommend that you make such a "Son of James Madison" speech before a strongly

religious audience—such as a Jewish or evangelical group. You could then repeat a little of your first speech as the basis and go on to the summit and achieve far more.

Fifth, select one of the best "common ground" projects and take part in one of their most newsworthy events. For example, the "Three R's Project" in California education (run by Charles Haynes) stressing a framework of rights, responsibilities, and respect as a way of rebuilding common ground in the midst of exploding California diversity.

Sixth, create a televised bipartisan White House event with a signed or spoken public declaration on American unity. You could invite a select group of national leaders together with the signers of earlier "common ground" projects, such as the Williamsburg Charter on Finding Common Ground. You could then say in effect: We are about to commence a keenly contested election with what will sometimes appear as diametrically opposed personalities and policies, but before we do so we affirm that what *unites* us as American is deeper than what *divides* us as politicians and therefore *how* we debate is as important as *what* we debate. I believe such an event would have a deep resonance with Americans weary of the endless culture-warring.

I appreciate that as the election draws nearer the opportunities for statecraft decrease and the perils of politicization mount. But I believe that approaches such as those outlined here will only prove to be in yours and the nation's best interests in the long run.

This comes with warmest regards as ever,
Sincerely,

Os

Dr. Os Guinness
Senior Fellow

Withdrawal/Redaction Sheet
Clinton Library

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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Tom Epstein

5612 Cromwell Drive
Bethesda, Maryland 20816

August 7, 1995

Dear Mr. President:

With great regret, I hereby tender my resignation from the Executive Office of the President, effective September 1, 1995.

Working in your administration has been an honor and a privilege that I will cherish for the rest of my life. You have been a consistent source of inspiration and pride, articulating a brilliant vision of a better world while relating with warmth and grace to everyone with whom you interact. This administration has already accomplished a great deal and I expect that record of achievement to continue for many years to come.

My decision to leave is based upon my personal circumstances and reflects no dissatisfaction whatsoever with any substantive decision or action taken by the administration. In recent months, I was not enabled to perform the responsibilities I had been assigned as effectively as I had in the past, and concluded it was necessary to move on.

While I preferred to stay with the administration in some other capacity, I was recently offered a superb opportunity outside of government with an organization I know you support and admire--PBS. I will begin my new position there as director of communications and public relations just after Labor Day.

Though my new job will not permit active participation in partisan politics, I will always be available to consult with your staff and advisors on matters in which I played a role at the White House. I will follow events very closely and do everything I can to be helpful.

Thank you for the extraordinary opportunity you provided to me and my family. I cannot overstate the respect and admiration I have for you, the Vice President, and the First Lady. I doubt that any future work I ever perform will be as important and rewarding as serving on your staff. I wish you continued success with all my heart.

Sincerely,

Tom Epstein

Tom Epstein

original sent to Bonnie Ms.

RED ~~DOT~~ TO
TO J. DOSKOW

PLS: prepare
response,
T

July 5, 1995

THE PRESIDENT HAS SEEN
8-8-95

Dear Bill:

We just got back from California on Aug. 1st. Please Bill, you must do something. I dream & look good for you, and I am so upset!

The Waters are very upset about the many jobs lost here. As a good friend, please listen to me. You need to help California! You need the State badly! I spoke to many people, but they are really adamant!

Best Regards

Mary Thurman

203-375-2504 if you need to know anymore.

Send to ~~Dirskind~~ for reply?

TREY

8/8 - Original to Trey Schroeder.

Jessica

THE PRESIDENT HAS SEEN
THE PRESIDENT HAS SEEN
8-8-95

THE WHITE HOUSE

WASHINGTON

95 AUG 4 P9:27

August 4, 1995

Copy entire document to Kitty Higgins?

Yes

MEMORANDUM FOR THE PRESIDENT

FROM: **KITTY HIGGINS** Kitty

SUBJECT: **Summary of Cabinet Weekly Reports**
July 31-August 5, 1995

DEPARTMENT OF TREASURY

Secretary's Schedule: On August 8, Secretary Rubin will attend the Godfrey Sperling Breakfast with 45 journalists where the focus will be on the budget. On August 10, he is participating in an event marking the two year anniversary of the Omnibus Reconciliation Budget Act of 1993.

FY 1996 Appropriations: The FY 1996 Treasury/Postal Appropriations bill may be considered by the Senate on Saturday. The Senate bill contains roughly $200 million less than the House bill. DOT is attempting to generate support for funding the Community Development Financial Institutions Fund (CDFI); there appears to be little support in the Senate for CDFI or any other new program in light of the severe budget cuts to existing programs.

Savings Association Criminal Referral Reports: DOT has published proposed regulations which would create a new criminal referral form, the Suspicious Activities Report (SAR), to be used by banks to report criminal violations.

Arizona Tunnel Case Yields Shelter for Abuse Victims: The Customs Service presented the City of Douglas, AZ with the deed to a parcel of forfeited real property to benefit battered and abused women and children. The forfeited property was transferred under the Weed and Seed Program to further the goal of turning criminal assets to productive community use.

Indian Tribe Tax Issues: On July 25, DOT officials met with Indian Tribal leaders to discuss an IRS revenue ruling that treats Indian Tribal corporations formed under state law as taxable corporations. The Indian representatives are concerned about the possible expansion of this ruling.

BIF/SAIF: On July 28, the Senate Banking Committee held a hearing on the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF). No markup has been scheduled, and it is unlikely before September.

Multilateral Development Institutions: The Departments of Treasury and State are working together on reallocating funds within their account. There is a consensus that any excess funds in the Senate 602(b) allocation over the House appropriations levels would go to the multilateral development banks on a priority basis. The current "headroom" in additional funding (over the House appropriations) totals nearly $443 million in budget authority and nearly $277 million in outlays. DOT hopes it can reach agreement with State that will obviate the need for any further discussions. It now appears that the Appropriations Subcommittee on Foreign Operations will not meet to mark up the foreign operations appropriations until after the August recess.

DEPARTMENT OF COMMERCE

$53 Million in Disaster Assistance Announced: In a press conference on the Hill last Thursday, Secretary Brown announced $53 million in disaster assistance to fishing-reliant areas in the Northeast, Northwest and Gulf regions experiencing resource disasters. The package includes $25 million to New England for boat buyback programs; $15 million to the Gulf area to aid fishermen, and $13 million to the Northwest for continuing habitat restoration programs, which employ fishermen. The Secretary was joined by several members of Congress, including Sen. Breaux, who authored the legislation. The announcement received national and regional press coverage.

Secretarial Events Next Week: On Tuesday, August 8, Secretary Brown will join Ambassador Kantor for a press conference regarding the U.S.-Japan Automotive Framework Agreement. On Wednesday, August 9, he travels to Rhode Island and addresses the Providence Chamber of Commerce. He will also address the New England/NASA Technology and Business Conference. On Wednesday night, he attends the Black Enterprise Magazine 25th Anniversary dinner in New York, where he will introduce the President's satellite message.

Commerce will Release the Following Economic Indicators:

Wholesale Trade for June 1995	August 8
Advance Retail Sales for July 1995	August 11
Manufacturing and Trade: Inventories and Sales for June 1995	August 14
Housing Starts and Building Permits for July 1995	August 16
U.S. International Trade in Goods and Services for June 1995	August 17.

Affirmative Action: Secretary Brown stressed your affirmative action message in his address to the National Bar Association in Baltimore on Friday, August 4.

DEPARTMENT OF LABOR

St. Regis Settlement: On Thursday, August 10, Secretary Reich will announce the details of DOL's settlement agreement with St. Regis Paper Company of Montana. The settlement provides up to $1,050,000 in back pay to a group of more than 400 women who were discriminated against as employees or job applicants by this now defunct paper and lumber company. This case is 20 years old and was ignored by the two previous administrations because of political reasons.

One Stop Grant Announcements: On Thursday, Secretary Reich will announce the award of One Stop grants for several states. He will do a press satellite tour with local television stations in the states receiving grants.

BLS Data Releases:

Data on Productivity for the Second Quarter of 1995	August 5
Producer Price Index for July	August 10
Consumer Price Index for July	August 11

Minimum Wage: On Monday, Sen. Kennedy offered a Sense of the Senate resolution on the minimum wage as an amendment to the State Department Reorganization bill (S. 908). The amendment called for the Senate to announce its intention to debate and vote on whether to raise the minimum wage before the end of the current session. The amendment ultimately failed when Sen. Kassebaum's motion to table succeeded by a vote of 49-48.

GI Bill for America's Workers: Sen. Dole is folding a version of S.143, the Workforce Development Act into welfare reform and bringing the measure to the floor, as early as Friday, August 4. Finance and Labor Committee Democrats will be offering a motion to strike the legislation from the larger welfare reform block grant. Should the motion fail, Democrats are prepared to offer a series of amendments on issues such as accountability, At-Risk Youth/Job Corps, TAA and National Activities.

AFL-CIO Elections: On August 1, the Executive Council of the AFL-CIO elected Thomas R. Donahue to succeed Lane Kirkland as president and Barbara Easterling to succeed Donahue as secretary-treasurer of the labor federation. John Sweeney and Richard Trumka will oppose Donahue and Easterling in the general election of union officers by the full convention, scheduled to take place October 23-26 in New York City.

Possible Replacement Workers in Detroit Newspaper Strike: Late last week, striking newspaper workers at the Detroit Free Press and the Detroit News received warnings that they could be replaced if they did not return to work.

USAir and Union Terminate Negotiations for Ownership Agreements: On July 28, USAir announced that it had terminated negotiations seeking "concessions-for-ownership" agreements with its major unions.

Basketball Players Labor Dispute with NBA: The National Basketball Players Association has set August 8 as the deadline for reaching a labor agreement with the National Basketball

Association (NBA). If an agreement is not reached, the union has indicated that it would not oppose decertification. The NBA locked out the players on July 1.

Decision Issued in *U.S. Chamber of Commerce v. Reich*: On July 31, U.S. District Court Judge Gladys Kessler issued a decision in *Chamber of Commerce v. Reich*, upholding Executive Order 12954, but enjoined its implementation pending an appeal. Judge Kessler accepted the Government's argument that judicial review was precluded because the plaintiffs had challenged only the President's statutory, rather than his constitutional, authority to issue the order. She also rejected a claim that the President lacked authority to issue the Order under Federal procurement laws, and held that the Order is not preempted under the National Labor Relations Act. Finally, Judge Kessler enjoined enforcement of the Order until the court of appeals issues a decision in the case because she found that the plaintiffs had raised a serious legal challenge to the Order and would suffer permanent, irreparable and uncompensable harm absent injunctive relief.

DEPARTMENT OF TRANSPORTATION

Hurricane Erin: Hurricane Erin, which initially struck the east coast of Florida on August 2, resulted in no major transportation disruptions and very little damage in its first landfall. On August 3 Hurricane Erin made its second landfall at Pensacola Beach, Fla. The Coast Guard assisted the crew of a gambling ship, that sank 90 miles northeast of Cape Canaveral. Eight persons were rescued and the search continues for three missing crewmen.

Air Traffic Control (ATC) Facility Outages: On August 1, the FAA announced its decision to replace the computers at five air traffic control centers beginning in 1997; the first system will come on line in Chicago in 1997. This is necessary because the current air traffic control computer system dates back to the 1970's and recently has suffered from increasing power outages. The systems will be upgraded at Chicago, Dallas-Fort Worth, Washington, Cleveland and New York at a cost of about $65 million. The National Transportation Safety Board (NTSB) is conducting a special investigation of ATC facility outages and associated air traffic issues and plans to complete the investigation in early September.

Port Authority of New York and New Jersey (PANYNJ) Passenger Facility Charge Program (PFC): The FAA partially approved the PANYNJ application on July 31 to collect a $3 tax on airline tickets, authorizing collections of $675 million. This will allow the Port Authority to continue its PFC collections until January 1, 2001. Several projects at JFK and Newark airports will be funded, including a 7.5 mile monorail at JFK that would connect terminals with other facilities, and the extension of the monorail at Newark that will connect the airport to New Jersey's Transit lines.

U.S. - U.K. Aviation Talks: Talks with the British will continue in Washington, D.C. starting August 7 and in London on September 11. The delegations will be negotiating changes to liberalize our bilateral aviation.

Bomb Threat at Union Station, Washington, D.C. At approximately 2:30PM on August 3, a bomb threat was received targeting Union Station. The station was evacuated and a thorough search employing bomb sniffing dogs was undertaken. Operations were resumed in time to not

interfere with the normal rush-hour traffic.

Affirmative Action: On July 27, a CA state court judge ruled that an L.A. County Metropolitan Transit Authority disadvantaged business enterprise (DBE) program was unconstitutional based on the U.S. Supreme Court's June 12th decision in *Adarand v. Peña*. Federal law requires that at least 10% of federal funds spent on rail construction projects be allocated to DBE's. In implementing that requirement, the L.A. program set a DBE goal of 29%. Based on this percentage, and other factors, the judge found the L.A. program did not pass muster under a strict scrutiny analysis. The U.S. is not a party to this case, but DOT is consulting with DOJ about possible intervention.

NAFTA: The Mexican government continues to work with officials of the U.S. small-package delivery sector to develop regulations that will provide U.S. carriers national treatment. New draft regulations were received during the week of July 10 for review and comment by U.S. industry, DOT, and the USTR. Industry's views on the regulations were delivered to the Mexicans July 24. The action initiated by the USTR under Chapter 20 of the NAFTA is temporarily on hold pending a complete review of Mexico's revised draft regulations.

Title XI Guarantees: Title XI is your very successful ship-building initiative. On July 25, 1995, the Maritime Administrator made a commitment to Martin Gas Marine, Inc. (MGM), Texas, for financing a U.S.-flag, double-hull tank barge and tug. The total guarantee is approximately $14,527,000. The barge will be built by AMFELS, of Brownsville, Texas, and the tug will be built by Trinity Marine Group, Inc., of Moss Point, Mississippi. Also, financing of the American Queen, a 436-passanger paddlewheel steamboat, was approved on July 26, 1995.

House Amtrak Mark-up: Chairman Schuster of the House Transportation and Infrastructure Committee removed the Amtrak bill from consideration at the markup on Wednesday, August 2. He stated that he was unwilling to move the bill forward due to labor's request to add a provision to the bill indicating that revising labor protection for Amtrak would not have any implication for railroad protection in the freight railroad context. The Chairman indicated that he had not decided on the next course of action; identified options included going back to the earlier legislation that rail labor objected to or moving to liquidate Amtrak.

Bids to be Opened for First Arkansas Highway Tunnel: The Arkansas Highway Commission opened bids on Thursday, August 3 to construct the first highway tunnel in Arkansas. The tunnels will be the final link between the northern and southern portions of the Highway 71 relocation project. With the awarding of this contract, all 42 miles of the new location for Highway 71 between Alma and Fayetteville will be underway and is scheduled for completion by 1999.

"Zero Tolerance" Law Enacted in 17th State. On July 28, North Carolina enacted a law upgrading the State's "Zero Tolerance" law. The new law makes it illegal for all drivers under the age of twenty-one to operate a motor vehicle with any alcohol in their systems. North Carolina becomes the 27th State to pass a "Zero Tolerance" law.

DEPARTMENT OF JUSTICE

Webster Hubbell: On August 7, former Associate Attorney General Webster Hubbell will self-surrender to the minimum-security camp at the Federal Correctional Institution, Cumberland, MD. Mr. Hubbell was sentenced on June 28, in the U.S. District Court to a 21-month term for scheming to defraud and for tax evasion.

Boot Camp And Drug Court Grants To Be Announced: Next week, Attorney General Reno will announce that 42 jurisdictions will receive boot camp grants, while 52 jurisdictions will receive drug court grants. The awards can be used to develop, construct, or operate boot camps and drug courts. These two grant programs were authorized under the 1994 Crime Act.

Suit Filed Challenging BLM's Grazing Regulations: In *Public Lands Council v. Babbitt*, (D.WY), several organizations are challenging BLM's grazing regulations which are scheduled to take effect August 21. In addition to challenging the adequacy of the Environmental Impact Survey (EIS), plaintiffs allege that several provisions of the regulations exceed the agency's authority under existing law, that the agency has failed to provide a reasoned analysis to support its interpretation of existing law, and that the regulations violate principles of due process because they cancel vested rights, require livestock management agreements, hold permittees liable for actions of affiliates, and authorize cancellation of permits for violation of state or federal environmental laws.

Appellate Court Invalidates Certain Conditions Imposed By Pennsylvania on the Funding of Abortions Under the Medicaid Act: In *Elizabeth Blackwell Health Care Center For Women v. Knoll*, [3d Cir.; E.D. Pa.], private parties brought an action against Pennsylvania concerning conditions imposed by the state on the funding of certain abortions under the Medicaid Act. Pennsylvania allows Medicaid funding for abortions that are the result of rape or incest only if the rape or incest is personally reported to law enforcement officials, and allows funding for abortions of pregnancies that threaten the life of the mother only if a financially disinterested physician certifies that the pregnancy will cause a danger to the mother if carried to term. The government filed an amicus brief in the case at the request of the Court of Appeals for Third Circuit. On July 25, 1995, the court held that the reporting requirements are invalid because they do not contain any provision for waiver of the requirements, and the second-physician requirement is invalid as inconsistent with a federal regulation.

Settlement with Safeway Stores On Disabled Access: On July 26, DOJ announced an agreement with Safeway, Inc., under the Americans With Disabilities Act (ADA). The agreement, which affects all 835 Safeway stores in the U.S., requires Safeway to maintain at least one sufficiently wide entrance at each of its stores for customers who use wheelchairs. Safeway will also launch a compliance plan to survey all of its 835 stores to determine areas within the stores that do not meet ADA requirements and take steps to ensure compliance.

Judicial Appointments Proceed: A total of 26 men and women have been confirmed to judicial appointments (5 to the Court of Appeals and 21 to the District Court) since the beginning of the 104th Congress. An additional 23 men and women have been nominated to the Courts of Appeals (7 nominees) and District Courts (16 nominees) since the beginning of the 104th Congress. Twenty-five candidates are in the review and clearance process.

INS Selects New Border Patrol Training Site: Commissioner Meissner announced on July 28 the selection of the Charleston Naval Base in Charleston, SC, as a new site for Border Patrol training, pending Congressional notification. The Charleston site meets the need for an additional training facility to carry out the training requirements for the Administration's aggressive hiring initiative, which aims to bring approximately 4,000 new Border Patrol agents on board during the next 3 years. INS anticipates using the Charleston facility to handle about 25 percent of Border Patrol basic training once it begins operation in October 1995.

Speeches: On August 7, Attorney General Reno addresses the American Correctional Association and on August 11, addresses the annual conference of the National Association of Police Officers.

U.S. Trade Representative

Negotiating Authority: In the past couple of weeks, Ambassador Kantor has met with Chairman Archer, Rep. Houghton and Republican and Democratic members of the Ways and Means Trade Subcommittee to discuss fast track negotiating authority and the need for bipartisan cooperation in the House. Members of the Committee were concerned that the current version of the Bill does not have the necessary Democratic support. A number of members spoke about the need for unconstrained negotiating authority for the USTR. Outstanding issues concern labor and the environment.

NAFTA Accession Negotiations: On July 25-August 1 USTR led the first round of NAFTA accession negotiations with Chile, Canada, and Mexico. The talks covered the entire range of issues incorporated in the NAFTA agreement, including the agreements on labor and the environment. Chile is hesitant to move quickly given the uncertainty on fast track legislation. The second and possibly third round of talks are being scheduled for September.

Thailand Regains Trade Benefits: Ambassador Kantor announced your approval of the restoration of certain trade benefits under the Generalized System of Preferences that Thailand lost in 1989.

Department of Health and Human Services

HHS to Release Special Fraud Alert: On Friday, August 4, Secretary Shalala released a special "fraud alert" during a press conference with Texas Attorney General Dan Morales. She released a special "fraud alert" warning the health care industry and the public about patterns of illegal practices in the provision of medical supplies to nursing facilities. This is a component of HHS's "Operation Restore Trust," a joint effort of federal and state governments focusing on fraud in home health care, nursing home care and durable medical equipment areas--three of the fastest growing cost areas for Medicare and Medicaid.

HHS May Approve Two Welfare Proposals for CA in the Next Few Weeks: CA's "Incentives to Self-Sufficiency" plan requires Community Work Experience Program (CWEP) participation for certain JOBS mandatory individuals and provides transitional child care and transitional Medicaid to families who become ineligible for AFDC, due to increased assets or income resulting from marriage or the reuniting of spouses. It also increases the duration of

sanctions for certain acts of fraud. California's other proposal amends the "Work Pays Demonstration Project" by adding provisions to cap AFDC benefits to families for additional children conceived by women while receiving AFDC benefits.

New York Requests Time to Revise 1915 (b) Medicaid Managed Care Expansion Waiver: New York is revising its proposal that would expand the southwest Brooklyn Medicaid managed care demonstration to the rest of New York City, ultimately placing over 400,000 Medicaid beneficiaries into managed care plans. The state plans to submit its revised material on September 1; HCFA's 90-day review period would then end on October 30.

Ryan White Continuing Grants for HIV Care and Research: This week, HHS is expected to announce this week the release of Title IV continuing Ryan White awards to 17 community organizations.

SOCIAL SECURITY ADMINISTRATION

SSA's 60th Anniversary Commemoration: August 14 is the 60th anniversary of the Social Security Program. Commissioner Chater will hold a press conference to officially kick off a public education campaign designed to increase public confidence in Social Security programs. The First Lady will be in attendance.

DEPARTMENT OF VETERANS AFFAIRS

Veterans Service Organizations Annual Conventions: During the next several weeks, Secretary Brown will be addressing several annual conventions of veterans service organizations which are being held around the country. He will speak to the following groups in August: the Military Order of the Purple Heart, the Non-Commissioned Officers Association, the Catholic War Veterans, the Vietnam Veterans of America, AMVETS, the Blinded Veterans Association, the Veterans of Foreign Wars, and the Paralyzed Veterans of America.

Presidential Advisory Committee on Persian Gulf Illness: On August 14, Secretary Brown, will join Secretary Shalala and Deputy Secretary John White in the first meeting of the Presidential Advisory Committee on Persian Gulf Illness. He will brief committee members on VA's efforts to provide health care services and compensation to Persian Gulf veterans, as well as on VA's development of a research program that is searching for answers to undiagnosed illnesses.

Floor Action: On July 31, the House passed H.R. 2099, the FY 1966 VA, HUD, and Independent Agencies Appropriations Act. The VA received a total of $16,777,474,000 which is $184,013,000 below your request.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD Intervention in the Management of the Chicago Housing Authority-- Agreement

Reached on the Future of Henry Horner Extension: After months of negotiations, the parties reached an agreement on the revised consent decree on the redevelopment of Henry Horner. Residents voted on the plan on August 4. The proposal is expected to be approved by the residents and the judge by next week. Per the agreement, three additional buildings at the Henry Horner Extension will be torn down with the original two high-rises scheduled for demolition, bringing the total number of units to be razed at 466. The original consent decree committed $30 million of HUD funds to the redevelopment of Henry Horner. The new agreement funnels an additional $30 million to the future of the community, including the rehabilitation of other buildings in the development.

Other CHA/HUD Developments: The Section 8 administrative plan was revised so that public housing residents who currently reside in the worst high-rise developments in the city will be given a priority for receiving a Section 8 rental certificate. CHA/HUD has also initiated a targeted and intensive campaign to fulfill the backlog of work order requests from residents for repairs to housing.

Secretary Cisneros Travel: Secretary Cisneros will be traveling to the following cities: Bangor and Portland, ME, Burlington, VT, Camden, NJ, Wilmington, DE, Manchester and Hanover, NH, Chicago, IL, St. Louis, MO and San Francisco and Long Beach, CA. Also, he will address Dartmouth College on Urban Policy Wednesday August 9.

OFFICE OF NATIONAL DRUG CONTROL POLICY

Elimination of ONDCP: As your aware, the Senate Appropriations Committee eliminated funding for ONDCP. The House version of the bill, past last week, includes $9.3 million in funding for the drug office. The Senate floor is expected to debate and vote on ONDCP appropriations this evening (Friday). Sens. Hatch and Biden are expected to put forth an amendment to restore the funding that was eliminated in committee.

Look-Alike Products: ONDCP may announce the removal of "look-alike" products from Southland Corporation stores (711 Convenience Stores) that are packaged to entice children and/or introduce them to adult behaviors such as smoking tobacco and drinking alcohol.

Safe and Drug Free Program: An event is in the planning stages with the First Lady for Tuesday, August 8 or Wednesday, August 9. This would be with students in a Safe and Drug Free Program, their mentors and adult advisors.

DEPARTMENT OF EDUCATION

National Conference of Lieutenant Governors: On August 22, the Deputy Secretary will address the National Conference of Lieutenant Governors in Michigan.

Anniversary of Women's Suffrage: On August 26, the Deputy Secretary will join in a celebration of the 75th Anniversary of Women's Suffrage. The celebration will be held in Montpelier, VT.

American Legion: On September 5, Secretary Riley will address the American Legion convention in Indianapolis.

Back to School: During the week of September 11-15, The Administration will focus on "Back to School" activities and the drastic GOP cuts in education and training. On September 12, Secretary Riley will deliver a speech at the National Press Club to highlight family involvement in education and the importance of families going "back to school." On September 13, he will appear on Good Morning America to discuss going back to school. Cabinet members and celebrities will also participate in back-to-school activities to encourage parent and community involvement in education. Secretary Riley has additional back-to-school events scheduled in Maryland, Pennsylvania, Missouri, Kentucky, Louisiana, and Illinois later this month and throughout September. The Budget Working Group is finalizing plans for your involvement.

DEPARTMENT OF INTERIOR

New York Environment Tour: Next week Secretary Babbitt will spend three days in New York doing another regional environment tour. The tour will highlight local success stories resulting from the Clean Water Act, the Endangered Species Act and other long-standing bipartisan conservation laws. The tour will include stops in Buffalo, Syracuse, Troy (on the banks of the Hudson), Poughkeepsie, Peekskill and Long Island.

Grazing Update: DOI is coordinating with various Western States on the announcement of the regional advisory councils which become effective with the new regulations on August 21, 1995. Governors Romer and Geringer are interested in making joint announcements of the regional advisory councils in their states. Other Governors may want to do the same.

Arctic National Wildlife Reserve (ANWR): While DOI will probably lose the congressional battle against leasing authority in the reconciliation legislation, the public continues to be strongly committed to protecting national parks and public lands--57% are opposed to drilling for oil in ANWR.

National Parks: Roger Kennedy, Director of the Park Service, testified before the House National Parks, Forest and Lands Subcommittee on the fee reform proposal by Congressman Hansen. In effect, this proposal would raise the price of admission to 5 times the current fee, which means it would cost the average family $50 to $60 per day to visit a park. Bonnie Cohen, Assistant Secretary for Policy, Management and Budget, testified in opposition to the proposal to transfer Bureau of Land Management lands to the states. This measure would let individual states decide whether they wanted to restrict the uses of or access to land or even sell it to private purchasers. The land being discussed includes 170 million acres of rangeland, 48 acres of forests, 1.4 billion barrels of oil reserves, and a third of the nation's coal reserves.

OCS Announcement: Last Friday, this $200 million settlement was filed in court. Secretary Babbitt issued a statement on Monday, which has received some favorable local press coverage in Alaska and in parts of Florida. The Department is currently trying to schedule an event on Monday or Tuesday of next week in Tampa, Florida with Governor Chiles to increase national press coverage of this important settlement.

Upcoming Travel: On Saturday, Secretary Babbitt will travel Greensboro, NC to attend the Bass Masters Classic which is the "World Series of Bass Fishing." He will participate in a roundtable of The Natural Resources Committee which will give him an opportunity to find common ground with sports fisherman as they discuss the negative impact of proposed changes in the Clean Water Act on recreational sports fishing.

ENVIRONMENTAL PROTECTION AGENCY

GOP Drastic Spending Cuts: The House approved a $4.88 billion spending level for the agency, which represents a 34% cut from the request and a 33% cut from the current funding level. The proposed cuts include $1.5 billion from water infrastructure, $435 million from operating programs, and $428 million from Superfund. The bill's eighteen riders severely weaken the nation's environmental and health protections. EPA is coordinating with the Budget Working Group on your involvement this coming Tuesday.

Regulatory Reinvention: EPA announced that it will delete 11% of existing pages of regulations and further revise another 70% of EPA's portions of the CFR to help businesses achieve environmental protection goals faster and cheaper. Highlights of the changes resulting in the review include time savings from reduced paperwork, cost savings resulting from streamlined regulations, fewer rules and rules that are more flexible and results-oriented.

Regulatory Reform: Last week, Sen. Dole laid aside his Regulatory Reform bill after failing to invoke cloture three times.

Brownfield Pilot Project Press Conference: On August 7, Administrator Browner travels to Bridgeport, Conn. to participate in a press conference with Sens. Lieberman and Dodd and Rep. Shays to highlight EPA's Brownfield pilot project in Bridgeport.

DEPARTMENT OF AGRICULTURE

Budget Impact on Real Americans: On August 1, USDA issued a national news release which contrasted the effect of your balanced budget plan on farm and rural programs with the more drastic cuts contained in the Congressional seven-year budget proposal.

Trade Delegation to Asia: During August 6-18, Secretary Glickman travels to Asia for a six-country tour, including visits to Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea. The Secretary will consult on issues vital to agricultural trade and explore USDA's market development efforts in these countries.

Crop Insurance Roundtable: On Thursday, August 3, Secretary Glickman convened a roundtable meeting to discuss the crop insurance program. This year was the first year of implementation of the program following enactment of the Federal Crop Insurance Reform Act of 1994, which was an Administration initiative. Attendees included the crop insurance industry, farmers, and farm organization officials as well as Members of Congress and staff.

Senate Confirmation Hearings for Jill Long: The nomination of Jill L. Long of Indiana to be Under Secretary of Agriculture for Rural, Economic & Community Development as well as a

member of the Board of Directors of the Commodity Credit Corporation may be considered on the Senate floor as early as next week.

Report on Fire Suppression Costs to be Released: The "Fire Suppression Costs on Large Fires" final report will be published next week. The report was prepared by the Forest Service and is one of a series of reviews and reports following the 1994 fire season. An interagency review team will be reviewing all such reports beginning in mid-August and will develop an action plan for the 1996 fire season based upon the recommendations from these studies.

Hazards Analysis and Critical Control Points Systems: The comment period for the USDA proposed rule on "Pathogen Reduction; Hazards Analysis and Critical Control Points (HACCP) Systems" will be reopened consistent with upcoming public meetings on specific HACCP issues. USDA will also announce a three-day conference on August 21-3 with state government leaders responsible for food safety to address issues raised during the comment period on the proposed rule.

Food Stamp Benefits Decision: USDA will soon publish a proposed rule prohibiting an increase in Food Stamp benefits when assistance from Aid to Families with Dependent Children (AFDC) or another Federal, State or local welfare program is reduced as a result of a penalty for intentional noncompliance with the other program's requirements. You announced the rule in your July 31 speech before the National Governor's Association.

Settlement Reached for Yellowstone Park Management Plan: A settlement agreement was reached in the case of *State of Montana v. United States* on July 27. The settlement agreement defines an interim management plan for Yellowstone National Park and will be reviewed by the Federal district court on August 15.

***E. Coli*:** On July 29, as part of an epidemiological investigation into an outbreak of illness linked to *E. coli* O157:H7, laboratory tests confirmed that one of four samples of frozen patties obtained from a fast food restaurant in Missoula, Montana, tested positive for the O157:H7 strain. No link between the product and the outbreak has yet been confirmed. USDA has notified public health officials in six states. The CDC is trying to determine whether the bacteria from the meat is the same strain that caused the outbreak.

School Milk Contract Bid Rigging Investigation: DOJ is investigating dairies in Minnesota, Wisconsin, Iowa, North Dakota and South Dakota concerning alleged bid rigging in school milk contracts. As a result of the investigations, school milk suppliers have been subpoenaed by a federal grand jury in St. Paul, MN and ordered to turn over business records dating back to 1977.

DEPARTMENT OF ENERGY

Presidential Mission on Sustainable Development to the Republic of South Africa: As a follow up to your meetings with President Mandela, and prior to the first meeting of the Gore-Mbecki Commission, Secretary O'Leary will lead a presidential delegation to South Africa. She will be

accompanied by approximately 50 private sector leaders from non-government organizations. The trip will focus on initiating assistance to South Africa in support of President Mandela's goal to bring electricity to 2.5 million schools, clinics, and houses by 2000. She will also address such critical issues as renewable energy, oil and gas development, and energy efficiency including the financing of such transactions. The White House press office continues to get press inquiries regarding Secretary O'Leary's travel. White House staff has arranged a meeting with her staff to discuss this matter.

UNITED STATES INFORMATION AGENCY

Consolidation: The State authorization bill (S.908), which would consolidate USIA, AID and ACDA into the State Department, is now off the Senate floor, and is not expected to return before the August recess. An amendment by Sen. Helms to express the sense of Congress in favor of consolidation of the foreign affairs agencies did not reach a vote.

UNITED NATIONS

U.S. Delegation to the Fourth World Conference on Women: The names of the members of the U.S. delegation to the conference will be made available to the public on Friday, August 4. On August 7 and 8, the State Department will hold briefings for the delegation in Washington. On August 8, the First Lady will host a breakfast for the delegation.

Rwanda: The Security Council will consider a resolution put forward by the Rwandan representative to lift the arms embargo on Rwanda. The U.N. is generally in favor, but have insisted on including provisions on the use of the weapons including preventing weapons from falling into the hands of the former government in the refugee camps outside Rwanda.

DEPARTMENT OF DEFENSE

Former Yugoslavia: The DOD remains focused on the long-term strategy for the Former Yugoslavia. It is shaping a veto strategy in response to House passage of the Dole legislation, building support at NATO for the application of the Gorazde principles to the other safe areas, developing a response to the Bildt-Milosevic diplomatic package, and assessing and responding to events on the ground (particularly the Mt. lgman road area, Gorazde, Croatia and Bihac).

Haiti: It is uncertain whether make-up elections will go off as planned on August 6. The Aristide government believes it has taken steps to ease tensions with the opposition parties, but the opposition parties are still demanding further concessions beyond Aristide's gesture to fire Remy.

Congressional Request on DoD Support in Waco Matter: DOD continues to produce documents in response to the Senate Judiciary Committee and two House subcommittees requests. Last Thursday and Friday, an Army scientist testified on the effects of CS gas. In addition, there was a classified briefing by two Army officers who met with Attorney General Reno before the FBI executed their tear gas insertion plan.

DEPARTMENT OF STATE

Secretary Christopher's Asian Trip: In Brunei, Secretary Christopher and his ASEAN Regional Forum colleagues agreed on a meaningful work program for the next year, discussed major security issues in the Asia-Pacific, and approved a Chairman's Statement with solid language on Korea, the South China Sea, and Cambodia. In a side meeting with Chinese Foreign Minister Qian, the Secretary reassured Qian that we are following a one-China policy. The Chinese want to obtain more reassurances on Taiwan, especially on future visits to the U.S. by high-level Taiwan officials. Qian, who was pleased to receive your letter, agreed to continue the dialogue. The Secretary also met with Russian Foreign Minister Kozyrev, who claimed that promoting Carl Bildt's plan on sanctions relief to Milosevic will pressure Mladic to part ways with Karazdic. On NATO enlargement, the Secretary urged that Russia stick with opposition to "hasty" expansion but not take issue with its eventuality. Kozyrev felt that our current thinking seriously addresses Russian concerns; he will endorse our approach. Secretary Christopher, now in Malaysia, will continue on to Cambodia and Vietnam before returning to Washington on August 8.

Abu Marzook: The Department's Legal Advisor has determined that the provisional arrest request for HAMAS Political Bureau Chief Abu Marzook meets the basic requirements of our bilateral extradition treaty with Israel. Marzook will remain in detention for at lease 3-4 weeks while INS exclusionary proceedings continue. His detention and possible extradition to Israel has inflamed some Islamic groups, and several governments (Jordan, Kuwait) have expressed concerns about consequences for U.S. interest. We have alerted our diplomatic posts and the U.S. public to the need for heightened security precautions.

Sudan: Egyptian Presidential Advisor El-Baz told State Department officials that Egypt has ruled out military action against Sudan in retaliation for Sudan's possible role in last month's attack on President Mubarak in Addis Ababa. Sudanese authorities have effectively frozen UN relief efforts in southern Sudan over concerns that UN aid operations are biased in favor of the southern rebel factions. The State Department is trying to encourage the U.N. to take the lead in resolving the current impasse.

Haiti: On Monday, July 31, the Security Council unanimously approved the extension of UNMIH's mandate "for a period of seven months." This will allow for the orderly withdrawal of UNMIH troops after a new president takes office February 7.

Middle East Development Bank (MEDB): Japan, Canada, Italy, the Netherlands, and Russia have expressed support for using the Amman Economic Summit in October to endorse creation of the MEDB. This should help outflank those EU countries (e.g., the UK, Belgium) who are rigidly opposed to the Bank. Politically, it would be very desirable to get Germany and France on board before Amman, but their financial officials remain negative to the idea. The personal support of Kohl or Chirac will be needed to bring their government around. As the French are showing some give, we plan to work them hard before the Amman Summit.

State Authorization/Foreign Aid Status: The Senate concluded consideration of

S. 908, the Foreign Relations Revitalization Act, August 1 after a second cloture vote failed 55 to 45. Senator Helms has said that, due to the Administration's lack of cooperation on the bill, the SFRC will not take action on pending ambassadorial nominations or treaties. There are 17 State Department nominees on the executive calendar and 13 waiting to be reported out by the SFRC.

cc: The Vice President
Leon Panetta
Harold Ickes
Erskine Bowles
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Mark Gearan
Jack Quinn

THE WHITE HOUSE

WASHINGTON

August 5, 1995

CONFERENCE CALL TO F.O.P. EXECUTIVE BOARD

LOCATION:	Oval Office
TIME:	11:30am - 11:45am
FROM:	Rahm Emanuel

I. PURPOSE

To communicate to the Fraternal Order of Police (F.O.P.) that you want their support. The goal of this conversation is to block any public support of the Dole police block grant proposal and to begin to lock in their support for 1996.

II. BACKGROUND

You will have a conference call with the F.O.P. Executive Board, which is the policy core of the F.O.P. You spoke to the newly elected F.O.P. President, Gil Gallegos, on Friday. On Tuesday, you spoke via satellite to their 52nd Biennial Conference in Virginia Beach.

III. PARTICIPANTS

The President
Gil Gallegos, F.O.P. President
F.O.P. Executive Board (six members)

IV. PRESS PLAN

Closed press. White House Photo for release.

V. SEQUENCE OF PROGRAM

11:20am BRIEFING - Oval Office

11:30am CONFERENCE CALL - Oval Office
- Each Executive Board Member will introduce themselves.
- F.O.P. President Gil Gallegos will introduce himself last and will make a brief statement presenting the views and concerns of the F.O.P.
- You will respond for 5 minutes.
- Gil will thank you for your time and end the call.

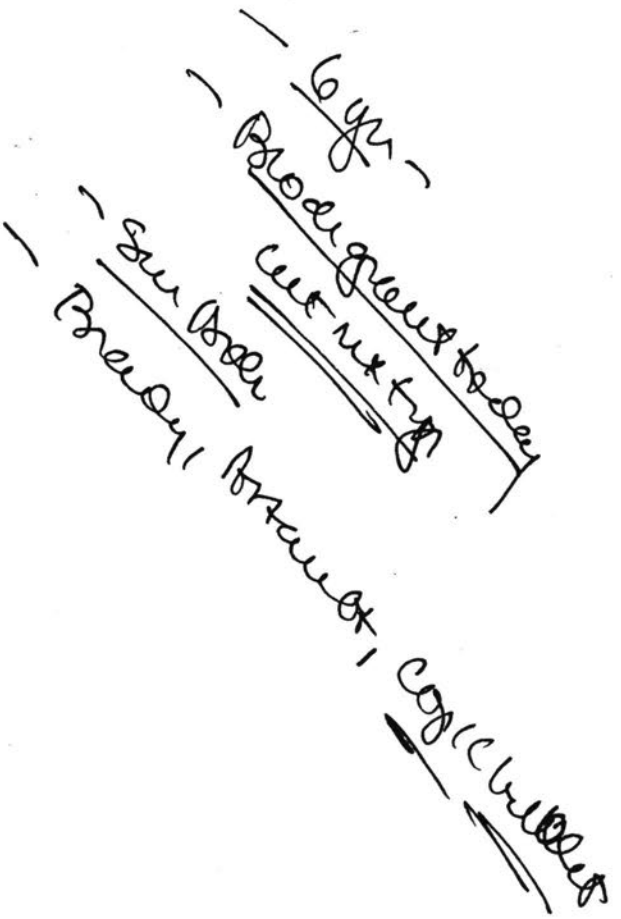
V. REMARKS

I enjoyed meeting speaking to your convention. I am sorry that I could not be there in person, and, if invited, I hope that I can attend your next one.

I want you to know that I am going to work hard to keep moving the Crime Law forward, and I will not tolerate any attempts to reverse the progress we are making in reducing crime in this country. I will continue to fight for more police on the streets, more prisons, more effective responses to drug offenders, and for cop killer bullet legislation.

The Crime Law takes positive steps towards addressing each of these objectives. It focuses on the right goals and is already at work. We need to move forward in fighting crime to follow through on these efforts and to respond to additional challenges such as fighting drugs and reforming the juvenile justice system.

The Republican efforts in Congress represent a retreat. They want to stop a law that is already at work for the cynical purpose of taking credit for fighting crime.



If pressed, you could discuss the following reasons why police groups should reject the Dole proposal.

- Not only will 100,000 new police officers not be added, but Dole's block grant contains no guarantee that a single new police officer will be hired.

- Dole's block grant permits governors and mayors to raid the police program -- for "procuring equipment, technology and other material that is directly related to basic law enforcement functions, including the detection or investigation of crime and the prosecution of criminals" (Section 10002 (3)). This will result in the diversion of dollars from police to courts and prosecutor offices.

- Dole's block grant contains no match requirement -- meaning that when the federal dollars end, the program will end. The match is the key insurance policy local police have to get funding commitments for additional police and new programs from their state, city, and local governments.

- The Dole block grant awards half the money to governors and mayors based on how many violent crimes their state and local police report -- so police department's that do the best job in cutting crime actually lose federal dollars.

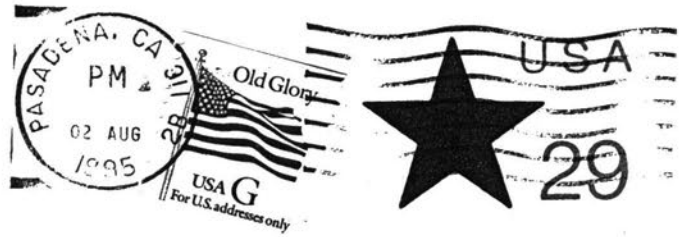
- Under the Dole plan, governors and mayors control how the money gets spent -- this means new leverage over police departments.

- Because governors and mayors can use these dollars for "procuring equipment, technology, and other material directly related to basic law enforcement functions" -- any governor or mayor who wants to can use the block grant to pay for new floodlights at local jails, computers for prosecutors, or even carpets for courtrooms.

- ALSO, IF A BLOCK GRANT PASSES THE SENATE, A BLOCK GRANT DEAL WILL HAVE TO BE MADE WITH THE HOUSE.

  This opens the door for an even worse deal for police, because the house block grant is even more open-ended. It permits spending for "improving public safety" (H.R. 728, Sec. 101 (a) (2)).

STATE OF CALIFORNIA
California Senior Legislature
Senior Senator Robert Wagner
P. O. Box 425
South Pasadena, CA 91031



Miss Betty Currie
Executive Secretary to the President
The White House
Washington, D.C. 20500

8.7.95

Jim -
Can letters be drafted
to Jason Ost?

Betty

8/8 Original to JAD.
Jessica

CALIFORNIA SENIOR LEGISLATURE

California Senior Legislature

Senior Senator Robert Wagner
P.O. Box 425
South Pasadena, CA 91031
Ph. (818) 441-2651
Fax: (818) 799-6353

August 1, 1995

Miss Betty Currie
Executive Secretary to the President
The White House
Washington, D.C.

Dear Ms. Currie:

The enclosed letters are self-explanatory.

Jason Ost of Lincoln, Nebraska will be the first recipient of the William J. Clinton Scholarship, School of Foreign Service, Georgetown University, the last week of September 1995.

I would appreciate it if a letter of congratulations could be sent to him c/o the university.

I never reveived the photo from your office---only a blank envelope.

Best wishes and continued good health.

Robert Wagner

THE WHITE HOUSE

WASHINGTON

May 31, 1995

The Honorable Robert Wagner
Senate of California
Post Office Box 425
South Pasadena, California 91030

Dear Senator Wagner:

Thank you for inviting President Clinton to attend the first William Clinton Scholarship Award ceremony. The President has asked me to convey his appreciation for your kind offer.

At this time, it seems that the tremendous demands on the President will not give him the opportunity to participate in this important ceremony. However, I will keep your invitation on file and will be sure to contact you if any changes in his schedule allow him to accept.

Once again, thank you for your thoughtful letter. Your continued interest and support are deeply appreciated.

Sincerely,

William M. Webster, IV
Director of Scheduling and Advance

WMW/inf

GEORGETOWN UNIVERSITY
Undergraduate Admissions

Date: June 23, 1995

To: Robert M. Wagner

From: Ann O. Coughlin

Subject: William J. Clinton Scholar

Dear Bob:

I hope that this finds you well and ready to start enjoying your beautiful new home in Washington!

You asked that I inform you of the selection of the scholar who would be the first William J. Cllinton scholar. Jason Ost, of Lincoln, Nebraska, who will be enrolling in the Walsh School of Foreign Service, has been selected. I am enclosing some information on Jason so that you may feel like you know a little bit about him. Knowing you, you'll have him at the White House during one of your visits! I want to come too!

Best to you and Bernice!

Ann

THE WHITE HOUSE

WASHINGTON

August 7, 1995

Dear Kellen,

I read a news report on your remarkable talk at the Hall of Fame induction. I appreciate so much what you said about affirmative action.

I hope you will keep speaking out. If you're in Washington, please drop by for a visit. You were great on the field, but even greater than when you spoke out.

Sincerely

Bill Clinton

NH - FYI

cc: Nancy Hernreich
per Phil Caplan

Jessica
8/8/95

Kellen Winslow
625 West 69th Street
Kansas City, Missouri 64113

EXECUTIVE OFFICE OF THE PRESIDENT

04-Aug-1995 07:05pm

TO: Phillip M. Caplan

FROM: Christopher F. Walker
Office of Legislative Affairs

SUBJECT: bosnia thanks

Phil, Pat decided he wanted to do thank yous on Monday, 7/31. I spoke with NSC that morning and received approved language from them today, 8/4. I will send these letters to the Hill on Monday morning. The House vote on Bosnia took place on 8/2; the Senate vote took place on 7/26. 103 House Dems. will receive letters. 11 Senators will receive letters.

8/8
Original
to Tim
Keating.
- Jessica

Tim -
Don't want to be broke
record & I know you talked to Phil
about errors in drafting -- but there's
another problem: it shouldn't take
from July 31 to Aug 4 to clear a
7-) ne thank you. These are very
two ok. Jocelyn & Chris have to
learn to work the system better. If,
eg, they did a draft -- got it July
it to Party Sens & Sec Pat needed
clearance on revisions in 2 hours,
that should've been ready, by double.
This e-mail sounds as tho Chris
doesn't understand that he can
accept 4 day turnarounds
something like this.
Sorry to be a pe
I

P.S. You want these BP's?
T.

file: OSTP

July 28, 1995

95 AUG 8 P12 : 19

MEMORANDUM FOR THE REGULATORY REVIEW TASK FORCE

FROM: ELAINE C. KAMARCK

SUBJECT: REGULATORY REFORM FOR SCIENCE AND TECHNOLOGY

Attached is a draft Decision Memo outlining the OSTP Regulatory Reform initiatives. The availability of the Vice President is extremely limited this summer and there does not appear to be anything controversial in the packet. Therefore, rather than calling a meeting, we would like each of you to review the proposal and send any comments you may have to both Jack and me.

Please return your comments by Friday, August 4.

ATTACHMENT

Called Elizabeth 8/8 in OVP at 62814. Todd has no comments.

Jessica

DRAFT

MEMORANDUM FOR THE VICE PRESIDENT

FROM: JOHN H. GIBBONS,
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND TECHNOLOGY

SUBJECT: Regulatory Reform for Science and Technology

Summary
This memo seeks your approval of a set of regulatory reforms designed to increase the productivity of the federal science and technology enterprise. The specific proposals are outlined in the attached report.

Background
Federal funding plays a central role in U.S. science and technology research and development. The reforms proposed will ensure that federal funds are used more efficiently in part by enabling recipients to spend more of their energy on research and less on paperwork. Streamlining and simplifying federal funding of research and development will also encourage a wider range of organizations to compete for federal R&D funds.

The majority of the recommendations contained in the report are non-controversial and have been reached through consensus with the affected agencies. However, I wish to call your attention to several of the report's recommendations which may generate some controversy:

1. Expand "Other Transactions" Authority. [See TAB A, page A.7] We recommend that this authority, which currently allows some agencies to avoid standard procurement requirements in making agreements for R&D in circumstances where competitive contracts, grants, and cooperative agreements are not appropriate, be extended to other civilian research agencies. Note that implementation of this authority will virtually guarantee increased scrutiny of agency practices, and success will depend on the skill and good faith of those who use the expanded authority.

2. Revise Non-Disclosure Protection for Technology Partnerships. [See TAB A, page A.9] We recommend that the Administration seek a statutory change that brings uniformity to DOE's authority in this area and extends the protection of information produced by industry partners under research development and demonstration agreements from disclosure for a period of five years, in order to unify the *ad hoc* approach that has been taken to date. This extension of the current provisions may be criticized by some on the grounds that research funded in part with taxpayer dollars should be publicly available. However, there is precedent in current DOE statutes for

non-disclosure protection, and this change would merely bring uniformity to DOE authority. We do not recommend expansion of other agencies' non-disclosure authority at this time. The current situation for other agencies has not been identified as a barrier to research and development, and an expansion of their authority could unnecessarily exacerbate the current debate over federal expenditures for R&D with commercial potential.

3. Export Commodity Jurisdiction. [See TAB A, page A.15] An Interagency Working Group (IWG) led by the NSC has been working to design an effective mechanism for managing export requests and for resolving jurisdictional disputes in a timely, predictable way. The issue, however, remains unresolved. We recommend that a deadline be set for the IWG to resolve the dispute as quickly as possible, but not later than August 15, 1995. Exporting firms, and many in Congress, want the administration to resolve this issue promptly.

Additionally, the report contains a set of recommendations on the use of information technology to streamline regulations and reduce paperwork which were recently announced in summary form in connection with the White House Conference on Small Business. We propose to follow up on the commitments made at the Conference through the actions indicated in Attachment 2 (TAB C).

This review was conducted in cooperation and consultation with businesses, universities, and other organizations which have participated in Federal research programs, as well as the agencies which fund most Federal research, including NSF, NIH, DOD, DOE, DOC, USDA, and NASA. SBA, State, and FDA have also participated. [The Regulatory Reform Task Force has reviewed the recommendations and supports them.]

If you approve of the report's recommendations, we will prepare a set of directives to the agencies to implement the reforms. If you require further discussion of any of these issues, we would be happy to brief you.

Approve: ____ Disapprove: ____ Let's Discuss: _____

Cleared: NPR/Kamarck

REGULATORY REFORM

FOR

SCIENCE AND TECHNOLOGY

July 24, 1995

Regulatory Reform for Science and Technology

Scope

Federal regulations can have a profound impact on the efficiency and effectiveness of research and development conducted with Federal dollars, just as they can either spur or hinder private incentives to invest in R&D. Regulations that affect Federal R&D are especially critical since the Federal government supports 40% of all U.S. R&D and two-thirds of fundamental research.

The Administration has worked hard to develop collaborations with industry to increase commercial investment in science and technology. The skillful investment of Federal seed money is a key component of U.S. science and technology policy, particularly in the current fiscal environment. Too often, however, the seedbed is salted with unproductive regulation. This can frustrate potential investors and hamper the productivity of researchers. Reducing the onerous burden of unnecessary regulation is critical to encouraging private investment in R&D and to maintaining U.S. economic competitiveness.

Researchers must be given the time and the tools they need to be most productive. The Federal government must strive to create an environment that invites private investment in science and technology and does not discourage entrepreneurs from investing in high technology endeavors. The Administration must endeavor to:

- Lower the barriers that currently impede research and development
- Increase the productivity of Federal research dollars
- Attract increased private investment in science and technology
- Use information technology to increase the efficiency and effectiveness of government functions

These goals must be accomplished without lessening our commitment to the regulatory goals that protect the Nation's health, safety, and environment.

The close working relationships formed by the government with business and academia in R&D partnerships have disclosed a number of additional opportunities to get a "better bang for the buck" in science and technology. These opportunities, which generally involve multiple agencies rather than a single regulatory agency, are the focus of this report. They include regulations which affect how researchers apply for Federal dollars, how and under what restrictions research and development are conducted, how government-industry cooperation is structured, and how best the Federal government can make its resources available to the private sector to boost innovation and creativity.

This review has been conducted in cooperation and consultation with businesses, universities, and other organizations which have participated in Federal research programs, as well as the agencies providing most Federal research funding, including NSF, NIH, DOD, DOE, DOC, USDA, and NASA. SBA, State, and FDA have also participated.

REGULATORY REFORM FOR SCIENCE AND TECHNOLOGY

Recommendations *(TAB A)*

I. Raising the Productivity of R&D in Universities

A. Standardize and Streamline the Grant Process
B. Implement Electronic Communications in the Grants Process
C. Ease the Burden of Laboratory Waste Disposal

II. Removing Barriers to and Raising Productivity of R&D in the Private Sector

A. Streamline Government-Private Sector Research & Development Interactions
B. Expand "Other Transactions" Authority
C. Extend Non-Disclosure Protection to Additional Technology Partnerships
D. Implement Galvin Commission Recommendations
E. Facilitate Bioremediation Field Trials and Commercialization

III. Impose a Deadline for Creating an Effective Export Commodity Jurisdiction Dispute Resolution Procedure

Attachment 1: Research Reform Efforts Already Underway *(TAB B)*

A. Reform the Treatment of Research Costs for Universities
B. Implement a System for Continuous Quality Improvement for the Grant Process
C. Improve Treatment of Intellectual Property
D. Coordinate Federal, State, and Local Regulatory Activities
E. Simplify Approval of Biotechnology Drugs and Biologics
F. Relax FDA Export Controls on Advanced Drug and Medical Device Technology

Attachment 2: Information Technology Reforms Announced at the White House Conference on Small Business on June 14, 1995 *(TAB C)*

A. Use Information Technology to Reduce Paperwork Burden
B. Use Information Technology to Improve the Rulemaking Process
C. Create a Digital Signature Infrastructure
D. Implement Nationwide Electronic Benefits Transfer
E. Implement a Simplified Tax and Wage Reporting System
F. Integrate Telephone and Computer-Based Government Information Services
G. Improve Cross-Agency Retrieval Tools for the Public

Summary descriptions are provided for proposals listed in **Sections I, II, and III** *(TAB A)*. Recommendations for action by the Vice President, with associated pros and cons, are presented as part of each proposal.

Attachment 1 *(TAB B)* contains summary descriptions of reforms that are already underway and require no decision by the Vice President. These reforms, however, have been greatly facilitated by the regulatory review process, and it is recommended that the Administration include these reforms in any briefing on the S&T review. **Attachment 2** *(Tab C)* contains descriptions of and milestones for information technology-related reforms announced by the President and Vice President at the White House Conference on Small Business.

RECOMMENDATIONS

I. Removing the Barriers to Research and Development in Universities

A. Standardize and Streamline the Grant Process

Differences in practice and policy across Federal agencies oblige institutions of higher education to maintain separate internal operating procedures for each agency with which they do business. This increases the time spent on paperwork and correspondingly reduces the return on the taxpayers' investment in scientific research.

The Federal Demonstration Project (FDP), a cooperative effort among more than fifty universities or research institutes and nine Federal agencies, is designed to improve the management of Federally-funded research. The FDP has developed and tested the following recommendations concerning the grants process.

Recommendation

Direct all agencies to adopt the FDP General Terms and Conditions and the expanded authorities included in OMB Circular A-110 for all research and research-related project grants as a matter of agency policy. Where not inconsistent with statute, all Federal agencies shall prescribe the General Terms and Conditions tested by the FDP as the default for all research and research-related project grants.

These defaults may be overridden in rare and exceptional circumstances, only when there are compelling reasons to do so.

Pros

- Uniform policies and procedures for the administration of Federal research project grants free faculty from paperwork and allow them to spend more time on research. Between 1988 and 1990, the FDP evaluated the impact of the "expanded authorities" at over 28 universities. Responses from over 2500 principal investigators indicated that these **streamlined procedures saved more than 5 days annually per investigator, permitting over 50 additional person-years of scholarly activity** in this sampling. No cases of mismanagement have been attributable to the implementation of the FDP terms and conditions at 50 institutions by 9 Federal agencies since the inception of FDP in 1988. Grants officers from the six major funding agencies (NIH, DOE, DOD, NSF, USDA, NASA) concur with these recommendations.

Cons

- Agencies without major research activity may resist the effort necessary to implement the changes in terms and conditions necessary to achieve uniformity, although some, such as USDA, have actively participated in the FDP. The major research-sponsoring agencies, including the NIH and the NSF, as well as USDA, are largely in compliance with these procedures now.

B. Impiement Electronic Communications in the Grants Process

A number of Federal agencies are experimenting with various forms of electronic grants applications and reporting to speed communications, lessen the paperwork burden and significantly lessen the amount of paper used in the process. Agencies will need to establish common data requirements for their grants submissions and reporting; commit adequate resources and effort to develop, pilot, and adopt a common electronic standard; and ensure that sufficient technological options are available to institutions to allow some flexibility in selecting the approaches that are most useful and cost effective to them.

NSF estimates that they annually receive approximately 7,500 feet of stacked proposals (about 15 Washington Monuments high) and that **2.4 Washington Monuments worth of paper could be eliminated by electronic submission of just the repetitive data** (i.e., civil rights, drug-free workplace, non-delinquency on Federal debt, etc.).

Recommendations

Direct agencies to develop and adopt a common set of data elements for use in proposal submission as an initial step in the development of standards and means for electronic submission and processing of proposals and awards.

Direct agencies to develop and demonstrate electronic commerce systems for the administration of Federal financial assistance, including assessments of the efficacy of electronic data interchange public standards such as ANSI X12 for computer-to-computer exchange of information.

Direct OMB to develop and implement for use an electronic communication system that provides organizational profiles that would include certifications of compliance with Federal regulations and other information required from recipients of Federal funds.

Pros

- These recommendations would greatly simplify the administration of grants.
- NSF has begun a project to re-engineer and automate all processes related to grant proposals, awards and related business practices. NSF and NIH have independently developed client/server database systems to permit electronic communication with grantees and grantee organizations. Both of these systems utilize the Internet, enabling grantees using any computer type to access the database to enter or modify data. DOE also has a system under review using ANSI-X12 standards for computer to computer exchange of information.

Cons

- Protocols and standards for electronic submission, processing and reporting of proposals are in an early stage of development and have numerous "kinks" that need to be resolved.

C. Ease the Burden of Laboratory Waste Disposal

Regulatory requirements unnecessarily drive up the costs incurred by government, university, and industrial laboratories when handling hazardous wastes during research and testing. That is because the applicable regulations, which focus on large volume industrial processes such as chemical manufacturing, are unwieldy when applied to research-testing procedures, which characteristically involve only tiny volumes of chemicals. One-size-fits-all rules and inflexible interpretations preclude laboratory oriented innovations that could yield increased work-place safety and enhanced environmental protection at lower cost, e.g., recovery and reuse of lab chemicals.

For research-intensive universities, expenditures associated with handling hazardous and low level radioactive laboratory waste can account for a significant fraction (about 5%) of total project costs and, in many institutions, are the fastest growing component of overhead.

Recommendations

Short Term. Simplify the process for obtaining a RCRA permit for on-site storage and treatment of hazardous laboratory waste. To achieve effective waste handling, laboratories need only a small fraction of the authorities normally included in a Treatment, Storage, Disposal (TSD) permit under RCRA. If a simplified TSD and streamlined application and review procedure were introduced, qualifying universities and other organizations that operate research facilities would be able to store small quantities of hazardous wastes on site for up to one year (currently 90 days) and to treat certain classes of wastes on the bench top or in other specified locations. This could be accomplished without the need for new legislation by either of two methods:

Option 1

The preferred route would be to use a "permit-by-rule" approach. EPA would set enforceable performance standards for on-site storage and treatment of small quantities of waste by research-testing laboratories (and possibly other small volume generators). Universities and other institutions involved in research and/or testing could then certify to their state EPA that they have met the standards and were proceeding with the new rules. No approval process would be needed. The states would have inspection and enforcement powers, as they do now.

Option 2

A somewhat more laborious, but perhaps less controversial, procedure for the regulated community would be to develop and issue a modified TS (but not D) permit for small volume users. The "D" (disposal) is not a need for most research-testing institutions. They would then apply for the modified permit as they do now.

Long Term. Establish a continuing national forum to address and promote other innovations with respect to reduction, management, and treatment of hazardous laboratory wastes. In addition to encouraging reforms within existing statutes and regulations, the forum would seek to foster increased reliance on performance standards when regulating laboratory waste management and accelerated development of environmentally benign laboratory procedures.

Pros

- Reduces administrative costs and non-productive time requirements for bench scale researchers permitting more resources to be applied to R&D.
- Would facilitate waste solvent recovery and waste "neutralization" that would reduce the waste burden on the environment.
- Essentially no down-side risks.

Cons

- Could entail greater transaction costs for the rule-making.

II. Removing Barriers to and Raising Productivity of R&D in the Private Sector

A. Streamline Government-Private Sector Research & Development Interactions

Much research with industry partners is accomplished either through the use of Cooperative Research and Development Agreements (CRADAs), which allow government laboratories to conduct cost-shared R&D projects with industry, or more general research agreements that do not involve work at the labs. For each type of agreement there is unnecessary inconsistency in the form of the agreement within agencies and across agency lines, as well as some substantive requirements imposed by agencies that pose unnecessary barriers to research with the private sector. (See Section I.A with respect to university research.)

While certain differences are required by statute, many are simply a function of custom and could be streamlined or eliminated, which would improve the efficiency and effectiveness of these agreements and would simplify interaction with the private sector. For example, the Department of Energy has developed a general-use modular CRADA and a short-form, fill-in-the blanks CRADA. **These changes have permitted DOE to cut its CRADA processing time in half -- from about 32 weeks to about 16 weeks.** It appears likely that other agencies could achieve similar results.

Recommendations

The following recommendations were developed in consultation with NASA, DOE, DOC and ARPA, the agencies that have the vast majority of involvement with the private sector in R&D. Other agencies are not affected. These recommendations do not involve legislative change.

The affected agencies should be directed to begin efforts to ensure, to the extent possible and consistent with statute and mission requirements, that all agencies develop standard form, general use, CRADAs and other research agreements that are consistent across agency lines; and to identify barriers to private sector involvement in R&D that are unnecessary and can be dealt with in more creative and flexible ways. If, as is likely, it is not possible to completely standardize agency practice, consideration should be given to the possibility in multi-agency projects to assigning a lead agency to manage the agreement and to act as a single point of contact for dealing with the industry partners. The agencies should be directed to report their progress to OMB and OSTP within 45 days of the directive.

The Partnership for a New Generation of Vehicles (PNGV), an existing, interagency R&D effort with the private sector that has begun streamlining the interagency process involved, should be designated as a demonstration project for CRADAs and other research agreements.

Agencies involved in PNGV should be directed to (1) review their existing statutory authority to determine the degree of flexibility available to them in negotiating research agreements, particularly in the areas of cost accounting, intellectual property, and multi-party "partnership arrangements," and to use available flexibility to negotiate effective and efficient agreements; (2) recommend any necessary changes in policy or statute in order to allow them to streamline the negotiation of R&D agreements; and (3) identify inconsistencies in current practices or requirements among those agencies and the basis for those differences. The PNGV reinvention lab also should be directed to report its findings to OMB, OSTP, and to the research procurement offices of all agencies involved in this effort to streamline R&D agreement practices within 30 days of the directive.

Pros

- The inefficiencies in the current process affect the agencies' ability to work with industry and to effectively utilize the taxpayers' considerable capital investment in research facilities. These changes will improve the agencies' ability to work with industry and leverage that investment for U.S. economic and social benefit.

Cons

- Agencies currently control their own procedures and have different statutory constraints. Changes in established practice may be resisted by the agencies unless they are convinced that such changes are in the best interest of the agency and its research partners.
- If consistency is emphasized above all other goals it can lead to acceptance of the "lowest common denominator." Care must be taken to preserve agencies' abilities to seek creative solutions. One size does not necessarily fit all.

B. Expand "Other Transactions" Authority

"Other transactions" authority is currently available to DOD, NASA, and DOT in funding certain research and development work. It is limited to agreements for research and development, and does not extend to procurement of goods and services. It is available only in circumstances in which contracts, grants, and cooperative agreements are not appropriate. It eliminates standard procurement requirements. Thus it gives considerable flexibility to the project managers to craft an agreement that contains only those provisions necessary to the particular project, and to revise the working arrangement as research projects evolve. As used by DOD, NASA, and DOT, these transactions are typically cost-shared with industry (which demonstrates the private sectors' commitment to success), and are awarded competitively so long as practicable.

Without this authority, firms which have not been government contractors and are accustomed to flexible, unencumbered negotiations and accounting procedures for research projects are deterred from engaging in government research programs. DOE, for example, has experienced specific problems negotiating with commercial firms for conducting joint, cost-shared, research projects to demonstrate environmental remediation solutions. "Other transactions" authority permits technology partnerships to utilize arrangements that reflect commercial practice as well as the terms and conditions specifically tailored to best achieve project success.

Recommendation

A statutory change to extend "other transactions authority" to additional civilian research agencies for use in negotiating research and development agreements should be pursued. Any legislative change should be drafted to allow, but not require, use of this authority by agencies entering into research agreements and would include a statement of principles to ensure agency and public understanding of its scope and appropriate oversight of the increased discretion to be provided to agency managers. As with the other transactions authority currently available, it would apply only to R&D and not to procurement of goods and services.

Pros

- Such authority is appropriate for R&D work, where the project evolves significantly over its lifetime, in contrast to standard procurement of goods and services.
- It will greatly improve the government's ability to enter into effective research projects with the private sector unencumbered by unnecessary regulations.

Cons

- This authority provides maximum discretion to project officers, who are guided only by general mission goals and equitable principles as opposed to detailed procurement requirements. Its implementation will virtually guarantee increased scrutiny, and its success will depend on the skill and good faith of those who use it. It provides some

potential for misuse and will require careful employee training and oversight. If misused, the expanded authority could poison the well for those who are currently using it successfully.

C. Revise Non-Disclosure Protection for Technology Partnerships

There are several statutes that provide for the protection from disclosure (including disclosure under the FOIA) of information produced under DOE's and other agencies' collaborative agreements for research, development and demonstration with industrial partners (e.g., for DOE, the Energy Policy Act of 1992 [42 U.S.C. 1320], the National Competitiveness Technology Transfer Act of 1989 [15 U.S.C. 3701], and the Metals Initiative legislation [15 U.S.C. 5101]) . The language in these statutes is not uniform, the date from which information can be protected varies depending on which statute applies, and the statutes do not apply to the entire spectrum of agreements into which DOE enters with industrial partners (particularly in most of the agreements under DOE's defense programs). This protection from disclosure is important to industrial partners who ultimately plan to commercialize products resulting from the research with Federal agencies. Other research agencies have a variety of types of authority to protect information developed under collaborative agreements from disclosure.

This situation could be addressed in two ways:

Option 1

Seek a statutory change that brings uniformity to DOE's authority in this area and extends the protection of information produced under research development and demonstration agreements from disclosure for a period of five years, in order to unify the ad hoc approach that has been taken to date. However, it should be made clear that (1) protection from disclosure does not apply to the research agreement itself, (2) that absent extraordinary circumstances information on the nature of the agreement will be publicly available, and (3) such protection applies only to research which is cost-shared with industry.

Option 2

Develop legislation to provide all agencies at least a five year exemption from disclosure.

Recommendation

We recommend Option 1 at this time. Consistency within DOE will address the primary problems industry and the agencies have identified. To attempt to address all the research agencies at this time could provide an opening for those who want to debate the issues of Federal research expenditures benefiting private business in the budget context. Since no other agencies identified this as a major barrier to their activities, it seems unwise to open the broader debate at this time.

Pros

- Either option would improve consistency of treatment of all Federal partners for all research, development and demonstration agreements and address a concern of industry about their ability to protect commercially valuable information developed as partners with the government.
- Since the protection under either option would be limited to 5 years unless the current authority provides a longer time period, Federal R&D efforts would afterwards be made public allowing others to benefit by taking those results (obtained in part with taxpayer dollars) and build on them.

Cons

- The Atomic Energy Act of 1954 states that DOE's research agreements shall not prevent the dissemination of scientific or technical information except as otherwise provided by law. This reflects the policy judgment of some that, absent exceptional circumstances, research funded with taxpayer dollars should be publicly available. In addition, the scientific community generally supports the widest possible dissemination of research results. The extension of current non-disclosure provisions to additional research may be criticized on those grounds. Option 2 particularly could unnecessarily raise this issue as part of the ongoing debate over Federal expenditures for applied research.

D. Implement Galvin Commission Recommendations

As part of the regulatory review, we have identified one additional specific area in which administrative reform would be well-received by the affected communities. DOE issues its own orders to its laboratories relating to environment, safety and health. These orders are often far more restrictive than those imposed by regulatory agencies such as EPA, FDA, and OSHA. In addition DOE laboratories are subject to a multitude of audits and reviews, some imposed by organizations outside the control of DOE management (e.g. the Congress), but many are inspired by DOE. The Galvin Commission report clearly documents the excessive burden on DOE laboratories resulting from DOE orders, directives, and audits (see Appendix A of the report). The Secretary of Energy concurs that the existing system is costly, bureaucratic, and inefficient. Activities now ongoing within the Department are addressing some of the issues raised in the Galvin Report. Given the intense budget pressures DOE is under, we recommend that attention be directed toward achieving the large savings and increased efficiency achievable by reducing the excesses identified in the Galvin Report.

The Department of Energy recognizes the seriousness of the situation and has steps underway to correct the deficiencies including revising its Directives system. Since March 1994, **the Department has eliminated about 25 percent of its orders (312 to 236).** An accelerated order reduction effort is currently underway to reduce 92 orders -- including 26 orders considered to be the most burdensome by DOE field offices and contractors -- to 22 orders and 3 rules. This accelerated effort will be completed by July 31, 1995, and an interim report submitted to the President at this time will indicate improvements made and anticipated cost savings or cost avoidance. This will lead to a reduction of requirements placed on our contractors including reduction of their overhead dollars. At the same time, DOE is being assisted by its Advisory Committee on External Regulation of Nuclear Safety in evaluating activities to which the regulatory jurisdiction of other Federal agencies might be applied by legislative extension of the appropriate statutory authorities. In otherwise unregulated areas, the internal DOE process is fashioned with evaluation criteria, to permit only those new orders deemed essential to be promulgated. This effort to reduce the burden on DOE contractors will result in increased productivity and output for its R&D programs.

Recommendation

DOE should submit an interim report upon completion of the accelerated effort to reduce DOE orders (as detailed above) to the President by July 31, 1995.

DOE should include final data regarding the number of orders, directives, and audits which are eliminated, and the personnel reductions at headquarters, field offices, and laboratories which result from this elimination, in a report to the President no later than February 15, 1996 [as part of the report required by Presidential Decision Directive/NSTC-5].

Pros

- Removes what is generally recognized as excessive and costly oversight
- Responsive to findings of a prestigious review committee
- The DOE Lab Directors are unanimous in their belief that the Orders represent a seriously misguided oversight effort

Cons

- Some orders are required to fulfill Congressional requirements of DOE's oversight responsibility
- In the interest of expeditiously and efficiently carrying out DOE missions, the labs require more strenuous and expert oversight
- Because of the unique aspects of DOE nuclear operations, the level of control that could be exerted by other Federal agencies may be inadequate to fully protect the public interest

E. Facilitate Bioremediation Field Trials and Commercialization

Modern biotechnology has greatly improved our ability to solve some of the world's major, long range problems. Genetically improved agricultural crops and fish species offer great hope of a sufficient and stable future food supply. Microbial degradation of spills and toxins, or concentration of these pollutants by plants, could solve many of our current environmental problems. The early impact of biotechnology on the treatment of a wide range of previously incurable diseases is evident at this point.

The Administration has recognized the importance of this technology and is working to remove barriers to futher its development. Some of the actions already underway include:

- strengthening intellectual property rights by clarification of the biotech drug "utility" requirements and by a strong international enforcement policy on patents;
- elimination of the favorable pricing clause in NIH CRADAs;
- extensive biotechnology funding through the Advanced Technology Program at NIST; and
- the proposal to extend the R&D tax credit.

Two additional recommendations presented here are meant to promote the development of biotechnology and to help maintain our world leadership position in this crucial field. Action on one of these recommendations, to simplify the approval of biotechnology drugs and biologics, is already underway within the FDA and is included in the Attachment. The second recommendation follows below.

The scope of the contaminated site cleanup problem in the United States indicates the need for more effective, less costly remediation technologies. One such cleanup technology is bioremediation. However, due to the limited availability of adequate cost and performance data on bioremediation remedies, as well as regulatory barriers, it has been difficult to implement this technology nationally. A more expeditious and efficient plan to allow full scale field studies is warranted. This proposal recommends a plan that would facilitate a scientifically objective evaluation of bioremediation as a predictable, safe, and cost effective cleanup option.

There are currently two primary regulatory constraints on the development and application of bioremediation as a clean-up option. The first constraint comes from the Resource Conservation and Recovery Act (RCRA) and its regulation of hazardous wastes administered by the EPA. Although EPA issued new rules for treatability studies in 1994, they are still not conducive to long-term research. There needs to be a mechanism for expediting RCRA rules when they apply to research applications on secure government land. The second constraint involves the use of recombinant (genetically altered) microorganisms in open field clean-up. This application of recombinant organisms comes under the purview of the Toxic Substances Control Act (TSCA) also administered by the EPA. There needs to be a mechanism for expediting TSCA clearances when they apply to research applications on secure

Federal land. Accordingly, dedicated Federal field sites that include both contaminated and clean areas need to be made available to academic, government and private sector scientists and engineers. Specific examples of secure sites that also have access to appropriate analytical instrumentation include Oak Ridge National Laboratory, Pacific Northwest Laboratory, and selected National Environmental Research Parks.

The use of Federal field sites for long-term research in bioremediation would respond, in part, to the Galvin Task Force observation that the advanced technologies necessary to enable DOE to conduct an effective clean up of its sites are not currently available, and would respond to the Task Force's suggestion that the National Laboratories be employed to innovate in this area.

Recommendations

Direct the Bioremediation Working Group of the Biotechnology Research Subcommittee to develop, in consultation with the private sector and appropriate agencies, (1) a plan for the selection of sites and (2) a mechanism for selecting, obtaining regulatory approvals, and funding proposals of interest.

Pros

- Will accelerate the development of new technology to clean up the environment
- Will stimulate the biotechnology industry and academics to devote more attention and creative thought to the subject.

Cons

- Will require EPA to develop a new, less stringent clearance for these test sites
- Will create some controversy among environmental public interest groups and individuals that are unalterably opposed to any demonstrations using recombinant DNA subjects (materials) in an extra-laboratory environment.

III. Impose a Deadline for Creating an Effective Export Commodity Jurisdiction Dispute Resolution Procedure

The Department of Commerce processes export license applications for items on the Commodity Control List. The Department of State processes export license applications for items on the U.S. Munitions List. For certain items (e.g., communications satellites, hot sections of jet engines, encryption), it is unclear whether they should be controlled by Commerce or State. (Commerce tends to favor economic interests; State tends to favor national security interests.) In some cases, the process of resolving these "commodity jurisdiction" disputes has languished for years.

At issue is the process, timetable, and definition to be used in resolving these "CJ" disputes. The NSC has convened an interagency working group (IWG) to resolve this issue, but agreement has been difficult. In the past, Congress has threatened to legislate a process, as well as decide itself where key items (e.g., satellites, hot sections) should be controlled. This year, the Hill staff is willing to defer to the Administration, provided it ultimately resolves this issue.

An efficient commodity jurisdiction process can be created without new legislation.

Recommendation

We recommend that the NSC-led IWG be asked to resolve the commodity jurisdiction dispute within 90 days of the date of this report.

Pros

- Resolving this management issue in a way that creates a transparent, predictable process of decision making would be warmly welcomed by U.S. exporters.

- If the administration does not resolve the issue, Congress is likely to intervene with its own proposal introducing a potential source of controversy in the EAA. Members of both parties are likely to be relieved that the administration has resolved the issue.

Cons

- Forcing the issue to conclusion will require putting strong pressure on either State or Commerce -- or possibly both.

ATTACHMENT 1

RESEARCH REFORM EFFORTS ALREADY UNDERWAY

ATTACHMENT 1: RESEARCH REFORM EFFORTS ALREADY UNDERWAY

Many of the recommendations in the following section are already underway at the agencies. The S&T working group has found that the Regulatory Review process provided the additional incentive to get these reforms implemented.

A. Reform the Treatment of Research Costs for Universities

The cost reimbursement system for overhead or "indirect costs" for research grants has been harshly criticized for its complexity and allegedly provides Federal reimbursement that is widely variant. There are proposals in Congress to cap the rates used by universities to calculate Federal reimbursement and use the resulting "savings" for other Federal needs. A legislated cap setting an arbitrary limit on rates would repudiate the cost principles stated in OMB Circular A-21, under which the government has negotiated reimbursement rates with individual universities for decades. Such a cap could deny millions of dollars of legitimate reimbursement to universities for research facilities built to undertake Federally funded research based on long-standing principles and agreements.

We propose to implement a number of revisions to OMB Circular A-21, which were published in the Federal Register on February 6. OMB and OSTP, working in collaboration with Federal agencies and universities, and building on prior work, have completed their study of the system and the following changes have been recommended.

Develop uniform methods and procedures. Discard past notions of "direct and indirect" costs which were needlessly complicated and poorly understood. Instead, three new categories of costs, all necessary to the conduct of fundamental research, will be used: research activities, research facilities, and research administration. Standardize methods for determining utility costs and eliminate special studies to reduce the variation in the utility portion of overhead rates across universities. Develop a methodology to determine uniform treatment of special services (such as hazardous waste facilities), to ensure that similar activities are treated consistently by universities. Include other new policies for areas such as: useful life for research equipment, consistent Federal agency transition policies for university changes from use-allowance to depreciation, appropriate Federal policies for interest costs, uniform accounting methodology, make total costs part of competitive award process.

Make use of cost efficiencies. Tough Federal review of facility construction costs, utilization, and operations and maintenance will be imposed to ensure that Federal science agencies are paying only for efficient and reasonable use of university research space. Benchmarks would be established by research and construction experts for different classes of facilities -- which could apply to new construction and existing facilities

Pros

- These changes would reinvent the system of cost reimbursement in the spirit of the National Performance Review. They would achieve greater uniformity and

cost efficiencies while retaining the core principles of negotiated cost reimbursement based on the government-university sharing of actual costs. The necessary stability would be retained to stimulate universities and their governing boards to invest in world class research and education facilities.

- The chief alternatives to these revisions, a cap on reimbursement rates (or an across the board cut of reimbursement), would have serious consequences to the excellence and future vitality of U.S. academic science. Universities presently receiving Federal reimbursement for their substantial investments in research facilities would suffer immediate and significant decreases in their Federal recovery. Variation among research facility rates of institutions reflects real and legitimate differences among institutions -- universities and colleges vary in the utility, maintenance and labor costs based on their location, the age, condition and type of their facilities, and the nature of research and education which they pursue.

Con

- Instead of these refinements to an already complex system, a cap on reimbursement rates or a standardized percentage cut of the reimbursement to all institutions could streamline the process and achieve cost savings for the government. However these costs would be shifted to universities, thus continuing the increase in the university share of costs associated with Federally funded research. The system could be made simpler by setting some fixed rate for all universities, although, as stated above this would not reflect the differences among institutions.

B. Implement a System for Continuous Quality Improvement for the Grant Process

The Federal Demonstration Project has been, and continues to be, an excellent vehicle for identifying and testing time and cost saving suggestions related to academic research. To facilitate the translation of these improvements into practice, an established group of senior Federal officials should be responsible for reviewing FDP results and making recommendations for implementation.

Recommendation

Direct the Committee on Fundamental Science of the NSTC to review FDP demonstration project results and to make recommendations regarding those demonstrations to the Office of Management and Budget, the Office of Science and Technology Policy, and to the heads of all Federal research-sponsoring agencies.

Pro

- Anchoring the FDP into the Federal Government through the NSTC will insure the rapid adoption of the results of continuing FDP demonstrations and other streamlining initiatives.

C. Improve Treatment of Intellectual Property

The inability of the Federal government to obtain adequate intellectual property protection for computer software that may ultimately be a basis for private sector technology is currently a barrier to Federal labs' work with the private sector in this area, and to the effective leveraging of the Federal research effort to strengthen the general economy. Currently, Federal laboratories may patent, but not copyright, computer programs written by their employees. Because of this limitation on intellectual property rights, the private sectors' willingness to enter into CRADAs is reduced.

In addition, in particular cases the requirement of the Bayh-Dole Act that the government always retain a government purpose license is viewed by industry as a barrier to government-industry research agreements. While amendment of the Bayh-Dole act is not warranted, expansion of "other transaction" authority (See Section II.B) would give agencies the ability to waive that requirement in the few cases in which that would be appropriate.

Recommendations

Allowing employees of Federal agencies to copyright computer software developed by them as part of their official duties under, or related to, a CRADA will promote the commercial application of software developed with Federal funds and thereby strengthen the economy. ***Legislation providing this intellectual property protection is included in the "Federal Acquisition Improvement" legislation recently forwarded to the Hill by the Administration (see sections 6101-3). That legislative change should be actively pursued.***

The flexibility with respect to intellectual property protection provided to agencies through "other transactions" authority should be pursued legislatively. See section II.B.

Pros

- The recommended changes for the Federal labs will improve the leverage the Federal R&D investment provides to the private sector.

- Improvements in the efficiency of commercial spin-off of Federal research through CRADAs and licensing have traditionally received bipartisan support.

Cons

- Federal licensing of intellectual property is currently insignificant in dollar amounts and economic impact. Improvements are possible, but many problems are inevitable consequences of the agencies' focus on mission research as their first priority and

limited funding for patent counsel, filings, etc. Thus, the resulting benefits of any statutory change in this area may be relatively small, although significant to particular industry partners.

- Regarding intellectual property protection for Federal software, previous attempts to modify the statutes were not strongly supported by industry. There are varying opinions on whether it is better to keep government software in the public domain, or to protect and license it.

D. Coordinate Federal, State, and Local Regulatory Activities

The burden of making regulatory activity operate more effectively rests at least as much on state and local regulators as it does on the Federal government. The Federal government is in a unique position to provide leadership. New communication technologies will permit citizens to have a single point of entry, perhaps specialized to their unique interests, with links to all levels of government.

There are, however, many other areas where Federal leadership could work to streamline complex, and occasionally contradictory regulatory actions at all levels of government. The actions needed will vary with each sector. Major actions are already underway in several areas including wage and tax reporting and efforts to coordinate product approval and building codes for the construction industry. We should take credit for those actions, which are well underway.

Specific examples of projects could include:

- *Coordinating of state, and Federal wage and tax reporting.* The interagency Government Information Technology Services group is developing coordinated electronic reporting systems for wages and taxes that will greatly simplify reporting requirements for individuals and businesses

- *Coordinating building codes and inspections.* NIST and the Department of Energy are facilitating work by state and local building code organizations to provide a system that will simplify regulatory approvals for builders that must work in several jurisdictions and create reciprocity in approvals.

- *Developing national standards for building products.* NIST and DOE are also facilitating a process by which producers of building components can have technologies inspected and certified in a way that will satisfy state, regional, or national criteria and avoid redundant and expensive inspection and certification. The certifications and standards are unlikely to involve Federal regulation but involve non-Federal consortia or private inspection labs.

- *Coordination of state, local, and Federal environmental and zoning requirements.* Builders and developers face a maze of requirements, paperwork, and inspections from many different levels of government. Experiments which could combine all requirements in an integrated system would be of enormous value to the industry.

Recommendation

The State and Federal Task Force should be asked to propose areas where Federal, State, and local regulatory activities could be brought together in a way that simplifies compliance and reporting for specific groups. Agencies with a prime responsibility in the area should be assigned to take the leadership in convening state and local regulatory authorities. A planning meeting involving the lead agency representatives and representatives of non-Federal regulatory bodies should be convened to plan specific actions.

Pros

- The regulatory burdens faced by citizens and businesses can be reduced dramatically only if all levels of government cooperate in a streamlining effort.
- Progress in this area is eagerly solicited by the business community affected.

Cons

- May be difficult to deliver on schedule given the complexity of working with many different jurisdictions
- Without care, it may appear that the Federal government is trying to usurp local functions

E. Simplify Approval of Biotechnology Drugs and Biologics

The majority of biotechnology products are reviewed by the Center for Biologics Evaluation and Research (CBER), although some are referred to the Center for Drug Development Evaluation and Review (CDER). The two centers operate under different authorizing legislation reflecting their individual historical mandates. This has led to inconsistencies in review and approval procedures. FDA has recognized this and has proposed a number of suggestions to reduce the regulatory burden on CBER applicants, bring their reviews closer to procedures followed by CDER, and, in some instances, increase the regulatory flexibilities by expanding options commensurate with the type of product being regulated.

The scope of the products regulated by CBER spans the range from the relatively simple to the increasingly complex, i.e., from regulation of blood for transfusion to the newer somatic cell and gene therapy products.

CBER has discovered that regulatory flexibility can be built into the current statutory framework to recognize the scientific complexities while reducing the regulatory burden on industry. This is very important in order to offer the drug developers and manufacturers the flexibility to capitalize on technological progress as it occurs.

Changes in procedures to encourage the adoption of new methods without sacrificing public health or safety include:

- waiving the need for premarket approval of certain changes in manufacturing processes for biotechnology and traditional drugs,
- allowing the use of pilot facilities to produce drugs for development work, e.g., clinical trials,
- relaxing restrictions on the selection of subcontractors (originally intended to control variability of products made by living systems), and
- eliminating lot certification for insulin and antibiotics and updating quality control procedures for these products.

However, we believe more can be done along similar lines to speed up the approval process, reduce the regulatory burden, and focus agency resources without any decrease in product safety or efficacy.

Specifically, we would recommend as a guiding principle that premarket approval of manufacturing changes be required only in those cases in which the safety and efficacy of the product may be changed as a result of the process change. When the product can be fully documented as safe, effective, and unchanged, such approvals should not be required. The manufacturer would be held responsible for assuring a product that maintains the same safety and efficacy as that produced using the original process.

In addition, manufacturing changes that do require FDA oversight should be allowed to go into effect in a timely fashion unless FDA has reason to object.

Pro

- The FDA and the Biotechnology Industry Organization support these recommendations.

Con

- The recommendations cannot be fully accomplished with administrative action alone. Implementation requires changes in the regulations issued under the Food, Drug and Cosmetic Act and the Public Health Service Act.

F. Relax FDA Export Controls on Advanced Drug and Medical Device Technology

The Food, Drug, and Cosmetic Act currently requires pre-approval of medical devices and drugs in the U.S. before they can be exported, even if they have been approved in the importing country. This practice increases our response time to business opportunities and reduces our international competitiveness. It is redundant to have FDA conduct an approval process that has already been completed by a competent foreign agency. The FDA has recently recognized this duplication of effort (Reinventing Drug & Medical Device

Regulations, April 1995) and proposed removal of restrictions on exports to a list of 21 qualified countries. They have expressed willingness to work with Congress to amend the list as appropriate.

The Senate and House have also introduced bills (HR 1300 and S 593) to accomplish the same thing.

Recommendation

We recommend support of the FDA proposal as contained in the above reference. This would allow export of drugs and devices to the countries on the list of 21 without prior U.S. approval as long as local authorities have done so. Also, devices could be exported to any nation as long as an Investigational Device Exemption for testing on humans was granted here and the importing nation approved the device.

Pros

- Will make U.S. manufacturers more competitive internationally.
- Will eliminate the need to move manufacturing overseas to get a fast start.
- Moves toward regulatory "harmonization."

Cons

- None to U.S. citizens. May be slight risk to countries with less rigorous product reviews.

ATTACHMENT 2

INFORMATION TECHNOLOGY REFORMS

ANNOUNCED AT
THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS
JUNE 14, 1995

ATTACHMENT 2: INFORMATION TECHNOLOGY REFORMS ANNOUNCED AT THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS ON JUNE 14, 1995

A. Use information technology to reduce paperwork burden.

President Clinton stated at the signing of the Paperwork Reduction Act Amendments of 1995 on May 22nd, that agencies shall ensure in the future that government forms can be filed electronically. For example, IRS tax forms are already available electronically through the Commerce Department's FedWorld system, and the Electronic Filing (ELF) initiative has been expanding, with efficiency benefits to both the public and the IRS.

Milestones:

- By June 1996, most commonly used forms should be made available through direct dial "bulletin board" services and over the Internet.

- By the end of 1996, all agency regulations prescribing the collection of information through the use of forms or otherwise, shall be amended to permit the filing of the required information in electronic formats and also, in the case of forms, with forms that are computer generated by the public.

- Filing of information in electronic formats shall use the least burdensome medium for the affected respondent population, e.g. magnetic media ("diskettes"), direct dial-up, or Internet.

B. Use information technology to improve the rulemaking process.

The National Electronic Open Meeting on "People and their Governments in an Information Age," held May 1 - 14, demonstrated the practical feasibility of using a mix of technologies to facilitate broad public participation in a notice and comment process. Utilizing the World Wide Web, basic Internet connectivity, dial-in bulletin board technology, and public access sites nationwide, over 100,000 observers and 10,000 active participants filed nearly 3000 individual comments in response to an OMB Notice published both in the Federal Register and over the Internet. This level of participation is significantly in excess of any typical rulemaking proceeding. Similar strategies for increasing public participation should be adopted for all significant agency rulemakings.

Milestones:

- By the end of 1995, all significant rulemaking documents should be made available electronically via bulletin board and over the Internet.

- By the end of 1995, the software suite used in the National Electronic Open Meeting shall be refined and made available to Federal agencies and others at no more than the cost of distribution.

- By the end of 1996, all significant rulemaking proceedings shall use either the National Electronic Open Meeting software suite, or similar technologies, to ensure the widest possible participation in rulemaking.

C. Create a digital signature infrastructure.

A digital signature performs more functions than a written signature in that it is used to verify both the origin and the contents of a message. Digital signatures are based on public key cryptography. Presently, there are three major cryptographic systems that support digital signatures. One of these, the Digital Signature Standard, was developed by the government. The other two are proprietary. In order to function effectively, however, an infrastructure of support services must be developed. The government may have a role in assisting in the development of a public key infrastructure for the general public.

Under the auspices of the NII Security Issues Forum, the General Services Administration has established a Security Infrastructure Program Management Office. This office is coordinating the development of a public key infrastructure to meet the Federal government's needs for digital signature and confidentiality purposes. The U.S. Postal Service is pursuing complementary efforts.

Milestones:

- By December of 1995, begin work with industry and the private sector to foster development of a public key infrastructure.

- By June of 1996, develop a public key infrastructure for government use and demonstrate interoperability with multiple agencies and with industry.

D. Implement nationwide electronic benefits transfer (EBT).

The NPR called for the creation of a national electronic benefit transfer (EBT) system and created a Federal EBT Task Force to accomplish this goal. The task force is committed to delivering all federal benefits electronically by March, 1999. There are several milestones that need to be reached in order to meet this goal.

Milestones:

- By the end of 1995, change the Food Stamp regulations to lift the "cost neutrality" requirements on the program.

- By mid-1996, reexamine the applicability of Regulation E to EBT where the benefits are not in depository accounts, and develop alternative consumer protection procedures by developing administrative controls to limit risks.

- By mid-1996, modify Treasury regulations to require recipients of direct federal payments who have bank accounts to use direct deposit/electronic funds transfer.

E. Implement a simplified tax and wage reporting system.

The GITS Action Plan says that a Pilot Office has been established and is producing a timeline for pilots and that another meeting with stakeholders was scheduled for February 1995. The Treasury is scheduled to announce action on STAWRS on Friday, June 9, 1995, at the Department's Reinventing Government event.

Milestones:

- Accomplish milestones announced on June 9, 1995.

F. Integrate telephone and computer-based government information services.

There is currently little connection between the Federal Information Center and the work agencies do to get information online. The FIC should be given a distinct assignment or role to play in the auditing of publicly-accessible government information.

Milestone:

- The FIC should provide a report to the NPR by September 1, 1995, which discusses their ability to answer citizen's inquiries with online rescues and makes concrete suggestions for improvement. This report should be updated semi-annually.

G. Improve cross-agency information retrieval tools for the public.

Citizens should be able to place a plain language query and retrieve an accurate online response to the most frequently asked questions of the Federal government (which is known from the FIC experience). Finding the answers to queries should not require the average citizen to have detailed knowledge of agency names and executive branch structure. Providing

this service will require more than just an increasing population of GILS records; rather, it would require development of a government-wide search tool which can examine file header and content information.

Milestone:

- Task a national laboratory to develop and test this search engine for government FAQs and make this tool available widely by September 1, 1995.

THE PRESIDENT HAS SEEN

8-7-95

Steve

ok some ok
we need to do
something in DC
meeting w/ Henry

BC

Gingrich Defends Vision for D.C. at Forum

By Howard Schneider and David A. Vise
Washington Post Staff Writers

House Speaker Newt Gingrich (R-Ga.) faced a thousand mostly anxious and agitated District residents last night, reassuring them that he doesn't want to take over the city but does intend to use his authority to encourage reforms he feels will make its schools, neighborhoods and economy the strongest in the nation.

"The citizens of the city have to deal with the reality of everyday life, and those of us who visit do not have the knowledge and do not have the right to micromanage the daily lives of the people of this city," Gingrich said. "Our goal should not be to balance the city budget or make sure the debt rating is okay. It should be to have the best capital city in the world and make that real."

Appearing at an unprecedented town meeting called to quell residents' concerns about congressional involvement in the city's affairs and spell out some of his ideas for urban reform, the sometimes combative speaker struck a conciliatory tone with a crowd that greeted him with "No Newt" banners on the outside and a smattering of boos and heckling, as well as some applause, in the auditorium.

Congressional Republicans and city officials have their ideological differences, but Gingrich asked those in the audience to set them aside in a spirit of cooperation.

"I am not asking you to like us," he said.

A thousand city residents packed the auditorium at Eastern Senior High School on Capitol Hill for the first in what is envisioned as a series of sessions with the speaker. Hundreds more were directed to overflow space in the school basement to watch the proceedings on television monitors. Interest in Gingrich's foray into the inner city was intense and

See DISTRICT, A10, Col. 5

DISTRICT, From A1

widespread. People stood in line in the baking heat for more than an hour to assure themselves a seat, and the sidewalk in front of the school took on the air of a political rally, with protesters spouting hot rhetoric and vendors hawking cool drinks.

After short introductory speeches, residents lined up at two microphones to pepper the speaker with questions and comments. He scribbled notes but for the most part did not respond as speaker after speaker made their appeals. Most politely but forcefully voiced their concerns.

"Are you serious?" Forrest Wilson asked.

"That's a fair question," Gingrich said. "I am not asking you to trust us. . . . Watch us. . . . We are very serious."

Others grew angry and used phrases such as "cruel and cynical" to describe congressional involvement in city affairs and the lack of full voting rights in the city.

But the most passionate feelings were directed not at Gingrich, but at School Superintendent Franklin L. Smith, who was heavily booed when introduced. Several speakers said Smith should be fired.

"Franklin Smith has got to go," one said.

The fact that the meeting took place at all reflected Gingrich's interest in improving the city, as well as his acknowledgment that any change initiated by the Republican-led Congress must come with a healthy dose of diplomacy if it is to be accepted in the predominantly Democratic city.

Referring to a meeting this summer with Del. Eleanor Holmes Norton (D-D.C.), Gingrich said he agreed his ideas "can't be imposed from outside" and offered to appear when and where Norton arranged to open a discussion with the city.

"We want to reach out," Gingrich said.

The speaker was flanked by Mayor Marion Barry (D) and Norton and joined on stage by more than a dozen local officials, including Jesse Jackson and other members of the city's "shadow" delegation to Congress. Norton opened the program by portraying Gingrich as a friend, not a foe, of the District at a time when the government was running out of money and had lost the credit rating to borrow on its own.

Norton said that at first she was concerned Gingrich would lead a "big foot Congress" but that she has become convinced that "he wanted big bold ideas only in agreement with District residents. . . . I would be lying if I said I expected the speaker to reach out and be as helpful as he has been. . . . It has been a model of home rule consultation."

See DISTRICT, A11, Col. 1

DISTRICT, From A10

Not all agreed. Gingrich was met at the door by D.C. statehood advocates and other protesters who argued that Congress shouldn't intrude on a city that doesn't have a full voice in its deliberations. Members of the Nation of Islam lined the front of the auditorium carrying signs advertising the Million Man March of African American men scheduled for the fall.

"The slave master wrote this to control us. . . . The people did not have a voice," said Lew Maiden, of the local Coalition for Political and Financial Accountability, as he handed out copies of the legislation that established a federal control board for the District's finances.

High passion was expected, and Gingrich reveled in it.

He waited for an initial round of heckling to die down and urged patience from those in the audience "who care about their children's future."

He also compared himself to Barry, as a "revolutionary" hoping to liberate people from drugs and poverty, a remark that elicited more boos from the audience.

After the opening remarks, Rep. Steve Gunderson (R-Wis.) discussed proposed changes he has been preparing for the city's school system. Gunderson's plan for D.C. schools was distributed to people as they filled the auditorium. It calls for a combined federal, local and private-sector effort to "create a world-class system." The plan includes ideas popular with conservatives, such as public financing of programs that would enable poor families to send their children to private schools.

Barry, the former civil rights organizer who claims to feel a close bond with the conservative Georgian, said he thinks the school plan and other reforms being planned by Gingrich will work.

"I am optimistic that members of the House . . . are going to work with us to bring in added resources, new ideas, not in a patronizing way, not in a slap-you-on-the-head kind of way, in a partnership kind of way," Barry said. "Our speaker cares about Washington. Our speaker cares about our children."

The session was a signal event in the political life of the city, evidence that congressional involvement in remaking local government did not end with creation of the financial control board last spring. Gingrich's interest is more profound. He sees the city becoming a national model of urban rejuvenation as a way to improve the quality of life of city residents and bolster the GOP in other metropolitan areas.

His involvement, however, has posed the dilemma of how to find common ground between the Republican reformers on Capitol Hill, an all-white group whose constituencies range from North Carolina to Wisconsin, and the city's locally elected, mostly black and Democratic political establishment. Although the two most visible figures in the process, Barry and Gingrich, quickly forged an alliance, many of Gingrich's congressional lieutenants remain wary of the mayor, just as some in city government remain suspicious of Gingrich.

At first Gingrich put his reform program on a fast track, authorizing a task force of Republican House members to pull together the best conservative thinking on schools, taxes, public safety and other matters so they could be included in the District budget bill approved by Congress each fall.

That led to strong protests from local officials, who saw the effort as even more threatening to home rule than the advent of the financial control board. Norton and some of Gingrich's closest advisers told him to slow down and to involve District residents directly in the process or risk aggravating racial tensions and losing any hope of local cooperation.

The Eastern High meeting was a result of that advice and represents an attempt to see whether Gingrich's market-oriented, minimalist approach to government can meld with the city's liberal Democratic traditions. After once saying in a radio interview that city residents should be thankful because they have "more freedom than anybody in Cuba," the emphasis tonight was on selling Gingrich's involvement in city affairs as more promise than threat.

FOR MORE INFORMATION

To read or download the full text of the D.C. budget, see Digital Ink, The Post's on-line service. To learn about Digital Ink, call 1-800-510-5104, ext. 9000.

ID: AUG 08'95 10:19

TRANSMIT CONFIRMATION REPORT

NO.	:	002
RECEIVER	:	202 456 1655
TRANSMITTER	:	
DATE	:	AUG 08'95 10:20
DURATION	:	00'33
MODE	:	STD
PAGES	:	01
RESULT	:	OK

REQUEST FOR APPOINTMENT PARKING

THIS FORM MUST BE COMPLETED AND SENT BY FAX
TO EXT. 61655 AT LEAST 2 HOURS IN ADVANCE
(or by 5:00 p.m. on Friday for weekend parking)

Date: August 8, 1995

Requestor's Name: Todd Stern

Requestor's Office: Staff Secretary's Office - Ground Floor WW

Phone Extension: 62702 Room #: _____

Date Parking Needed: August 10, 1995

Name of Driver: Jane Cahoon

Make of Car: Isuzu Rodeo

State and License #: DC - 491 984

Type Needed (check one): Parking Space Needed X or Drop-off Only _____

Time of Arrival: 11 am

Time of Departure: 11:30 am

Reason for Request: meeting with Todd Stern

- **It is your responsibility to contact WAVES to clear in the driver and all passengers arriving in the car.**
- **Management and Administration reserves the right to deny any request for appointment parking.**

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- not logged

- no copy to VF

Jessica
8/5/95

SECRETARY OF LABOR

To the President:

FYI

Douglas sent me attached obits from Daily Telegraph & London Times. Also a nice note from him.

B

95001734

DOREEN & DOUGLAS MILLIN
298 MARSTON ROAD
OXFORD
OX3 0JA

3/7/95

Dear Bob.

Do you remember being ushered across the "Hayk" by Bill Williams, into "Chair" on your arrival in Oxford. Bill Clinton Doug Eckly and yourself, in those "Bridge Hotel" days of the sorbet.

I am sending the two obituaries which you may like to read, I expect you have the word for bad news travels fast.

Best Wish to you & Elaine. Fax how the clapping to Bill if possible.

All the very best

VIVAT FORTES

Doug

...LY TELEGRAPH - WED - JUNE 28 - 1995

OBITUARIES

...rig Sir Edgar 'Bill' Williams

...IER SIR EDGAR ...WILLIAMS, who ...aged 82, was a bril... ...ef of Intelligence to ...ery in 21st Army ...d subsequently had ...ng academic career ...w of Balliol College, ...Warden of Rhodes ...d Editor of the *Dic... of National*

...gust 1942 General ...nery took command ...th Army. "I discov... ...re," he recalled, "a ...n the Intelligence ...in the King's Dra... ...ards by name Wil... ...n Oxford Don and ...illiant brain ... it was ...ersation with him ...gave me the idea ...layed a large part in ...g the Battle of ...n."

...ams had noted that ...el deployed his infan... ...d parachute troops ...en and sometimes ...l Italian troops, a tac... ...own as "corsetting". ...ll Williams's idea," ...gomery said, "was that ...could separate the two ...uld be very well placed ...could smash through a ...y Italian front without ...great difficulty." This ...egy, known as "crum... ", involved luring the ...ans out of their original ...ions.

...st of Montgomery's ...ningly miraculous ...ht into Rommel's inten... ...came to him from infor... ...on supplied by Williams ...ot, as he used to claim, ...studying the photo... ...of Rommel which he ...in his caravan.

...ut Montgomery was ...inting in his praise for ...illiams: "He was the main ...urce of inspiration; intel... ...ctually he was far superior ...myself or anyone on my ...taff but he never gave that ...mpression. He saw the ...nemy picture whole and ...rue; he could sift a mass of ...detailed information and ...educe the right answer. ...As time went on he got to ...know how I worked; he ...could tell me in 10 minutes ...exactly what I wanted to ...know, and why, but when ...he knew I did not want to

...ossibly helped by the fact ...at he wore a KDG [King's ...ragoon Guards insignia] in ...s cap and not that of the ...ntelligence Corps. The best ...fficers in the Intelligence ...anch of the staff were civil... ...ns ... and Bill Williams ...ood out supreme among ...em all."

When writing these trib...tes in his memoirs (pub...shed in 1958) Montgomery ...as unable to disclose the ...ct that Williams's genius ...cluded the ability to ana...se and assess the products ...f the top-secret Ultra opera...on in which intercepted



Williams (1942): guided Montgomery

enemy wireless traffic was translated and interpreted by a huge team of analysts at Bletchley Park.

Although Williams had no illusions about Montgomery's character, and what he referred to as his "peacock vanity", he liked him, and they became close friends. Yet Williams did allow that Montgomery was so bitterly disappointed when he lost the supreme command in Europe to Eisenhower that he was thereafter determined to show the Americans that he was the better man; and that this led to such rash moves as the failure to clear the Scheldt Estuary before embarking on Operation Market Garden.

Nor did Williams fail to record Monty's little quirks, such as memorising and reciting [illegible] and [illegible] ...

...As well as dealing with the demanding and temperamental Montgomery, Williams was required to be a ...

...[illegible] ... was so good that he was often ... questioned about the source ... and had to give plausible ... replies to officers superior in ...

...[illegible] ... to make him a general," said Montgomery, "but he didn't want it; didn't want it."

A clergyman's son, Edgar Trevor Williams was born on Nov 29 1912 and educated at Tettenhall College, Staffs, King Edward's School, Sheffield, and Merton College, Oxford, where he was a Postmaster (scholar) and took a First in History. After a lectureship at Liverpool University he returned to Merton in 1937 as a junior research fellow.

In June 1939 he was commissioned in the Supplementary Reserve of Officers and later joined the 1st King's Dragoon Guards, serving with armoured cars in the Western Desert in 1941. In February 1942 he saw action against Rommel's troops in Cyrenaica.

When de Guingand was appointed Auchinleck's director of Military Intelligence he promptly selected Williams, then a junior captain, for his Intelligence staff. De Guingand subsequently wrote that Williams "hated soldiering". This was not true; he had a great affection for the Army but did not wish to become a regular soldier.

That August, Montgomery inherited both de Guingand and Williams when he ...[illegible] ... Army. Williams then served through North Africa, Sicily, Italy and Europe, eventually becoming Chief Intelligence Officer in 21st Army Group, which invaded France and continued to Berlin.

Among Williams's coups was the discovery that the Germans were trying (rather unsuccessfully) to produce a version of the British Long Range Desert Group with their Brandeburgers.

In 1945 Williams was elected a Fellow of Balliol and from 1946 to 1947 he worked for the United Nations Security Council Secretariat in New York. Although his post as director of the division of enforcement measures was highly paid, he resigned after a year, saying it was "a complete waste of time", and went back to academic work. The cause of his frustration was that he was working under a Russian who refused to give him any responsibility because he was a former British Intelligence officer.

In 1952 Williams became warden of Rhodes House, and seven years later added to his responsibilities the position of secretary to the Rhodes Trustees. He oversaw the selection procedures for scholars, guided the development of the scholarship scheme (including the admission of women in 1977), and each year attended to the well-being of nearly 200 scholars.

Williams was a skilled mentor to new scholars, who came to appreciate his pithy, elliptical and above all candid comments on their progress, and he became much esteemed by the wider community of former scholars. They saw him, in the words of one, as a "father-figure, fixer, and friend".

Rhodes House was also a centre for Commonwealth studies. Williams continued his interest in colonial history through participation in research seminars. In 1959 he was a member of the Devlin Commission on Nyasaland, and in 1980 an observer at the Rhodesian elections.

His 28 years as warden were matched by service to the university for almost as long, as a member of the Hebdomadal Council, a Curator of the Chest (or finance committee), and latterly as Pro-Vice-Chancellor.

He was a brisk and stylish chairman, given to shrewd, donnish assessments of individuals and policies, and rather avuncular in manner: he was liked and trusted. Business was usually salted with humour; he coined the word "montificate". After five years on Montgomery's staff, he said, "I could montificate with anyone."

His services were much in demand outside Oxford. He served as a Radcliffe Trustee and as a member of the Nuffield Provincial Hospitals Trust, and was a far-sighted chairman of the Academic Advisory Board which planned Warwick University. A keen cricketer, he served for many years as senior treasurer (and in 1968-[illegible] as president) of the Oxford University Cricket Club.

From 1949 to 1980 Williams was joint editor (with Helen Palmer and later with Christine Nicholls) of the decennial supplements to the *Dictionary of National Biography*.

It was unusual that in the course of such a long and distinguished academic career he should not have produced a single book of his own. Even his contributions to the *DNB* (which included finely honed essays on Churchill and Montgomery) are few in number. This is regrettable, for he was witty in print, and an incisive stylist.

He was thrice mentioned in despatches during the war; awarded the DSO in 1943; appointed CBE in 1944, CB in 1946, and a Deputy Lieutenant for Oxfordshire in 1964. He was knighted in 1973.

Williams married first, in 1938, Monica Robertson; they had a daughter. He married secondly, in 1946, Gillian, younger daughter of Maj-Gen M D Gambier-Parry; they had a son and a daughter.

...MS

...his tutorials, rich in reminis... ...d anecdote, remained in the ...of pupils long after the ... of hours spent with other ...d faded. In 1951 he became a ...nal fellow when his record ...ar and his impact on Balliol ...m the obvious choice as ... of Rhodes House. After a ...nd the world visiting the ... from which Rhodes Schol... selected, he took up his ...ent in 1952. In 1959, having ... a proved talent for the ...ration of finance, he com... post of Warden with that of ... of the Rhodes Trust in ...n to Lord Elton.

...ns was a long-serving mem... ...e Hebdomadal Council and ...e university well on innu... ...boards and committees. His ...ence of mind, deep attach... principle and quickness in ...made him invaluable in ...g proposals that were mere... ...stratively convenient. His ... concern was the Univer... ...st where he served as ... for many years. He be... ...e Vice-Chancellor in 1968... ...the university his adminis... ...ents and counsel were in ... demand and he rarely ... call for help. He was ...ost attracted to the medical ...gave devoted service to the ... the Oxford area. He was ...man, 1966-88, of the ...ovincial Hospitals Trust ...e of the Nuffield Medical

...her interests were mani... ...included a long spell as ...rer of the Oxford Univ... ...t Club, the chairman... ...ollection inquiry into ...ms in New Towns, and ... ...ee of the Devlin ... ... Inquiry into ... in Nyasaland. (He was ... Africa to be an official ...e Rhodesian elections of ...ought Robert Mugabe to ...

...ined his service interests ...f ways, most notably by ...ship of the RAF educa... ...committee. He was also ... ... the pleasures of new ... Anglia and then ... there he was chairman ... planning board, ... and as a chairman ... talent for reaching an ... ... ordinary ... ...ersation, was valu... ...description of himself ...al nuisance". He could ...ent or an argument at ... and was a master of ... intervention. His ... ... unassuming ... ...ally, was no respecter of ... not disposed to be ... anything, but sheer ... a considerable figure ... Council, he was ... a scourge to vice-chancellors and registrars. He pushed himself hard, often perhaps beyond the limits of his reserves of nervous energy, and at such times he could be quick to take offence. He was formidable in personal hostility and was never without enemies, overwhelmed in number though they were by his friends.

Williams was elected a fellow of the Royal Historical Society in 1947. He was appointed editor of the *Dictionary of National Biography* in 1949 and had primary editorial responsibility for the three Supplements covering the years from 1941 to 1970. He was a superb editor. His assessment of people and events was always acute but tempered by humour and a tolerant understanding of human frailty. An occasional broadcaster and book reviewer, and a most reluctant public speaker, he was too self-conscious to be happy in these fields.

But among all these activities his sociability made him an excellent adviser to Rhodes Scholars and although they sometimes failed to understand his allusive manner of speaking they invariably came to like him. He was assiduous, too, in maintaining contact with the world-wide network of old Rhodes Scholars.

The work of the Rhodes Trust changed considerably during his time as Warden. He had to deal, among other matters, with the extension of the scholarships to new countries, the readmission of Germany, the shift to graduate studies, the change in student habits and behaviour that marked the Sixties and the acceptance of women as candidates. All were managed with skill and imperturbability.

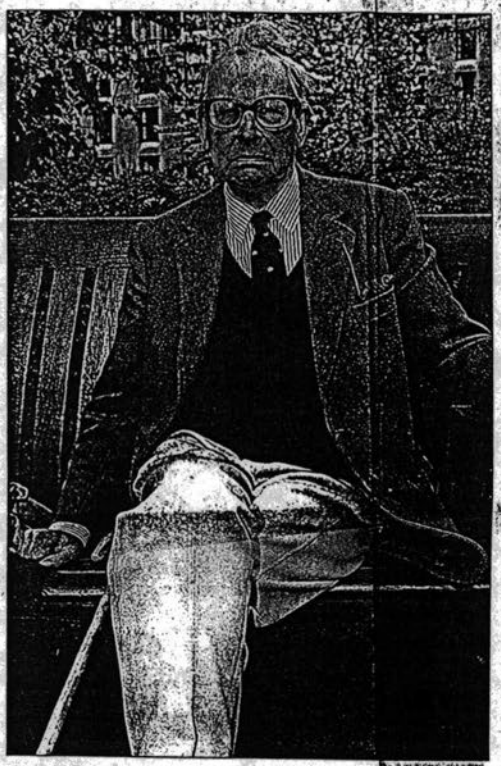
He was a first-rate administrator but his real medium, and his main recreation, was conversation; immensely knowledgeable and percipient, witty, digressive, and relaxed, eminently sane. It was particularly in this respect that Oxford suited him so well and he was at no time disposed to leave it. That was to the good fortune of the Rhodes Trust but it may be why his very great talents were never quite fully stretched after the explosive brilliance of his early career. He maintained his own balance at a highly-strung level that required a conscious effort to conceal the enigmatic strains in his character. But he will be most affectionately remembered by a host of friends, above all by Rhodes Scholars throughout the world, as a counsellor and friend who, by his apparent assumption, as he sprawled deep in his armchair, that they were as wise and informed as himself, encouraged them to aim high.

In 1939 Williams married Monica, daughter of Professor P. W. Robertson, by whom he had one daughter; the marriage was dissolved in 1945. In 1946 he married Gillian, daughter of Major-General M. D. Gambier-Parry, who survives him with their son and daughter.

OBITUARIES

SIR EDGAR WILLIAMS

Sir Edgar Williams, CB, CBE, DSO, Warden of Rhodes House, Oxford, 1952-80, and Secretary of the Rhodes Trust, 1959-80, died in Oxford on June 26 aged 82. He was born in Chatham, Kent, on November 20, 1912.



E. T. WILLIAMS was the classic example of a man of action who was also an intellectual. One of the most brilliant of wartime staff officers — put on a pedestal all of his own even by Montgomery — he retreated back to Oxford once the Second World War was over and remained there for the next 50 years as an ornament of the university. In addition to running Rhodes House for nearly three decades, he was the highly accomplished joint editor of three successive Supplements to the *Dictionary of National Biography*.

Known always as Bill Williams, Edgar Trevor Williams was the elder son of the Rev Joseph Edgar Williams, a Congregational minister, and had a Nonconformist and radical upbringing with which he was later to be often at odds. After Tettenhall College and King Edward VII School, Sheffield, he was elected in 1931 to a Postmastership at Merton College, Oxford, obtaining a first in Modern History in 1934. He then became a Harmsworth Scholar and undertook research which twice took him to Australia and New Zealand. An enjoyable term, 1936-37, as an assistant lecturer at Liverpool was followed by a junior research fellowship at Merton, 1937-39.

Williams had already begun to establish a reputation as an 18th-century historian when, in June 1939, he was commissioned in the special reserve of the 1st King's Dragoon Guards. In 1940 he went with his regiment to the Western Desert where in February 1941 his troop was the first to make contact with German forces in North Africa. Appointed next to the intelligence staff in Cairo he so impressed General Montgomery, when he took over the Eighth Army, that he at once determined to make Williams his head of Intelligence. In his *Memoirs* (1958) Montgomery, uncharacteristically, wrote that Williams "intellectually was far superior" to himself, adding that he "stood out supreme" even among the sophisticated civilians on the intelligence staff.

Williams felt that civilians had the advantage of being able to write reports in readable English, without superfluous jargon, so that decisions, and the reasons for them, could be communicated intelligibly right down the line. He also believed that civilians were readier than career soldiers to admit their mistakes, and this he considered of first importance as "because if you don't own up, chaps get killed unnecessarily". The intolerable to a man of his sensitivity.

One of Williams's first services to Montgomery was to point out that Rommel placed his German infantry and parachute troops between and, in some places behind, his Italian troops all along the front. His suggestion that they should so attack as to separate the two and then smash through the less reliable Italians was accepted and, as Montgomery has recorded, "paved the way to final victory at Alamein".

Williams carried out his work with outstanding success throughout the advance to Tunisia, the invasion of Sicily, and the first stage of the campaign in Italy. When Montgomery was brought home at the end of 1943 for the invasion of Normandy, Williams accompanied him as chief intelligence officer of the 21st Army Group. Montgomery's first task was to revise the plan for the operation in the light of battle experience and of Williams's estimate that six enemy divisions might be deployed by the craft could be assembled. In the controversies of the autumn of 1944 Williams held that the key to quick victory in Europe lay in the capture of the Ruhr. Montgomery was never shaken in his belief that the war was prolonged for many months by the reluctance of the Americans to accept and act upon this assessment.

Williams was only 32 when the war ended. He had reached the rank of brigadier, been awarded the DSO (1943), appointed CBE (1944) and CB (1946), thrice mentioned in dispatches and made an officer of the United States Legion of Merit (1945). He continued for a time in charge of Intelligence in the Army of the Rhine and then served, 1946-47, as a director on the Security Council Secretariat of the United Nations and as secretary of the Conventional Armaments Commission.

But he was anxious to return to Oxford, having been elected a fellow of Balliol in 1945. He took up residence in 1947 as [illegible] college. His tutorials, rich in reminiscence and anecdote, remained in the minds of pupils long after the memory of hours spent with other tutors had faded. In 1951 he became a professional fellow when his record in the war and his impact on Balliol made him the obvious choice as Warden of Rhodes House. After a tour round the world visiting the countries from which Rhodes Scholars were selected, he took up his appointment in 1952. In 1959, having by now a proved talent for the administration of finance, he combined the post of Warden with that of Secretary of the Rhodes Trust in succession to Lord Elton.

Williams was a long-serving member of the Hebdomadal Council and served the university well on innumerable boards and committees. His independence of mind, deep attachment to principle and quickness in debate made him invaluable in combating proposals that were merely administratively convenient. His particular concern was the University Chest where he served as chairman for many years. He became a Pro-Vice-Chancellor in 1968.

Outside the university his administrative talents and counsel were in constant demand and he rarely refused a call for help. He was perhaps most attracted to the medical world and gave devoted service to the hospitals in the Oxford area. He was also chairman, 1966-88, of the Nuffield Provincial Hospitals Trust and a trustee of the Nuffield Medical Benefaction.

But his other interests were manifold. They included a long spell as senior treasurer of the Oxford University Cricket Club, the chairmanship of a Gulbenkian inquiry into youth problems in New Towns, and membership, in 1959, of the Devlin Commission which inquired into disturbances in Nyasaland. (He was to return to Africa to be an official observer of the Rhodesian elections of 1980 that brought Robert Mugabe to power.)

He maintained his service interests in a number of ways, most notably by his chairmanship of the RAF education advisory committee. He was also very active in the planning of new universities at East Anglia and then at Warwick, where he was chairman of the academic planning board.

In committee, and as a chairman, Williams had a talent for reaching an agreed decision. As an ordinary member his contribution was valuable despite his description of himself as "a pestilential nuisance". He could take in a document or an argument at lightning speed and was a master of the devastating intervention. His usually pleasant and unassuming manner could be disconcertingly deceptive: he was no respecter of persons and not disposed to be [illegible] chancellors and registrars. He pushed himself hard, often perhaps beyond the limits of his reserves of nervous energy, and at such times he could be quick to take offence. He was formidable in personal hostility and was never without enemies, overwhelmed in number though they were by his friends.

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THE PRESIDENT HAS SEEN
5/7/95

Mike Synagan
cm on 8/8

Friday PM

Dear Mr President

I cannot thank you enough for visiting with Mike tomorrow. I truly appreciate the immeasurable kindness you have shown to Mike & family & friends. Your sensitivity warms my heart

I hope to see you soon

Best
Lucky Fund.

08/07

Todd

Do we need to send to Jocelyn to follow up on??

s

8/8 original sent to Jocelyn Jolley.

(E) **Rescue response to your note on food stamp fraud.** Carol reports that USDA is taking a number of steps to reduce fraud -- last year's rate was 7.65%, down from 8.29% in 1993. In May, USDA sent a food stamp reform proposal to the Hill that includes incentives to states to reduce errors and sanctions on the highest error rates. To date, the House and Senate have adopted only a portion of the USDA proposals. The House welfare bill would increase sanctions on states with above-average error rates, though it isn't clear whether Dole's bill will include these provisions. USDA is also working on administrative action to reduce the error rate.

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
8/7/95

August 3, 1995

95 AUG 14 P3:04

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS
ASSISTANT TO THE PRESIDENT FOR
SCIENCE AND TECHNOLOGY

SUBJECT: PCAST Panel Report on Magnetic Fusion Energy

I am pleased to transmit to you the report of a special panel of your Committee of Advisors on Science and Technology (PCAST). This panel reviewed the U.S. Magnetic Fusion Energy program. The principal objective of this program is to provide the U.S. with an abundant, safe, environmentally attractive, cost-competitive new energy source. Chaired by John Holdren, this PCAST panel is to be congratulated for providing a thoughtful and technically sound scheme for restructuring the fusion program at a substantially reduced level of funding. This report was unanimously approved by PCAST on July 10th.

The PCAST report supports your policy of treating research and development (R&D) as a key long term investment. It underscores the importance of fusion as an attractive -- possibly essential -- energy source for our nation in the middle of the next century and beyond. The large scale of fusion experimental technology, the long time to commercialization, and recent extraordinary achievements argue for continued strong Federal support within the Department of Energy. Further, international collaboration is necessary for demonstrating practical fusion energy.

The panel recommends funding the U.S. magnetic fusion energy program at $320 million per year through the next decade. Although this program requires considerable retrenchment from current Administration plans, we strongly endorse the panel's framework. It will support an important plasma science program, continue momentum toward the goal of commercial fusion power, and sustain international R&D activities.

As you know, the Congress is considering a funding level for fusion that is well below the PCAST-recommended budget. The panel also evaluated the consequences of a more dramatically reduced budget proposal that is roughly equal to the Congressional mark. It concluded that the program would lose essential elements and halt progress toward the fusion goal. Thus, if the U.S. is to sustain its commitment to plasma science and fusion technology, Federal support at the PCAST recommended level will be required.

VP/cabinet on our policy
all we can do now?

THE WASHINGTON POST
MONDAY, JULY 31, 1995

THE PRESIDENT HAS SEEN
8-7-95

Lawmakers Pursue Money Owed to U.S.

Two Representatives Draft Bill to Ease Budget Pressure by Reclaiming $50 Billion Past Due

By Kenneth J. Cooper
Washington Post Staff Writer

Lawmakers have begun to explore another way to ease pressure on the federal budget besides cutting popular programs and raising taxes: collecting more of the money owed to the government.

And a lot is owed, not counting overdue taxes, to a U.S. government well-known as the world's biggest borrower. Deadbeats ranging from former college students and military veterans to foreign governments and domestic shipbuilders lag behind on payments totaling between $50 billion and $55 billion, according to a survey of 100 federal agencies conducted earlier this year by Rep. Carolyn B. Maloney (D-N.Y.).

"I believe we certainly could collect a good deal more and improve the management of these agencies," Maloney said.

The more than $50 billion in overdue debts, largely defaulted loans, compares with $67 billion in delinquent back taxes owed to the government.

Maloney and Rep. Steve Horn (R-Calif.), working from proposals by the Clinton administration based on its reinventing government plan, are drafting legislation that would upgrade collection procedures and give agencies stronger financial incentives to round up money they are due.

Horn plans to hold hearings in September on debt collection as chairman of the Government Reform and Oversight subcommittee on government management, information and technology. He also believes agencies can recover a larger amount of past-due payments.

Administration officials calculate that debt at $49 billion and estimate less than one-fifth can be collected using current procedures. Because $35 billion has been overdue more than one year, the Office of Management and Budget (OMB) assumes only 5 percent of that amount, or $1.7 billion, will be paid, OMB spokesman Lawrence Haas said. OMB considers half the remaining $14 billion likely to be paid, bringing the total collectible up to $8.7 billion.

> *"I believe we certainly could collect a good deal more."*
>
> — Rep. Carolyn B. Maloney (D-N.Y.)

Some sources of delinquent debt are well-known—defaulted student loans and $2.6 billion in Medicare overpayments to health care providers, for example. The Education Department, due $20.5 billion, nearly all for college student loans, is owed more than any other agency.

The Agriculture Department ranks second with outstanding bills of $12.3 billion. About half is owed for farm loans, and another $2.6 billion is overdue for defaulted loans on agricultural trade deals. Less than $1 billion is owed in food stamps, the massive welfare program that serves one of 10 Americans.

Other overdue debts are more exotic. The Energy Department holds some of the oldest debts: $2.5 billion in penalties and interest that about 50 oil concerns owe for violating price controls during the 1970s. By now, interest charges account for most of the outstanding sum.

Military veterans who defaulted on low-interest home mortgages owe the Department of Veterans Affairs about $1.6 billion. Foreign governments and overseas firms have fallen behind in repaying $1.5 billion in loans from the Export-Import Bank.

Shipbuilders have defaulted on $300 million in loans made by the Maritime Administration. Transportation Department officials estimate that little ultimately can be recovered despite extensive ongoing litigation.

The Interior Department has $165 million in outstanding rents and royalties from private companies for extracting oil, gas, coal and hard-rock minerals from federal lands.

Maloney, now in her second term, would like to duplicate tactics she employed in the late 1980s as a member of the New York City Council. When she attempted a similar debt survey of New York agencies, many were slow to identify the totals overdue. Later, she summoned embarrassed agency officials before a city council committee to explain why they were not doing a better job of making deadbeats pay.

Given conservative Republican resistance to expanding powers of federal law enforcement agencies, one tactic that former New York mayor David Dinkins (D) adopted in 1990 is unlikely to win congressional approval at the federal level. The city's sheriff sent armed deputies to demand immediate payments, seize cash register receipts and padlock businesses that did not comply, aggressive practices that increased collections but became controversial.

The Horn-Maloney bill would deduct overdue funds from tax refunds and other federal payments to debtors, expand the use of private collection firms, allow federal agencies to keep a portion of what they collect and ease regulations that hamper collection efforts.

OMB officials estimated that such changes could help recover $1 billion that the administration now considers uncollectible over five years.

"We're very interested in helping the administration collect some of the debt owed the federal government," a Horn aide said. "I think this is something where the Republican Congress and Democratic administration could work together."

Maloney said she undertook the survey because she wants minority House Democrats to offer "positive ways to improve government" and find alternative ways to fund national service, nutrition, preschool and other people-helping programs that the party has long favored.

"I know these numbers look boring, but if we manage [debt collection] better, it could be very exciting," she said. "I think it's very liberal. If you run your government better, you have more money for AmeriCorps, for school lunches."

CABINET AND INDEPENDENT AGENCIES OWED THE MOST IN OVERDUE PAYMENTS

Debt in Billions of Dollars
Major sources in italics

1	**Education** *Student loans*	$20.5
2	**Agriculture** *Farm, agriculture trade loans*	12.3
3	**Health and Human Services** *Medicare overpayments*	3.3
4	**Housing and Urban Development** *Housing loans*	3.3
5	**Veterans Affairs** *Housing loans*	3.1
6	**Energy** *Oil pricing penalties*	2.9
7	**Defense** *Loans to foreign countries*	2.3
8	**Small Business Administration** *Small business loans*	1.9
9	**Export-Import Bank** *Loans to foreign countries*	1.5
10	**Environmental Protection Agency** *Waste cleanup penalties*	.5

SOURCE: Agency Responses to 1995 Survey of Rep. Carolyn B. Maloney (D-N.Y.)

BY JOHN FOSTER JR—THE WASHINGTON POST

THE PRESIDENT HAS SEEN
8-7-95

GS

I need a follow up
memo on Aff Action
How we discuss with
the UTx Hopwood case?

BC

industries.

Finally, there is the continuing decline of the minimum wage. If you adjust for inflation, the minimum wage is heading toward a 40-year low.

What's the solution, given these causes? We have attacked the problem of education and job training vigorously. The president's latest budget increases investments in education and job training. In contrast, the Republican budget cuts education and job training over the next seven years.

Q: They have proposed cuts in the same areas the administration wants increases.

A: It's basically the same areas of education and job training: covering school-to-work apprenticeships, education loans for college, school-to-work loans, school-to-work payments, job training for the unemployed, job training for low-income education grants to secondary schools, geared toward working-class, low-income Americans. That accounts for a substantial part of the philosophical difference in approach between Republicans and Democrats.

The president has also supported an increase in the minimum wage 90 cents an hour. The present minimum wage of $4.25 simply does not provide a livable wage. It translates into
approximately $8,500 a year. Most minimum-wage workers are adults. The average minimum-wage worker provides half of the family income. If we're serious about getting people off welfare and into work, we must ensure that work pays.

The earned-income tax credit is another accomplishment of the administration. Here again, the contrast with the Republicans is stark, because they propose to scale back the earned-income tax credit while we have expanded it.

We have expanded child care for welfare mothers and the working poor. The Republicans want to roll child care back.

Q: Will the president focus on these issues during the presidential campaign next year?

A: The wage gap between people at the top and average working Americans is now the widest of any industrialized nation. We are surging toward more inequality at the most rapid speed of any industrialized nation.

The problem here is one of not just the future prosperity of the nation, but also the future stability of this country.

If we end up during the period leading up to the next presidential election focusing on the question of how big a government we want and how quickly we should reduce or eliminate the budget deficit, we miss the essential reality. The biggest question facing the country is how to lift wages and restore upward mobility.

Q: What about the Republican proposals for welfare reform and their impact on the economy and the labor force?

A: The Republican version simply cuts welfare. It doesn't help people to get work. The goal is to get people off welfare and into work not simply to get them off welfare. No reasonable person would advocate a welfare-to-the-street program, or a welfare-to-panhandling program. But that is essentially what the Republicans are proposing.

(Optional add end)

Q: You have worried publicly about the trend toward declining wages. Can you explain why it's happening and what Washington can do about it?

A: We don't know very much why it's happening. All we know is that it seems to be a continuation of a long-term deterioration in the wage structure of this country and a widening gap between people at the top and everybody else.

People at the top have two big advantages in this new economy. First, they have the education and skills necessary to take advantage of modern technology and global markets. Second, they own financial assets. The value of financial assets has been increasing markedly.

Together, those factors have created enormous wealth at the top.

Let me be clear about this. The problem is not that some people are getting rich. We should celebrate the fact that some people are getting rich.

The problem is that, for the first time in the post-Cold War era, everybody is not gaining as the economy grows. In fact, many people are losing ground.

In the first three decades after World War II, we all grew together. Everybody's income just about doubled. Even if you were in the bottom fifth of the income ladder and stayed there, your income still doubled, adjusted for inflation, between 1950 and 1978. If you were in the top fifth, your income doubled. If you were in the middle fifth, your income doubled.

But since 1979, we have seen a widening divergence: 97 percent of all the gain in household wealth since then has gone to the top fifth of income earners. Everybody else shared just 3 percent of the growth in family incomes, and many people saw their incomes decline.

American families have been trying to cope by doing several things. ...

The first coping mechanism, beginning in the late '70s, was to bring spouses into the work force. I wish I could say that women were in the work force in such great numbers because there are so many wonderful opportunities for American women, but, sad to say, that's not the primary reason women are in the work force. They are in the work force in such vast numbers because they had to join to make ends meet for their families.

The second coping mechanism was to work longer hours and again, even today, we're seeing record levels of overtime, and many families having a third shift or even a fourth shift. I've met many American workers who are working 50, 60, 70, 80 hours a week.

The third coping mechanism was to have smaller families. Not because people liked children less, but because they couldn't afford to have children. That has been the pattern over the last 15 years.

Finally, families have had to dip into their savings, whatever savings they may have had, or to go deeper into debt. Again, that has been the pattern in recent years, and it could threaten this economic recovery.

Affirmative Action Under Fire: A Case Study By David G. Savage= (c) 1995, Los Angeles Times=

AUSTIN, Texas Law school applicant Cheryl J. Hopwood believes that she is one of the casualties of the bidding war for the relatively small pool of talented minority students.

Hopwood's father, a Vietnam War veteran, left home when she was a child. Her mother worked three jobs to support the family. She herself is raising a severely handicapped daughter.

As a college student, Hopwood paid her way by working at least 20 hours a week and still managed to attain a 3.8 grade-point average. Her LSAT score ranked her at the 83rd percentile. But in 1992, the University of Texas law school turned down her application without explanation.

But she thinks she knows why. Aided by a conservative legal organization, she filed a lawsuit contending that she was discriminated against because of her race.

"I thought I was disadvantaged too, but that didn't count for me," Hopwood said. Her case has been dubbed "Bakke II" in higher-education circles.

The Allan Bakke case split the nine Supreme Court justices in 1978. On the one hand, they said the

Governors dividing along party lines on how to reform welfare By Chris Mondics Knight-Ridder Newspapers

BURLINGTON, Vt. The nation's governors appear to be dividing along sharply partisan lines on one of the nation's most pressing and emotional social issues welfare reform.

Both President Clinton and Sen. Bob Dole of Kansas, who is running for the Republican nomination to oppose Clinton in next year's presidential election, are expected to outline their plans for revamping welfare at the National Governors' Association conference here Monday.

But discussions among governors Sunday made it clear that broad differences separate the two parties on how to overhaul the system. While the governors themselves will have no direct role in shaping legislation to change welfare, their views are likely to carry considerable weight because they are responsible for administering, and in part paying, for programs in their states.

``The program is broken; it's bad," said Wisconsin Gov. Tommy G. Thompson, a lead Republican negotiator on the issue. ``You talk to governors, you talk to welfare mothers, they will tell you it's not working."

Thompson and most other Republican governors are falling behind a plan Bob Dole is expected to detail Monday. Republican sources said it would freeze payments to states with relatively low growth in poor households such as Pennsylvania and New Jersey, while offering increases to states that are growing rapidly and are likely to have increasing numbers of people needing public assistance.

``I think it is a very good plan; it has a lot of things that we like," said New York Gov. George Pataki, a Republican.

Dole's plan authorizes state governments to deny payments to teen-age mothers who have children out of wedlock. Mothers who have children while on welfare would be denied additional payments.

That restriction has already been enacted in New Jersey. Former New Jersey Gov. Jim Florio signed the measure, sponsored by state Sen. Wayne Bryant, a Democrat.

Clinton is expected to announce a plan with incentives for states to find employment for people on public assistance, and new restrictions on people who refuse to work.

Some Democratic governors said Sunday they were concerned that Republican proposals to revamp welfare would harm the poor by eliminating the legal right to public assistance, the so-called entitlement.

Moreover, Gov. Howard Dean of Vermont, a Democrat who is the chairman of the governors association and a leader of the Democratic governors at the conference, said Democrats were concerned that states would lose money under the Republican plan.

``The Democratic governors are not satisfied that the states will be held harmless," he said.

With 30 governors across the country, the Republicans are a powerful force in the governors association this year, the first conference in 20 years in which they have held the majority.

While most Republicans support the Dole plan, a few voiced reservations Sunday. Pennsylvania's Gov. Tom Ridge said he wanted to be sure his state received adequate funding before he endorsed the proposal. Gov. Christine Todd Whitman of New Jersey voiced similar concerns.

``I don't want us to be penalized," Ridge said.

Normally, partisan conflict at National Governors' Association meetings is relatively rare. But this year's conclave has been different.

In a speech to the governors Sunday, Sen. Pete V. Domenici, R-N.M., the chairman of the powerful Senate Budget Committee, sharply attacked Clinton's budget proposal, saying it was ``false" because it was not balanced and did not cut costs.

``In June, the president promised a balanced budget," Domenici said. ``He did not do it. The time has come to put affordability back into the discussion. What can we as a nation afford?"

For all the debate over welfare, there is at least wide consensus that overhauling public assistance will be simpler than changing Medicaid, the health-care program for the poor operated by the state and federal governments. Because of Medicaid's complex funding formulas, gaining consensus on changes to the program has been difficult.

As is the case with welfare, the Republican proposals would replace the current system with a block grant program. The current system grows automatically as the need arises. While allowing for growth, the Republican plan would essentially restrict the rate of growth.

The governors spent a two-hour private session wrestling with the issue Sunday. Afterward, staffers who attended the session said the governors were far from an agreement.

Anti-affirmative action movement is spreading Michael Dorgan Knight-Ridder Newspapers

One supporter calls it ``affirmative reaction." But by whatever name, the anti-affirmative action movement is spreading like a flash fire across the nation.

Sparked by the proposed California Civil Rights Initiative and fueled by the University of California regents' vote to end race and gender preferences in hiring and admissions, the movement has generated serious talk of anti-affirmative action initiatives in all 23 states that allow voter initiatives, said a spokesman for a group that monitors conservative ballot measures.

Already, initiatives modeled after the CCRI have been filed in several states, even though the petition drive to put the California initiative on the November 1996 ballot has not yet begun.

In addition to initiatives, in about a dozen states including California, Delaware, Georgia, Michigan, Mississippi, Pennsylvania, South Carolina, Texas and Washington anti-affirmative action legislation has either been introduced or is being prepared.

That list is likely to grow now that Senate majority leader and presidential candidate Bob Dole weighed in Thursday with a proposal to gut federal affirmative action programs. His bill would overturn 30 years of efforts to promote diversity and compensate for past discrimination by granting racial and gender preferences in hiring and promoting federal workers and in granting federal contracts.

``The California Civil Rights Initiative is an earthquake, and the shock waves are being felt all around the country," said Kolt Zimmerman Jones, state projects coordinator for Americans for Tax Reform, which promotes initiatives not only on taxation but also crime and affirmative action.

The belief that racial preference equals racism is the dominant theme of the anti-affirmative action movement.

Defenders say preferences are needed to help the historically disadvantaged. But detractors argue that giving special advantage to some inevitably discriminates against others.

``Why should a rich black kid whose parents are doctors get special employment and education advantages over a poor white kid born to a welfare mom?" asked Michigan State Representative Dave Jaye, who has sponsored legislation to eliminate all race and gender preferences in

jobs, business contracts and college admissions. ``Racial preferences are unfair, unjust and un-American."

Opponents of legislation such as Jaye's say the anti-affirmative action movement is rooted in public misunderstanding and political manipulation.

``I think the conservatives are mobilizing people who are frustrated and very afraid in a new economy to go after easy targets immigrants, people of color and white women," said Van Jones, a staff attorney for the San Francisco-based Lawyers Committee for Civil Rights.

Jones says passage of the CCRI would make California ``the Alabama of the '90s." But he acknowledges that there is a good chance the measure will be approved.

There's also a good chance similar measures will be approved elsewhere.

Affirmative action is a vast array of programs created by presidential decrees, judicial rulings and bureaucratic fiat. Never, say critics, has the public had a chance to express its views with votes.

Polls have long indicated that many Americans think preferences are unfair. But only now that the cumulative impact of affirmative action is being widely felt and now that the California initiative has forced debate on the issue have their objections begun to sound like thunder.

Affirmative action supporters accuse Gov. Pete Wilson, Dole and other Republican leaders of exploiting the issue for political gain, noting that some supported affirmative action programs until just recently. But affirmative action opponents say theirs is a truly grassroots movement that has forced Republican and Democratic leaders alike to take clear stands.

``Suddenly, with the measure written down in black and white, you couldn't dance around it," said Grover G. Norquist, president of the Washington, D.C.-based Americans for Tax Reform. ``The California initiative forced politicians to face an issue they wanted to avoid."

(EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

Michigan's Jaye agrees that the California initiative has forced the issue. When he introduced a similar measure three years ago, he said, it won only 10 votes from 110 state representatives. When he reintroduced the measure this year amid the worldwide news coverage of the CCRI, it had 50 cosponsors, he said.

Glen Custred, co-author of the CCRI, says the grassroots underpinning of the anti-affirmative action movement is indicated by the kind of support the initiative has received. Almost all of the $300,000 raised so far, he said, was contributed in small amounts by average citizens.

Backers hope to draw another $700,000 in coming months to cover costs of collecting the 694,000 signatures needed to put the measure on the November 1996 ballot. CCRI campaign manager Joe Gelman said the initiative finally will be filed during the first week in August and that the petition drive will be launched by Labor Day.

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The California initiative would prohibit the state and local governments from using gender, race, color, ethnicity or national origin as a basis for preferential treatment in hiring, promoting, granting admission to college or selecting public contractors.

Its appeal, Custred said, is that it expresses ``core social values" of individual rights, equality of opportunity, advancement by merit and equal protection before the law.

What it does not offer, critics complain, is an alternative way of helping those disadvantaged because of past and present discrimination. Rather than propose a solution to that problem, said Nancy Davis, executive director of Equal Rights Advocates, the initiative merely scapegoats society's poorest and politically weakest members.

(EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

Whatever the initiative's ultimate effect might be, its call for equal treatment is one many voters are likely to find compelling.

``Hardly anyone you talk to opposes it, and almost everyone supports it," John Cogswell said of the Colorado Equal Opportunity Amendment, which is patterned after the CCRI.

Cogswell, chair of the committee preparing the initiative for the November 1996 ballot, said he does not think most U.S. voters have changed their minds about preferences. He said most voters never liked them but never got a chance to express their opinions.

(END OPTIONAL TRIM)

Georgia State Representative Earl Ehrhart said the turning point for him came when a constituent called to complain that his child was unfairly denied financial assistance at the University of Georgia.

Ehrhart said the university was so unresponsive to his inquiries that he had to make a federal Freedom of Information Act request to get details on its aid policy. What he learned, he said, is that minority students qualify for aid with a 3.0 grade point average and a 1000 SAT score, while non-minority students need a 3.5 grade point average and a 1200 SAT score.

Outraged, Ehrhart this year proposed an amendment to the state constitution, now pending in the Georgia legislature, that would eliminate race and gender preferences.

``I don't consider myself an angry white male," he said. ``I just consider myself someone unwilling to take responsibility for something
I didn't do. I can't teach my children that it's wrong to discriminate against others but it's OK for them to discriminate against you."

Many people may not think it surprising that a Southern state such as Georgia would rise up against affirmative action. But even in Illinois, the home base of the Rev. Jesse Jackson, affirmative action is under attack.

William Kelly, a 29-year-old Republican, said his Chicago-based committee already has collected half the signatures needed to put an anti-preference referendum on the Illinois ballot. If he has his way, the poster boy for the campaign will be Jesse Jackson's son, ``the perfect example of why affirmative action is no longer necessary," Kelly said.

``He's my age, has received the best education, has traveled around the world, visited the Oval Office and spoken at the Democratic National Convention. He's had many more advantages in his life than I've had in mine, yet he has no shame when demanding special privileges for himself."

Gov. Pete Wilson needs a mountain of cash for presidential campaign By Scott Thurm Knight-Ridder Newspapers

Here's the new, new math for Calif. Gov. Pete Wilson: He must convince someone to give him $1,000 every 15 minutes, day and night, for the rest of the year.

Looked at another way, Wilson needs to find 15,000 rich friends in a hurry. That's roughly what it will take for Wilson to meet his ambitious goal of raising $20 million for his presidential campaign by January.

And Wilson likely will need every penny for staffers, for rallies, and most important, for television commercials if he is to overtake Senate Majority Leader Bob Dole, the front-runner for the Republican presidential nomination.

So, as soon as Wilson puts the state budget battle

Mr. Murdoch Goes To Washington

THE NEW YORK TIMES, SUNDAY, JULY 23, 199

THE PRESIDENT HAS SEEN
8-7-95

The G.O.P. Welcome Is Warm Indeed

By EDMUND L. ANDREWS

WASHINGTON

A WEEK from Tuesday, Rupert Murdoch is scheduled to appear before the House ethics committee, where he will be grilled by Democrats about his company's lucrative book deal with the Republican House Speaker, Newt Gingrich. Over on the House floor that week, perhaps even that same day, Republican lawmakers will be trying to push through a major telecommunications bill that would, among other things, let the media baron buy still more television stations and newspapers in the United States.

In one sense, this is all in a week's notoriety for Mr. Murdoch — a man fiercely admired by some as a brilliant entrepreneur and just as fiercely reviled by others as a harsh and domineering mogul. But the simple fact of this double-barreled, center-stage presence in Congress also represents a new phase in a remarkable career: After years as an outsider in the capital's whirl of money and politics, Mr. Murdoch has come to Washington.

It's not that he has become an avid habitué of the capital's dinner-party circuit, the latest darling of the conservative establishment. Still, in his characteristically aloof way, Mr. Murdoch and his Australia-based company, the News Corporation, have become increasingly visible, and influential, in this new Republican world.

"News Corporation is dramatically more active here than it was a few years ago," said Tim Boggs, Time Warner's top lobbyist in Washington. "A lot of it reflects the growing complexity of the company and its business plan, with interests in so many different areas."

Mr. Murdoch's efforts in Washington come at a crucial time for his company's expansionist ambitions. As ever, though, his interests and intentions are far from one-dimensional — a mix of the financial, the political and the personal. He has ridden into town, so to speak, on a Republican deregulatory tide, and the welcome, after all those years in the wilderness, has been warm indeed. "It's been like pushing on an open door," said Peggy Binzel, Mr. Murdoch's Congressional lobbyist.

Though he didn't show up in person, Mr. Murdoch contributed $100,000 as one of nine honorary chairmen of a fund-raising dinner last month for House Republicans. Next month, he will sponsor a dinner for Senator Larry Pressler, the South Dakota Republican who heads the Commerce Committee.

He has invested $3 million to underwrite a new conservative weekly magazine in Washington called The Standard. The magazine, which should hit the stands shortly after Labor Day, will be edited by William Kristol, who was one of former Vice President Dan Quayle's top advisers and is considered one of the Republican Party's leading intellectual lights.

And though Mr. Murdoch's patronage of The Standard is unlikely to make him much money, it will place him in a role that he clearly savors: Like The New York Post, which is often stridently conservative, it will give him a piece of the political debate in one of the media capitals of the world.

But it is on the legislative and regulatory fronts where Mr. Murdoch has been most active, and where he has the most to gain.

To be sure, every segment of the tightly regulated communications industry lobbies and spends heavily on political contributions. Dollar for dollar, Mr. Murdoch's efforts pale when compared with those of the local and long-distance telephone companies as they struggle to enter each other's markets.

Yet Mr. Murdoch would be a big winner if Congress, as is expected, passes a telecommunications bill eliminating most of the rules that restrict a company from owning more than 12 television stations. To that end, his lobbyist, Ms. Binzel, organized a coalition with ABC, NBC, CBS and The Tribune Company that successfully persuaded the Senate to eliminate the numerical limits as long as a company's stations do not reach more than 35 percent of the population. The House version would also end prohibitions against owning a television station and a newspaper in the same city.

In an interview from Australia, where he has been holding a month-long management retreat, Mr. Murdoch said he was not seeking any special preferences. "We believe in deregulation whether it hurts us or helps us and we've been absolutely consistent about that. Deregulation is in the public interest."

On the regulatory side, Mr. Murdoch fended off efforts by the Federal Communications Commission to strictly enforce foreign ownership limits on his company. Those limits would have required the News Corporation to reduce its equity in its TV stations from 99 percent to 20 percent. Meantime, largely unnoticed — except by his industry rivals — Mr. Murdoch has successfully exploited peculiar features of the ownership rules to acquire 20 to 25 percent ownership stakes in stations and extend his reach to roughly 35 percent of the nation's population.

Preston Padden, the News Corporation's head of Government affairs, says those who look for a "grand plan" in Mr. Murdoch's Washington activities will be disappointed.

"There is no strategic planning group, no floor of M.B.A.'s," he said. "It's Rupert waking up earlier than his competition with eight great ideas before breakfast."

Still, the deregulation of broadcast ownership seems to cut to the heart of Mr. Murdoch's ambitions. For while Mr. Murdoch's global empire includes newspapers, the Twentieth Century Fox studio, book publishers and stakes in broadcasting satellites in Europe and Asia, the biggest profits are coming from American television stations.

"America is very much the basis of News Corporation's activities," Mr. Murdoch said .And that means television stations. "Networks do not make a lot of money, but the stations they own do," he said. "If you look at Capital Cities/ABC, the stations make about four times as much money as the network."

There are those, many of them Democrats, who say that in this new political climate, Mr. Murdoch has become too involved — most notably in his $4.5 million book deal with Mr. Gingrich, the Georgia Republican. Mr. Murdoch met with Mr. Gingrich several weeks before the book contract was signed, and acknowledged discussing his battle with the F.C.C. over foreign ownership rules. But he has vehemently denied trying to en-

list Mr. Gingrich's support and said his company did not lobby in Congress on that issue at all.

Mr. Murdoch has shown scant interest in windy debates about the "information highway," and has testified at almost none of the scores of Congressional hearings on communications policy during the last few years.

In fact, he said his company had played no role at all on the most important segments of the telecommunications bill, which is primarily aimed at letting local telephone, long-distance companies and cable television networks enter one another's markets.

And he actually parted ways with other over-the-air broadcasters in recent months, who have been lobbying Congress for legislation to prevent cable television operators from burying their channels when they offer menus with more than 100 video services.

But the News Corporation was ferocious and successful in fighting the F.C.C. on complaints that the company violated rules that forbid a foreign company from owning more than 20 percent of an American television station.

In April, the F.C.C.'s staff circulated a confidential draft order that would have forced the company to reduce its equity in the stations to 20 percent and would have fined it $500,000.

"We can think of few circumstances that could be more intuitively contrary to the Congressional interest in safeguarding national security," the draft order read. Though it gave Mr. Murdoch a chance to show that an exception to the rules would be in the public interest, the draft order concluded that an exception "is inconsistent with the public interest in this case."

After news organizations reported about the draft order, company executives said that a restructuring would impose hundreds of millions of dollars in tax liabilities. The company had already deluged the agency with legal briefs, along with testimonials from programmers and stations that had signed up as Fox network affiliates. The company had even persuaded several former F.C.C. officials to recant statements that they had not understood Fox's ownership structure at the time the company's licenses were approved.

Within the F.C.C., a majority of the agency's five commissioners drastically revised the original recommendation. Led by Commissioner James Quello, a Democrat who argued that the News Corporation had greatly enhanced the public interest by launching a fourth national television network, the final order backed away from explicit demands for restructuring or fines and three of the commissioners said that Fox had enhanced the public interest.

Meantime, in the last 18 months, Fox television stations have signed deals to acquire stakes of 20 to 25 percent in 17 stations. All told, these stations reach about 35 percent of the population — a wider reach than ABC, NBC or CBS have with their company-owned stations.

"He has pioneered creative ownership relationships and taken advantage of F.C.C. rules to become the No. 1 stakeholder in American television stations," said Gerald Waldron, a lawyer for affiliates of ABC, NBC and CBS.

Yet, despite loud protests by both NBC and the National Association for the Advancement of Colored People, which objected on grounds that Mr. Murdoch's efforts were preventing minorities from gaining ownership of television stations, those stations will not be counted against the current limit of 12 stations. That is because the F.C.C.'s arcane rules allow a company to own as much as 49 percent of a station, without it being counted against ownership limits, if a single company owns the other 51 percent.

Mr. Murdoch supports eliminating rules that prohibit companies from owning a newspaper and a television station in one market. But he said he was unsure about the wisdom of buying more papers.

"I love newspapers and I would love to have one or two more," he said. "But I don't know if I could justify it economically to my shareholders. At the moment, the newspapers are about to go into a period of extreme suffering because of high paper prices and it's likely to last for a long time."

Mr. Murdoch said that even he is unsure what the company will do next. He recently made a multi-billion-dollar offer to acquire the extensive television holdings of Italy's Fininvest, owned by Silvio Berlusconi. Mr. Murdoch was rebuffed, which leaves him scouring the globe once again.

Broadly, however, he seems intent on expanding the amount of entertainment and information his company produces and then finding new channels of distribution. The Fox television stations constitute the foundation of his American operations. In Europe, Mr. Murdoch is beaming television programming to homes by satellite over British Sky Broadcasting. In Asia, News Corporation owns a 63 percent stake in Star TV, a direct broadcast satellite that covers much of the continent.

Beyond his immediate business interests, he seems determined to carve out a role in the broader political debate. And that, some say, might even strain his relations with politicians.

"If he was simply acting to maximize profit, he would have shied away from a controversial magazine like The Standard because it could actually hurt his relations with some politicians," said Mr. Kristol. "We've made it clear we are going to be critical and that we'll go after Republicans too."

One longtime business acquaintance said that Mr. Murdoch runs the risk of alienating executives within the entertainment industry, who tend to be centrist Democrats.

"It's never been a secret that Murdoch is conservative," said Barry Diller, who started the Fox Television Network for Mr. Murdoch. "But if he continues to unsheathe that harsh conservatism, it will impose some operational difficulties. Extreme political views, whether liberal or conservative, particularly with a broadcasting base, make a lot of people exceedingly nervous — both those you work with and those in government."

To Mr. Murdoch, though, investing in The Standard is "fun."

"We don't think it'll lose much," he added. "It's a worthwhile exercise. For a company our size, I suppose it's a bit of a hobby. I think it will be an important voice. I hope it will be an important voice." □

Mr. Murdoch Goes to Washington

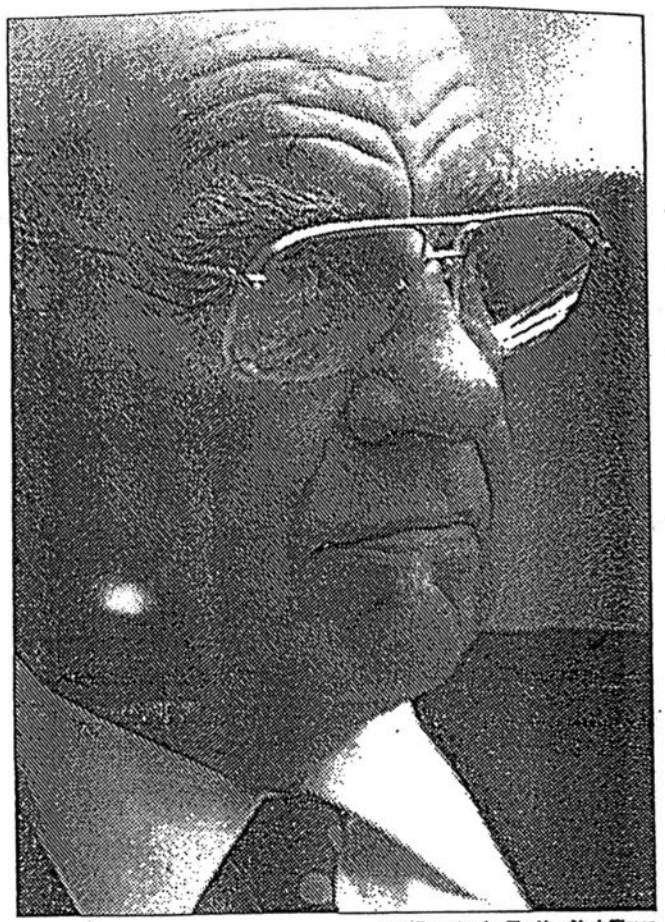
Deregulation, Deregulation: Murdoch's Washington Agenda

1. Expanding television holdings.
Fox Television Stations owns 11 stations and either holds or is acquiring partial stakes in 17 others. Current rules prohibit the company from owning majority control in more than 12 stations. News Corporation, along with ABC, NBC and CBS, is pushing Congress to end most limits. Approval, as part of a broad telecommunications bill, is considered likely.

2. Resolving foreign ownership dispute.
The F.C.C. has given News Corporation, based in Australia, an opportunity to get an exemption to rules forbidding foreign companies from owning television stations. The commission must still approve the company's petition that an exception would be in the public interest, and is expected to do so on Friday.

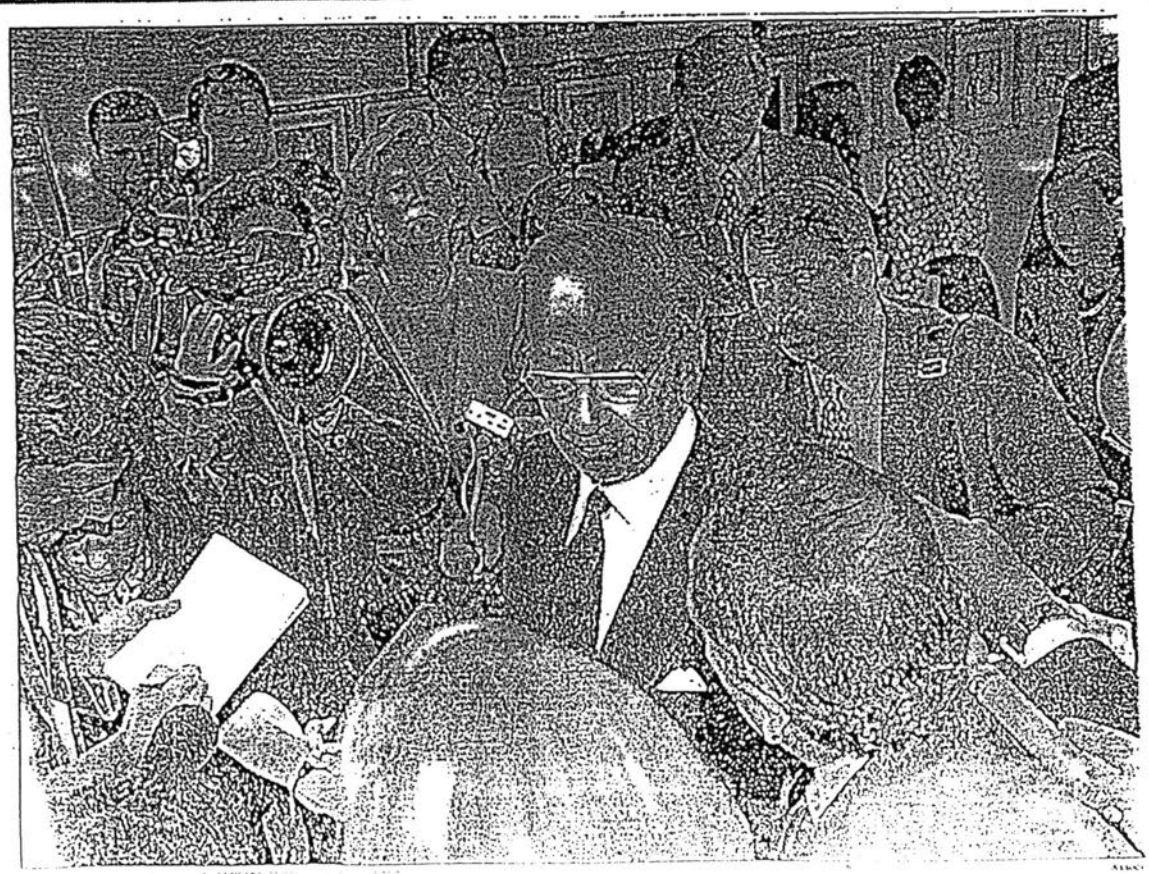
3. Ending cross-ownership rules.
News Corporation is seeking repeal of rules barring companies from owning newspapers and television stations, or newspapers and cable systems, in the same city. This is part of the telecommunications bill.

4. Alternative uses for digital television.
News Corporation, with most other broadcasters, is seeking freedom to use new channels designed for high-definition TV for an alternative purpose: to offer a number of programs at once, using digital technology. The F.C.C. is expected to support that position.



Amy Toensing for The New York Times

As he seeks to expand his broadcasting empire, Rupert Murdoch has become increasingly active in the capital.



Reporters thronged Rupert Murdoch in May before an F.C.C. meeting, where questions about ownership of Fox television stations were

Today's debate: PHONE, CABLE DEREGULATION

Monopolies win, you lose

OUR VIEW **Stampeded by lobbyists, Congress may allow phone-cable mergers. That's bad news for consumers.**

Don't be surprised if someday soon your cable TV bill jumps and you can get your telephone service and cable TV from only one company.

The reason: Congress is in the process of deregulating the nation's telecommunications industry, and a 10-year, $20 million lobbying campaign by cable and local phone firms has tipped the legislation against consumers.

That isn't what was supposed to happen. Just the opposite. The aim of deregulation was to spur phone and cable companies to get into each other's businesses. Doing so would create competition. That in turn would lower prices and improve service.

Instead, the deregulation bill passed last month by the Senate and the one moving toward enactment this week in the House encourage local cable-phone monopolies. Not just a cable monopoly and a phone monopoly, as exists in most places today, but a single monopoly controlling both.

Instead of throwing the two industries at each other's throats, the Senate bill would let them buy large shares in each other's systems. Worse, both House and Senate bills would let cable and phone firms merge in communities of less than 50,000. Thus, nearly 40% of the nation's homes could end up with monopolies providing them both services.

The result is not hard to predict. From 1984 to 1992, cable rates shot up at double the rate of inflation. Studies submitted to Congress back then showed customers with only one choice of cable provider were paying up to 30% more than customers with choices.

As if that's not bad enough, even as the legislation would discourage competition, it would lift most of the federal rate regulation enacted three years ago because customers felt monopoly operators were ripping them off.

The legislation is a blatant giveaway to two favored industries. And it doesn't take a genius to figure out who will pay the bill. Instead of getting two choices, many consumers will get none.

Even the biggest cable and phone operators never dreamed they'd be handed such a gift. Just two years ago, when Bell Atlantic (one of the seven regional Bell telephone companies) and Tele-Communications Inc. (the nation's largest cable company) were proposing to merge, they promised to sell to competitors those parts of their systems that overlapped — ensuring two lines would reach into each home.

That was the right idea. Make businesses compete in a free market. Give consumers a choice. Remove the need for regulation.

Those are the kinds of principles this Congress said it would defend. Somewhere along the way, the consumers' interest got lost.

Let the market rule

OPPOSING VIEW **Free markets, not government, should determine telecommunications services.**

By Rep. Jack Fields

There are still some in Washington who believe government regulation — rather than the free market — best ensures that Americans receive the advanced telecommunications services that will carry us into the 21st century. I am not one of them.

The telecommunications bill the House will soon consider sharply reduces the federal government's role in the telecommunications industry. By providing new incentives for private industry to innovate, experiment and compete, the bill will reduce the price, improve the quality and expand the array of services available to consumers. And it will do so far more efficiently than government regulation.

As a general rule, the telecommunications bill prohibits local telephone companies and cable systems in the same service areas from buying or merging with one another. Among the bill's few exceptions is one that allows a local telephone provider to operate or engage in joint ventures with a local cable system but only in the smallest, most sparsely populated communities.

This exception is in the best interest of rural America. Only by permitting such joint ventures will the investment capital necessary to upgrade the telecommunications infrastructure be available in rural communities. Prohibiting such joint ventures would deny rural residents the benefits of advanced telecommunications services that urban and suburban residents will soon learn to take for granted.

Increasingly, voice, data and video services are being provided to consumers by satellite wherever they live. Recent government spectrum auctions will make more telecommunications services available to anyone, anywhere, who has a few hundred dollars to purchase a satellite dish. Such wireless voice, data and video services already compete with cable, and they are likely to become a stronger and more aggressive competitor in the future.

In years past, the government dictated who obtained which telecommunications services, when they obtained them and how they paid for them; and, too often, rural residents were at the end of the line. The free market, not the government, should determine which telecommunications services are available to consumers, when and at what price. If there is a market in rural America for advanced telecommunications services, companies — existing corporations and start-up ventures alike — will discover that market and serve it.

Rep. Jack Fields, R-Texas, is chairman of the House Telecommunications and Finance Subcommittee.

THE WASHINGTON POST

THURSDAY, AUGUST 3, 1995

Disabled People See Budget-Cutting Fervor as Threat, New Attitude

By Barbara Vobejda
Washington Post Staff Writer

In Crawfordville, Fla., the parents of 14-year-old Janell Wells are nervously tracking the congressional debates this summer, convinced that the tiniest tick of a pencil in Washington could dramatically alter their lives.

Janell suffers from a rare disease that keeps her body from regulating heart rate, breathing and temperature, a disorder that has pushed her annual medical bills as high as $250,000. To help pay these bills, her family receives help from at least three federal programs—Supplemental Security Income, Medicaid and a maternal and child health fund—but all have been targeted by Congress this year for spending cuts or radical revision.

As they watch the process unfold, said Conni Wells, Janell's mother, "families like mine are scared to death."

Republicans in Congress, eager to reform what they see as ineffective social policy and reduce spending, have proposed significant changes to a number of federal programs. And while almost every group that relies on social programs would be affected by those changes, people with disabilities may take a disproportionate hit because they often depend on a patchwork of programs.

"Representatives who voted for the ADA ... are the same people who are now voting to cut programs that help people with disabilities."

—Chai Feldblum, Georgetown Law Center

More disturbing than the looming budget cuts to advocates for disabled people is the fear that Washington's attitude toward disabled Americans has fundamentally changed. Last week, as disabled people marked the fifth anniversary of their greatest legislative triumph—passage of the landmark Americans With Disabilities Act (ADA)—they surveyed a vastly different political landscape. They see disabled people being lumped in with undeserving welfare recipients and viewed as overly dependent or, at the least, too expensive.

In the years since President George Bush signed the law banning discrimination against the handicapped in the workplace and in public places, "the atmosphere has changed very considerably, where people with disabilities are becoming scapegoats for the horrendous deficit and debt," said Justin Dart, a Republican and former head of the President's Committee on Employment of People with Disabilities.

"Today," said Wells, "I'm seeing a totally budget-driven system that looks at people according to their potential, how much can they give back, and making judgments on how much we should invest in this population."

Congressional Republicans strongly deny these charges.

"The tide has not turned against disabled people," said Rep. Jim McCrery (R-La.), who led efforts in the House to overhaul SSI. "The tide has turned against abuse of federal programs, against waste of federal dollars, but not against disabled people."

Among the most serious concern to advocates for disabled people is what they describe as an orchestrated campaign to gut the ADA by opponents who argue that it is too broad and places an unreasonable burden on businesses and taxpayers.

In "Restoring the Dream," a book published by the Republican National Committee to flesh out details of the House GOP's "Contract With America," Republicans take on the ADA.

"Sometimes even the best-intentioned regulations spiral out of control," the book states, citing the ADA as an example. "Under the Act, 43 million people—that's one out of every six Americans—are potentially considered 'disabled,' though they may not know they are disabled themselves. The list includes drug abusers, the obese and the 'emotionally disturbed.' "

At a town meeting outside Dallas in April, House Majority Leader Richard K. Armey (R-Tex.) said the ADA "in its current state, is a disaster." Armey called the law an "open invitation to frivolous lawsuits" and said it had been "one of the most sloppily written pieces of legislation in the history of the House of Representatives."

"Under my majority leadership, the disabilities act will be revisited and will be written properly so its focus and intent goes to people with genuine disabilities," he said.

Armey was one of 28 House members who voted against the ADA in 1990, a group that also included Rep. Bill Archer (R-Tex.), now chairman of the Ways and Means Committee, and Rep. Tom DeLay (R-Tex.), now majority whip.

Ed Gillespie, a spokesman for Armey, said no legislation to alter the ADA has been discussed, and he dismissed the contention that efforts on Capitol Hill to reduce spending or "tighten" the ADA reflected ill will toward people with disabilities.

"People with true disabilities have no reason to be concerned about the programs from which they benefit," he said.

Even the philosophy underlying past victories—that disabled people as a group should be entitled to claim a set of rights—has been brought into question, Dart said.

"We're used as a prime example of the misuse of the rights argument," said Dart, who uses a wheelchair, "which is a totally wrong interpretation" of the ADA. He pointed to a written statement by House Speaker Newt Gingrich (R-Ga.) that Americans' "newfound sense of entitlement and of victimization is exactly wrong." Gingrich did not mention disabled people or other groups in his statement.

Chai Feldblum, a professor at Georgetown Law Center and a major player in passage of the ADA, agrees that there is a changing philosophy about individual rights to government aid, but does not believe that threats to programs for people with disabilities are being driven by negative attitudes. "Representatives who voted for the ADA ... are the same people who are now voting to cut programs that help people with disabilities," Feldblum said. "I don't think this is a pendulum shift. ... It's a desire to cut the budget."

The reductions would cut far into some programs, with Congress proposing to eliminate $180 billion in future Medicaid spending over seven years and $270 in future Medicare spending. Disabled people rely heavily on both of those programs for medical care, as well as SSI payments as a source of income. The House has voted to reduce SSI spending by more than $20 billion over five years, with major changes proposed for a portion of the program that provides assistance to disabled children.

Under the House plan, only the most severely disabled children would continue to receive cash aid, some others would receive services and more than 200,000 children could lose eligibility altogether, according to an estimate from the General Accounting Office.

McCrery said his proposals to change SSI were motivated by a desire to end what he believes is widespread fraud in the program.

"The cash acts as an incentive for some parents to not get help for their children's disabilities because they don't want them to get off the program," he said. "And ... it acts as an incentive for some parents to encourage their children to act in such a way that it would lead to their qualifying for the program ... thereby harming their children and their chances for success in life."

Republicans and some Democrats also have argued that the skyrocketing cost of some programs, including SSI, Medicaid and Medicare, must be brought under control. The cost of SSI benefits, for example, has more than doubled since 1986. Medicaid spending is growing at a rate of 10 percent annually and one of the Medicare trust funds is expected to run out of money by 2002.

"In the abstract, people recognize that funding to help people with disabilities gain independence is a good investment," said Leonard Rubenstein, director of the Bazelon Center for Mental Health Law. "On the other hand, the obsession with budget-cutting is overwhelming that."

For Conni Wells, the fear is that Janell could be affected by several of these cuts. Because Janell's disease is not one of the medical conditions on a qualifying list for SSI, she could lose her cash benefits of about $92 a month under the proposal approved by the House. The family has used that money to help cover the costs of medical equipment and other special needs not picked up by their private insurance or Medicaid.

"The only thing that can happen now is that it's going to get worse," Wells said.

Janell also could be affected by Medicaid reductions. Another federal program that helps cover the bills, the Maternal and Child Health Services Block Grant, had been slated by the House budget resolution for a 50 percent reduction, but so far, House appropriators have maintained its funding.

Other parents say they could handle a cut in one program, but the cumulative effect of the federal cuts and revisions could be devastating.

"If it was just one battle, like Medicaid. ... But it's so overwhelming," said Amy Smyth, the mother of 11-year-old Zachary, who is severely autistic. "They're hitting us from every side."

Smyth, who lives in Peoria, Ariz., is helping organize a letter-writing campaign to lobby Congress on the need to protect disabled people as federal spending is reduced.

Zachary receives Medicaid coverage for many of his medical expenses, but equally important to him, said his mother, is a Medicaid program that pays for daily tutoring after school so he can learn to live independently and become employable.

His tutors work with him on how to ride a bus, personal hygiene and other daily living skills. Those services, said Smyth, "are probably going to mean the difference between Zack having a job or not."

But that program, as part of Medicaid, is highly vulnerable to cuts.

The perception in Washington is that disabled people "are just welfare recipients," said Smyth, who worked her way through school and will start as a special education teacher this fall, earning $26,000 a year. "These are middle-class families trying to pay their taxes. We don't want our children to be SSI recipients for life, or to be institutionalized."

THE PRESIDENT HAS SEEN
8-7-95



THE PRESIDENT HAS SEEN
8-7-95

To Jack Quinn
Document to forgive
Turn BC

House Bill Gives Two Big Broadcasters a Break

By Paul Farhi
Washington Post Staff Writer

Sponsors of pending telecommunications legislation have added a last-minute provision that likely would ensure that media baron Rupert Murdoch and a major religious broadcaster keep valuable TV station licenses that are now being challenged.

Reps. Thomas J. Bliley Jr. (R-Va.) and John D. Dingell (D-Mich.) added language earlier this week to the massive bill, which would change the process by which the Federal Communications Commission judges applicants for TV licenses. The FCC now holds hearings to compare the qualifications of TV station operators, but only when a qualified competitor challenges the incumbent broadcaster.

The bill had proposed to do away with this process for broadcasters whose licenses would be up for renewal in the future. But language inserted by Bliley and Dingell would cover any broadcaster whose license is currently being challenged.

Attorneys representing two Hispanic groups seeking to wrest licenses from Murdoch's Fox Broadcasting Corp. and from religious broadcaster Trinity Broadcasting Network said yesterday the proposed change would make it impossible for them to win their pending cases. They said the change would force them to start their cases, which have been going on for years, all over again.

"I think this raises some very serious constitutional questions because it retroactively denies our appeal rights," said Robert Lewis Thompson, an attorney for Rainbow Broadcasting Co., which has sought the license of Fox's Los Angeles station, KTTV, since 1988.

Murdoch has been under fire from Democrats and others since last fall for his close ties to House Speaker Newt Gingrich (R-Ga.). A publishing company controlled by Murdoch, HarperCollins, last year signed Gingrich to a book contract that gave him a $4.5 million advance, but after heavy criticism the amount was reduced to $1.

Fox's Washington attorney, William Reyner, said the proposed change in the station license renewal process would have no effect on Fox's ownership of KTTV because a federal appeals court has upheld the FCC's decision to leave the license in Fox's hands. "As far as Fox is concerned, this is a dead issue," he said.

But Thompson said Rainbow intends to ask the Supreme Court to review the appeals court decision. If the high court were to send the case to the FCC for reconsideration, he said, the FCC would be precluded from considering Rainbow's petition under the proposed amendment.

A spokesman for Bliley, Mike Collins, said eliminating the hearing requirement would "streamline" the FCC's renewal process. The provision was made retroactive, said one House aide, because broadcasters with pending renewals should be entitled to the same privileges as those who renew in the future.

An FCC official, who asked not to be named, said the Murdoch and Trinity cases were among "only a handful" of TV licenses being challenged before the agency.

The FCC rarely denies license renewals. It typically relies on community groups that challenge the licenses to uncover evidence that a station owner has not lived up to the FCC's rules.

Trinity, based in Orange County, Calif., is a tax-exempt, nonprofit organization headed by Paul F. Crouch that owns 12 stations and broadcasts Christian programming through dozens of affiliates nationwide. The FCC in 1993 ordered a hearing to determine whether Trinity used an illegal minority "front" to acquire more stations. That case is pending.

Calls to Trinity's Washington attorney were not returned yesterday.

THE WASHINGTON POST
THURSDAY, AUGUST 3, 1995

THE PRESIDENT HAS SEEN
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OD & Bennett William
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MARGOT MARINO

U.S. DEPT OF STATE
ROOM 5424
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DESERVES RECOGNITION FOR HER HARD WORK AND DEDICATION TO THE USG.

Joan Baggett

The Outlook

Competition Is at Risk In Telecommunications

WASHINGTON

The sweeping telecommunications bill moving through Congress is one of the few measures to escape partisan and ideological warfare this year. The bipartisan consensus is clear: There should be less regulation, and more competition.

But the two political parties still retain their peculiar tics in dealing with this Third Wave issue. Democrats are too quick to assume government regulation can correct imperfections in the marketplace. And Republicans are too willing to confuse what is best for their business buddies with what is good for the economy.

With the GOP in control of Congress, it's the latter problem that bears watching.

The bill passed by the Senate on an 81-18 vote, and the one scheduled to be voted on in the House in the next few weeks, do much to encourage competition in this rapidly evolving field. They would tear down a raft of government-imposed barriers, allowing everyone to enter everyone else's business. The hope is that will encourage competition, innovation and consumer choice.

But a couple of provisions have popped up that even some avid free-marketeers worry would have the opposite effect. They would allow competing telephone companies and cable companies operating in the same city to purchase large ownership stakes in each other; and in smaller markets – fewer than 50,000 people under the Senate bill – they would allow the two to merge.

The problem is that, for the moment, cable companies look to be the most robust competitors for telephone companies in the information-superhighway racket. Both have wires running into most American homes; and new technology enables telephone wires to transmit video signals and cable wires to transmit telephone calls. If both choose to compete head-on, the consumer should benefit from better service, lower prices and more choice.

If the local telephone company has a choice between competing frantically against the local cable company and buying a big stake in it, guess what will happen? "That sounds like a sure way to kill competition," says Judge Robert Bork, now at the American Enterprise Institute.

Defenders of the provisions argue that in some small markets, the cost of building an interactive wire network may be too high to support two competitors. "There are some areas that may not support a telephone company offering cable and a cable company offering telephone," says Rep. Jack Fields of Texas, the GOP congressman overseeing the House bill.

Others express boundless optimism that the proliferation of new technologies will provide ample competition. Telephone companies won't just be competing against cable companies, they argue; they will be competing against direct broadcast satellite and wireless technology. Sen. Larry Pressler, the South Dakota Republican who authored the Senate bill, says he is even expecting electric utilities to enter the free-for-all.

Moreover, Mr. Pressler and Mr. Fields both argue that nothing in the bills would change the antitrust laws; the Justice Department could sue to stop any merger.

How Much Competition?

U.S. consumers in areas exempted under Senate cable bill* *Source: 1990 Census*	37%
U.S. households subscribing to cable service *Source: National Cable Television Association*	63%
U.S. households with telephone service *Source: Federal Communications Commission*	94%

*Cities of less than 50,000 outside urban areas

But those arguments ignore a simple fact: Most local telephone and cable companies start out as monopolies. They aren't accustomed to competition. And the government may need to take measures to assure competition until they get accustomed to it.

"My own instinct would be to try for competition where one can," says Peter Huber, a senior fellow at the Manhattan Institute. If the economics are such that small markets can't support two fully interactive wire networks, then he says the two should fight it out until one wins – and not merge before the competition begins.

Satellite technology, wireless technology and even the electric utilities may someday challenge the phone and cable companies, as the optimists believe. But "why not wait until that competition shows up?" Judge Bork says. "It may or may not show up."

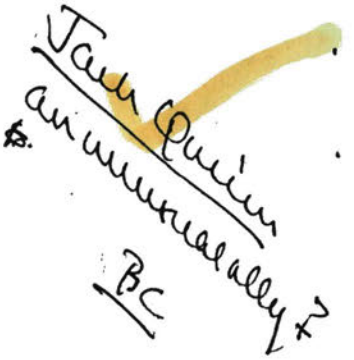
Mr. Fields says his role in negotiating the telecommunications bill has been to look out for the consumer. He frequently refers to the mythical Ms. Schultz: "If it helps Ms. Schultz . . .," he says, it's worth doing.

But it's hard to see how allowing Ms. Schultz's telephone company to buy her cable company will improve the quality or lower the price of either. What it will do is give the cable operator an opportunity to cash in by selling his company at a hefty price. And it will give the phone company an opportunity to get rid of a competitor.

That's why the cable operators and the Baby Bells, who have poured plenty of money into the campaign coffers of members of Congress involved in the legislation, both support the provisions. And they seem about to get their payoff. "The Baby Bells," says William Baxter, a Stanford law professor who as a Reagan Justice official directed the breakup of AT&T, "put their money where their mouth is."

–ALAN MURRAY

THE PRESIDENT HAS SEEN
8-7-95



The Wall Street Journal
7/17/95

THE NEW YORK TIMES, THURSDAY, AUGUST 3, 1995

THE PRESIDENT HAS SEEN
8.7.95

Study Finds Tobacco Ads Nearer Schools

California Survey Says Promotions Are Often Placed Near Candy

By PHILIP J. HILTS

WASHINGTON, Aug. 2 — There are significantly more tobacco advertisements in stores near California schools than in stores farther away, according to a new study of more than 5,700 stores in that state.

The study, released today by the California Department of Health Services, also found that there is a significantly greater number of tobacco ads near the candy counters in stores near schools, and that they are more often set below three feet in those stores, where children can see them better.

Further, the study said, even though California law requires stores to have conspicuous anti-tobacco signs, almost 60 percent of the stores did not have a single anti-tobacco message.

"This study blows a huge hole in the tobacco company claims that they aren't interested in selling to kids," said Representative Richard J. Durbin, an Illinois Democrat and member of the Congressional Task Force on Tobacco and Health. "They are going after American kids with a vengeance."

Brennan Dawson, a spokeswoman for the Tobacco Institute, the industry's lobbying group in Washington, said today that the difference between ads in stores near schools and those not near schools was fewer than 2 per store. The exact difference was small — a matter of only 1.6 ads per store — but statistically significant, according to the study.

"I don't think that makes a case for F.D.A. regulation of tobacco," Ms. Dawson said. "It's illegal to sell cigarettes to kids, and the laws on the books should be enforced."

The study was paid for by the California health department and was carried out in March and April this year in 52 counties across California. Data were counted in 5,773 stores of the types likely to sell tobacco, including pharmacies, grocery stores, convenience stores and gas stations. The survey noted the presence of ads, their location and their relationship to candy counters, among other things.

No significant difference was noted between urban and rural stores. The stores that had the most tobacco signs were liquor stores, with an average of 38.2 ads per store.

Of stores within 1,000 feet of a school, there was an average of 26.5 tobacco ads per store, an average of 5.6 of these ads on the outside of each store. Among the stores farther than 1,000 feet from a school, there was an average of 24.9 ads per store, and 4.5 of them on the outside.

The study also found a significantly higher number of tobacco ads in stores that were in "young" neighborhoods, defined as neighborhoods where at least one-third of the population was 17 years old or younger.

Tobacco companies are going after children 'with a vengeance,' a Congressman says.

This concentration of advertising in stores frequented by younger people, Mr. Durbin said, "is no accident." He continued: "When tobacco companies do this they know exactly what they are doing: the place, the height, the size of the sign. These things are all negotiated with the store owners who get concessions on price and other inducements to give tobacco companies what they ask for."

Tobacco companies spend about $6 billion in advertising and promotion a year, according to Federal Trade Commission figures. About two-thirds of that total is spent on store advertising and other promotional campaigns, and about $800 million or more specifically on point-of-sale advertising.

Representative Marty Meehan, a Massachusetts Democrat who was among the members of Congress releasing the data in Washington today, said that in Massachusetts, sting operations in which minors tried to buy cigarettes showed that about 70 percent of the time, the children could buy them without being asked their age.

After a state enforcement campaign, said Dr. Greg Connolly, head of the Massachusetts state tobacco control program, sting operations found that the rate of easy purchases had dropped to 28 percent.

In neighboring Vermont, where only voluntary tobacco company efforts are used to bar sales to minors, sting operations have shown that minor children can buy cigarettes 90 percent of the time without question, Dr. Connolly said.

By brand, the most frequently advertised was Marlboro, which averaged more than 10 ads per store across the state. Second was Camel with about 5 ads per store. Kool, Newport and Winston each had 2 to 3 ads per store.

The heavy advertising in stores exactly matches the brand preferences of children who smoke, according to figures from the Centers for Disease Control and Prevention's Office on Smoking and Health. Children prefer Marlboro or Camel, with Newport, Winston and Kool clustered together several percentage points lower.

But the ad prevalence in stores does not match adult smoker preferences, which are, in order: Marlboro, Winston, Basic, GPC and Newport. Dr. Connolly, who has studied tobacco advertising expenditures, said that heavy point-of-sale and promotional advertising is a major change for the industry, which began a few years ago to shift most of its advertising dollars away from print ads and billboard to retail ads.

He said that the point-of-sale ads were linked to catalogues and gifts sent to smokers, often children. The gifts include items like lighters, belts, jackets and knives.

"This is important, because it gets the smokers on the companies' computer databases," Dr. Connolly said. One company has said it has 27 million people in its computers now."

A substantial number of the stores surveyed were convenience stores. Lindsay Hutter, a vice president of the National Convenience Store Association, said that tobacco is their No. 1 product by volume of sales, amounting to about $16 billion a year. She said that gives the tobacco companies great leverage in where the ads and products are placed in the stores.

The convenience store industry "is working to curb attempted youth purchases," she said, "but this country hasn't galvanized around tobacco issues until recently."

- **Ickes memo on "Jesse's Right" by Tom Friedman.** The *New York Times* has rescinded its permission to reprint this op-ed for distribution to contributors and supporters. The paper does not allow such reprints of articles that contain political content since that could give the appearance that it endorses a particular candidate or issue.

- **Ickes memo on DNC direct mail.** According to Don Fowler, the direct mail program will result in approximately 250,000 new donors by the last week of August. Fowler would like to get "good media coverage" including a picture of you with the 250,000th donor. Harold would like to discuss this with you.

- **Ickes memo on meeting with Mayor Daley.** Harold met with Daley last week in Chicago and he was very positive about the Convention. Daley wants to make the Convention interesting so people will watch. He suggests limiting the number of speakers and stressing entertainment. He also (i) urged you to consider a series of events over the next several months announcing a reduction in rules and regulations as he thinks most Americans feel they are over-regulated; (ii) suggested moving the White House operations out of Washington to specific cities on a one-week basis three or four times before '96 to show that you want to make close contact with the American people; (iii) was critical of the "transaction tax" imposed on the Chicago Board of Commodities; and (iv) stressed the economic importance of O'Hare.

Mr. Dick Morris, Jr.
20 Beeholm Road
West Reading, CT 06896

THE WHITE HOUSE

WASHINGTON

95 AUG 14 P5:33

31 July 1995

MEMORANDUM TO THE PRESIDENT

FROM: Harold Ickes (HI)

SUBJECT: Mayor Daley

On 26 July, I met with Mayor Daley at his office in Chicago. he was very positive about the Convention.

He thinks the most important thing is to figure out how to make the Convention something that people will want to watch in order to get the President's message out. The traditional Convention format is too boring and people won't watch it.

He would stress a positive story, and have as few speakers as possible. He would also stress entertainment.

He urged that the President think about a series of events over the next number of months in which every month he would announce the reduction or elimination in rules and regulations that directly effect Americans and American business. He thinks most Americans feel they are way over regulated and that this is a very key issue with the American public and American business.

He also suggested moving the White House operations out of Washington to specific cities on a one week basis. He suggests doing this 3 or 4 times before the 1996 general election, although he admits it is probably very difficult to implement. This would show, however, that the President wants to make closer contact with the American people.

He is highly critical of the "transaction tax" imposed on the Chicago Board of Commodities.

He stressed the importance of O'Hare Airport. He estimates that some 500,000 people are working directly at or in connection with the airport.

missions, meetings with top officials, access to a "personal regional representative" in Washington, VIP accommodations at the Republican convention, and a "private" meeting with a newly elected President and Vice President. 4) ***National Journal*** article on Motor Voter by Bill Schneider claiming that a high proportion of newly registered voters are identifying themselves as "independent" or "no party" rather than Democrats although they are mostly young and poor. 5) Very favorable **Knight-Ridder News Service** piece on Don Fowler.

(E) **Celinda Lake focus groups on women.** Forwarded by Sosnik. Chicago on May 31; Tacoma on June 1. Two groups in each city: ticket splitters with no more than two-years education and "drop-off" voters who voted in '92, but not '94. Key conclusions: (i) very worried about the economy and their personal economic security; (ii) responsive to language focussing on immediate economic needs rather than abstract notions of strengthening the overall economy; (iii) profound cynicism; (iv) believe nobody in on their side, not Democrats or Republicans; (v) respond most strongly to candidates who visibly understand and relate to their lives.

(F) **Washington State poll, end of June.** Forwarded by Sosnik. Your numbers were 55% strongly favorable/somewhat favorable. No Republican candidates were tested. Crime/drugs/violence was the most important problem by plurality of those polled -- 21%.

(G) **Focus groups on young African-American men.** Forwarded by Sosnik. Conducted for the DNC in Los Angeles on June 14 and Southfield, Michigan (suburban Detroit) on June 19. In each city, there were two groups of African-American men interviewed; 1) likely Democratic voters between the ages of 30 and 45, and 2) younger, infrequent Democratic voters between the ages of 21 and 30. These groups are disillusioned with the party although the Republican party is not attractive to them. They do not understand what the party stands for and feel that the lines have bl
with this group and they pr
see no rationale for a Jacks

Mr. Dick Morris, Jr.
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(H) **Polls from Virginia**
August 1 *Hotline*. Virginia
Oklahoma: you trail Dole 3
51; favorable/unfavorable 3

(I) **Selected Clips.** Forwarded by Sosnik.

We have also received the following information:

Ickes memo on National Education Association endorsement. The NEA could endorse either in September '95 or December '95; in December, you would probably pick up an additional 10% of the vote. Harold and Ken Melley of the NEA want to know your preference -- September or December. Also, an internal NEA membership poll conducted in May showed your favorability rating at 60%, but it dropped to the mid-50s when put head-to-head against Dole; Dole's favorability was in the mid-30s.