

cc
 Mike S.
 Jim D

Memo on
 Energy, Smully
 Meeting
 Went to follow up
 on them - Smully
 has other notes

THE PRESIDENT HAS SEEN

9-12-95

Be

President with
 follow up done
 on his trip in
 Wyoming. Please
 let us know when
~~that~~ ~~this~~ what is done
 NK

Jim. President

cc:
 Debi Schiff
 Jim Donskind

THE PRESIDENT HAS SEEN
9-12-95

August 29, 1995

Memorandum for The President

From: Kyle Simpson
Executive Assistant to the
Deputy Secretary of Energy

Subject: Background for your Aug. 30 meeting with
natural gas and oil producers

Background

You will meet on Wednesday morning, August 30 with a group of 10 to 12 natural gas and oil producers. Most of them will be from the Rocky Mountain region. Three main problems confront domestic natural gas and oil producers today -- price, access to federal land for exploration and production, and consistency in environmental regulation. In addition, natural gas producers are frustrated by very low prices for their product despite continuing increases in demand. Since you became President, demand for natural gas has grown by 8%, 1.5 trillion cubic feet per year, yet wellhead prices have declined by 24%. The posted price for Rocky Mountain gas is about 90 cents today.

Discussion

The domestic natural gas and oil production industry has improved its efficiency dramatically in the last decade. Through better management practices and the employment of new technologies like three dimensional seismic mapping, cross well and down-whole seismic sensing, horizontal drilling and new water flood techniques, domestic producers have lowered their finding costs from nearly \$40 per barrel to around \$5 per barrel. Now they want government to follow suit and institute better management and coordination of its taxation, regulation and oversight of the industry.

While some producers continue to argue for large tax incentives or oil import fees to encourage or protect domestic production, many will acknowledge that there is very little that the federal government can or should do to effect the price of natural gas or oil in those ways. They will argue however, that the federal government should take steps to reduce or eliminate the costs imposed on the industry by what they perceive as unfair or unnecessary government actions and to take actions that would lower the cost of capital to the industry.

For instance, they perceive the Alternative Minimum Tax (AMT) as unfair because of its adverse impact on capital intensive industries like natural gas and oil production which may not be able to fully depreciate capital expenditures. Forty four percent of domestic oil production comes from firms that are in AMT tax payer status.

Access to federal land and consistent application of requirements for access is important to the producers. The potential for discovering large new reserves of natural gas and oil in the U.S. continues to decline. Domestic producers are anxious to explore and develop federal land for its natural gas and oil potential. While much has been made recently over the issue of the Alaska North Slope Wildlife Refuge, the concerns of the producers you will meet with on Wednesday are more local. The Greater Green River Basin in Wyoming, Utah and Colorado is the most prolific onshore natural gas prospect in the U.S. today. Access to the land in the basin is complicated by inconsistent requirements of multiple federal and state agencies with jurisdiction in the region. Lack of coordination between federal agencies in environmental regulation is also a concern for producers in the Rocky Mountains and other parts of the country.

Specific Issues

Taxation and lowering the cost of production

- **Alternative Minimum Tax (AMT):** Industry groups are working for either reform of the AMT or outright repeal. Treasury Department has testified in opposition to the repeal of AMT. Repeal of AMT is contained in the House passed tax bill. It is not in the Senate bill that is presently being considered.
- **Geological and Geophysical Expenditures (G&G):** The tax code provides that G&G expenses for unsuccessful wells can be expensed in the year they were incurred, while these same expenses for successful wells must be capitalized over the life of the well. Expensing of G&G expenses for successful wells will provide an incentive for increased use of technology in the exploration and development of natural gas and oil resources. In July, the Treasury Department issued a statement declaring it was willing to work with Congress to develop a provision to allow expensing of G&G in the year incurred.
- **Petroleum Development Investment Management Corporation:** New financial mechanisms, such as hedging, exist that can lower the cost and increase the availability of capital to producers, and

thus increase investment, but market barriers and banking regulations restrict their use. This proposal would establish a federally chartered, privately owned corporation that would facilitate gas and oil price hedging, provide production rate sureties and establish a secondary market for hedged, surety covered loans through standardization. These services will increase the amount of investment capital available to producers and lower its cost. Significantly, this proposal could help to maintain the nation's marginal well resource base in production. One-quarter of our domestically produced oil comes from low-producing, so-called "marginal" wells. Whenever oil prices fall these wells are in danger of being closed. Once closed, it is very expensive to reopen these wells. The National Petroleum Council in 1994 recommended that the federal government take steps to preserve these fields. The Department of Energy believes that the idea has merit and is studying this proposal.

Access to federal land and consistency in environmental regulation

- **Leasing Federal Land in the Rocky Mountain Region:** Producers in the Region have expressed great concern about the length of time required to obtain leases to explore for gas on federal land and the conditions that accompany the leases. The natural gas resource potential within the Greater Green River Basin is probably the most significant on shore natural gas resource potentially underlying primarily federal public lands. We hear criticism from industry that the Department of Interior has, de-facto, withdrawn public lands and are denying "access" to the domestic resource within the Basin and other areas due to potentially long approval processes for various permits and the bureaucratic application of special and seasonal stipulations on leases. The reality is there are a number of controversies with the Basin that if allowed to continue unaddressed, have the potential to create obstacles to development of the natural gas resource. It has been proposed that the Bureau of Land Management in the Department of Interior establish the Green River Basin Advisory Committee and take an active role in addressing the issue of "access" and create a venue for all interested parties to work together in managing the multiple resources within the Basin.
- **Coordination of Environmental Regulations:** Producers across the country are concerned about a lack of coordination between federal agencies when environmental regulations are developed. For instance, the Interstate Oil and Gas Compact Commission

recently expressed concern that the EPA is reopening the Resource Conservation and Recovery Act (RCRA) associated production waste issue. EPA recently sent documents on this issue to two states and not to all producing states. Neither did the EPA submit the documents to the Department of Energy or other interested agencies for review. Additional concerns have been expressed that the data utilized to is out-dated and could lead to a time consuming and unnecessary reconsideration of the RCRA exemption for associated wastes. The Administration has long held the position that the associated waste exemption need not be modified. This type of action on the part of individual agencies without consultation raises the specter of confusion within the Administration. DOE will work with EPA to resolve the matter.

Market Development

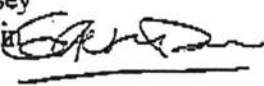
- Natural Gas Producer Marketing Cooperatives: Apache Corporation is leading an effort to gain support for the creation of natural gas producer marketing co-ops through proposed legislation to provide limited exemption from Federal antitrust statutes for these purposes. Essentially, Apache and other small producers seek the ability to join together to sell natural gas (their own gas and gas produced by others, up to 25 percent of the national market) with some degree of antitrust protection. The reasons cited by proponents are: (1) natural gas wellhead prices have decreased; and (2) small producers are at a disadvantage competing against natural gas marketers in highly competitive wholesale markets in which access to electronic information and marketing skills are paramount. Given the highly competitive nature of the natural gas wholesale markets it is doubtful that producer co-ops could significantly affect prices. Co-ops could allow members to seek more and larger markets due to their ability to aggregate reserves and guarantee larger gas deliveries. It is true that small producers are at a competitive disadvantage to larger producing companies, however, there is nothing preventing individual producers from joining with other producers to create marketing companies. Nonetheless, allowing the creation of marketing co-ops would give small producers another tool to compete in the marketplace. This situation is similar to the conditions that resulted in the formation of many of the other cooperatives currently in business across the nation. The Department of Energy is analyzing the proposal and will consult with the Department of Justice.

- **Natural Gas Use as a Compliance Strategy for the Clean Air Act Amendment of 1990:** Some states that have significant coal reserves have enacted laws that limit the ability of electric power generators to utilize natural gas combustion as a control technology to comply with the Clean Air Act. Successful legal challenges have stricken some of the laws. Some producers are arguing that the Clean Air Act should be amended to prevent such action by the states. Such a provision could expand market opportunities for natural gas but coal producing interests could be harmed. There are efforts in Congress to open the Clean Air Act. The Administration is opposed to opening the Act. Aside from legislative action, the producers have suggested that the federal government should initiate legal action to ensure the sovereignty of the federal statutes and promote greater utilization of natural gas. While the Administration is very supportive of greater utilization of domestically produced natural gas, it would be difficult to argue that clean combustion of domestically produced coal would run counter to the objectives of the Administration. Further analysis of this situation is required.

Sullivan's
RANCHERS
MEETING

08/29/95

MEMO

TO: Bruce Lindsey
FROM: Mike Gaudin 
RE: Clinton meeting with grazers

10:30 A.M.
8/30/95

Bruce: a couple of points BC needs to understand about this situation to avoid getting backed into a corner by these guys tomorrow.

1. After two long years, we're within sight of finally putting the issue behind us.

The grazing lobbyists are panicked because the hunters, recreational users, conservationists and the press and general public in the Western states is outraged by their attempt to take over public lands through the Domenici bill.

2. The grazing regs are in effect now and soon everyone will see that nobody's going to get hurt.

What the grazing lobbyists need now is to keep that from happening. They need a delay, either by stalling the regs, a moratorium or getting a new round of hearings. In the meantime, Domenici will try to water down parts of his bill to reduce the opposition while keeping grazers in control.

3. The grazers the President talks to may seem to be, and may be, hard-working cowboys, but most are not.

Most "ranchers," like big farmers back in Arkansas, are wealthy absentee landlords.

4. Our grazing regs came out of a public process. The Domenici bill came out of a back room and was written by lobbyists.

We held more than 100 meetings in all Western states and the public turned in more than 38,000 comments.

5. Governor Romer and Secretary Babbitt have put themselves on the line for this grazing reform.

A delay or change of course now will burn them, leave them dangling and only suit the purposes of the lobbyists.

6. A delay or change of course now will be played by the press as another waffle.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL		# of pages <u>3</u>
To <u>B. Lindsey</u>	From <u>MO</u>	
Dept./Agency <u></u>	Phone # <u>8/29/95</u>	
Fax # <u>307-734-3948</u>	Fax # <u></u>	

HEALTHY RANGELANDS

TALKING POINTS

PURPOSES OF GRAZING REGULATION

- * Protect the health of the public's land
- * Balance the multiple uses of the public's land
- * Protect the long-term viability of the ranching industry and rural communities
- * Bring all stakeholders into decision-making
- * Make local decisions closer to home

FOUR FUNDAMENTALS OF RANGELAND HEALTH

Grazing Reform establishes four fundamental standards to serve as a basis for wise decision-making:

- * Watersheds are healthy
- * Natural processes are maintained
- * Water quality is protected
- * Habitat of endangered species is protected or restored

RESOURCE ADVISORY COUNCILS

The first step in Grazing Reform will be the appointment of regional Resource Advisory Councils -- local people who will set standards and guidelines for the best way to protect rangeland health in their area.

- * Get decision-making out of Washington to the local level
- * Eliminate "one-size-fits-all" management
- * Council membership will only be available to local people

PUBLIC INVOLVEMENT IN GRAZING REFORM

- * Regulations were developed through an extensive outreach effort involving more than 100 hearings throughout the West.
- * Nearly 20,000 letters registering 38,000 comments were considered.

GRAZING FEES

- * There is no fee increase in the regulations. Congress should consider grazing fees when it considers other subsidy programs.

EDITORIAL CRITICISM OF (DOMENICI'S) LIVESTOCK GRAZING ACT

DALLAS MORNING NEWS (Aug. 14, 1995) — "Congress should defeat and President Clinton should veto, if necessary, the livestock grazing bills now being considered by Congress... They would block Mr. Clinton's efforts to improve the way America manages its public lands. They would grant ranchers virtual control over public lands... The Clinton Administration has taken a more sensible approach... Subsidized grazing on public lands undercuts Texas ranchers, who do virtually all their grazing on private lands. It's a wonder then that Texas Sen. Phil Gramm co-sponsors the Senate bill and that House Majority Leader Dick Armey of Texas opposes the Clinton reforms. Why are they working against Texas interests?"

BILLINGS (MONTANA) GAZETTE (July 25, 1995) — PUBLIC LANDS IN PERIL — Dominici bill to manage nation's public lands betrays the American public.

THE (PORTLAND) OREGONIAN (July 26, 1995) — (DOMENICI'S) GRAZING ACT UNDERMINES CITIZEN VOICE... The Livestock Grazing Act... quietly adjusted behind closed doors by Senate staffers and the livestock industry — would reduce the voice Americans now enjoy in the management of public land to less than a hoarse whisper." (Cecil D. Andrus, former governor of Idaho)

SACRAMENTO BEE (July 26, 1995) — "Far more troubling is the (Domenici) act's disregard for the environmental health of territory that belongs to the nation... While campers and fishermen get their permits revoked—or are fined—for breaking rules on federal land, the new grazing legislation would give ranchers virtual carte blanche to violate what standards do exist."

RENO GAZETTE (July 25, 1995) — (DOMENICI) GRAZING REFORM RIDES ROUGH OVER PUBLIC... Livestock Grazing Act favors ranchers...

ARIZONA REPUBLIC (July 17, 1995) — "The (Domenici) Livestock Grazing Act looks like the answer to a rancher's prayer — and a Freddy Krueger nightmare for those who back multiple use of public land."

ARIZONA REPUBLIC (August 18, 1995) — WHY WON'T OUR CONGRESS RIDE HERD ON THESE COWBOY SOCIALISTS?

LAS VEGAS SUN (July 15, 1995) — BAD (DOMENICI) BILL THREATENS PUBLIC LAND USE (Mike O'Callaghan, former governor of Nevada)

WALL STREET JOURNAL (July 12, 1995) — GRAZING AT THE PUBLIC TROUGH... In every sense, the (Domenici) Livestock Grazing Act is bad legislation." (Karl Hess, Jr., senior fellow in environmental studies, Cato Institute and member of the Gallatin Institute, Bozeman, Mont.)

MEMORANDUM

TO: President
FROM: Mike Sullivan
RE: Meeting with Ranchers

From a simple suggestion to meet with a few ranchers some substantial concerns and no little paranoid have been raised. Nevertheless this represents one of the key issues in the West and it is my view that while there may not be a lot of upside it says something when you are willing to sit down with ranchers and listen.

It is my view that's what the meeting is - a listening session. No commitments - no concessions but an opportunity one on one to hear the concerns of the core cultural group in a State you have enjoyed for two weeks.

If the participants are candid (and I have never known ranchers not to be) they will have much to say. Most of it is old news: Babbitt; regulations; over-reacting government; insensitive administration. I would hope we can direct the discussion toward a productive "what can we do from here?" A major problem I see currently between the regs which these guys don't like (and two are plaintiffs in a suit to overthrow them) and the Senate trying to legislate against the Secretary is that the public land users are left with a very unstable base (which affects their ability to finance and their ability to operate) and end up in many ways being the victims of their own rhetoric. But the fear and their concern are real. The extremes and the politicians enjoy the fight and those most directly involved are the ones who pay.

The regs at this stage probably need to be allowed to work though there may be specifics that could still be adjusted. We need to have a new kind of dialogue.

The participants:

Truman Julian - A Wyoming sheep rancher - southwest Wyoming. National Chairman of the Public Lands Council. Hard core but moderate at heart - supports Senate legislation but wants the issue resolved. Tired of testifying in Washington, D.C.

Stan Flitner - President Wyoming Stockgrowers. Cattle rancher with Forest Service permits (and I assume BLM). Not a flame-thrower but with definite opinions.

Pat O'Toole - Savory, Wyoming - Democrat - former State Legislator. Very articulate and very passionate. Believes issue needs resolution and that field people are very concerned.

Bob Budd - Former Executive Director Wyoming Stockgrowers. Now runs a ranch for Nature Conservancy - Progressive, articulate and a fine young man.

Sue Hunt - Governor Ed Herschler's daughter. Now runs family ranch (cattle). Has public lands. A good Democrat but I believe a bit cynical at this stage.

~~CONFIDENTIAL~~

TIME OF TRANSMISSION

TIME OF RECEIPT

WHITE HOUSE
SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: PJL

DTG: 281746L

MESSAGE NO.: 157 CLASSIFICATION: CONFIDENTIAL TOTAL: 2
(PAGES INCLUDING COVER)
FROM: Harold Ickes 6-2459 1576L/WW
(NAME) (PHONE NUMBER) (ROOM NO.)

MESSAGE DESCRIPTION: General OBSERVATIONS

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
<u>Jackson Hole</u>	<u>Bruce Lindsey</u>		

REMARKS:

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: KBM Date: 7/3/2019
2019-0774-S

~~CONFIDENTIAL~~

GENERAL OBSERVATIONS: Problem with this group is trying to keep it to 1 person talking at a time...all but one are extremely vocal critics of Administration and rangeland reform...all are extremely knowledgeable and will come with their own agendas **BUT THEY WILL COME WELL ORGANIZED!!**...primary gripe will be "War On The West".

- | | |
|-----------------------|---|
| Truman Jullian | Big sheep operator out of Kemmerer...one of the biggest sheep operators around...his operation extends into about 4 counties...recognized Statewide as a spokesman for the livestock industry...very knowledgeable individual...knew what he's talking about. |
| Pat O'toole | Sheep and cattle operator out of Savory, operation extends into Colorado...lobbied at D.C. level for sheep industry...very vocal individual...very much an advocate of grazing on gov't land. |
| Bob Budd | Used to be Director of Wyoming Cattleman's Association...long family history of ranching in Wyoming. |
| Glen Taylor | MONEY ...Rancher out of Jackson. |
| Stan Flitner | Pretty level headed guy...the worker of the two brothers...livestock producer and farmer, not much (if any) of a sheep operation anymore. |
| Dave Flitner | Former President of Wyoming Farm Bureau...very vocal critic of Federal Gov't...extremely conservative...politician type...married into MONEY . |
| Cotton Bousman | 13 - 14 year old critic of Fed. Gov't grazing policies...Frequent writer of letters to Sec. Babbitt regarding rangeland reform...asked Pres. Clinton at town meeting in Montana if his family would be able to continue ranching under Administration's rangeland policies. |
| Joe Bousman | Cattle rancher out of Boulder...conservative and outspoken on rangeland reform. |
| Sue Hunt | Not much known...Isn't really vocal statewide. |

95 SEP 12 P4:58
THE WHITE HOUSE
WASHINGTON

September 7, 1995

MEMORANDUM FOR THE PRESIDENT

FROM:

KITTY HIGGINS *Kitty*

DORSKIND

Secretary Reich sent the attached letter to Department of Labor employees asking for their support for your Oklahoma City Scholarship Fund.

Bob Nash and I will send you by the end of this week recommendations for distinguished Oklahomans to serve on the advisory board for the fund. We are also developing a communications plan to promote the fund.

Attachment

cc: Leon Panetta
Harold Ickes
Bob Nash
Nancy Hernreich

not forward

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

AUG 29 1995

Dear Fellow Employee:

As you know the tragic bombing of the Alfred P. Murrah Building in Oklahoma City took 168 lives and permanently damaged many more. The families of the dead and injured, even witnesses and rescue workers, had their lives changed by that irrational and despicable act of violence.

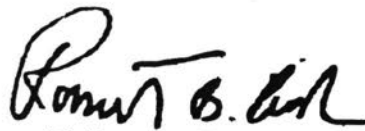
In the aftermath of this national tragedy, however, we can be proud of the abiding strength and resilience demonstrated by the American people. The days and weeks that followed the explosion witnessed an outpouring of love and support for the victims and their families as Americans of every age, region, and background rallied to assist them.

A number of Federal agencies and public charities contributed funds to provide emergency assistance for the bombing victims and their families. DOL employees were among the first to contribute. This money provided relief for the immediate needs of the victims. However, the President was concerned about providing for the education of the children whose parent or parents died or were severely disabled as a result of the bombing. He asked the Federal Employee Education and Assistance Fund (FEEA), a private charity, to establish the President's OKC Scholarship Fund.

The Scholarship Fund will accept donations from all sources and 100 percent of all contributions will be distributed for the benefit of the eligible children. FEEA will establish an Advisory Board to provide guidance and advice to the Board of Directors of FEEA on establishing criteria for eligibility and help direct financial assistance from the Scholarship Fund.

I am enormously proud to tell you that the DOI Day Committee has earmarked one-half of the proceeds from DOI Day for the President's OKC Scholarship Fund. As we celebrate DOI Day on September 8, keep in mind that we are providing for the future of the innocent children whose parents were killed or disabled on that terrible day in April. If you wish to send a donation to the Scholarship Fund, please send it to the following address: FEEA, Suite 200, 8441 West Bowles, Littleton, Colorado 80123. Please earmark your donation "The President's OKC Scholarship Fund."

Thank you.


Robert B. Reich

THE WHITE HOUSE
WASHINGTON

September 8, 1995

THE PRESIDENT HAS SEEN

9.12.95

SC Murphy

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*
SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- (A) **Rivlin/Tyson memo on your G.I. Bill for America's workers.** Reviews state of play on the Hill. Principally discusses the Kassebaum bill which has some positive features -- consolidation of programs, a youth strategy consistent with school-to-work, an adult strategy based on one-stop shopping, substantial state flexibility -- but also some key flaws. First, resources are inadequate. Second, her bill would permit states to offer skill grants, but not require them to do so. Third, her version of your proposal for a federal-state partnership in a national workforce development system is inadequate. Senator Kennedy, the key Democratic player, will probably favor our position on the first two issues, but is publicly closer to Kassebaum on the third.
- (B) **Lake memo on Lyons' "Peace Center" proposal for N. Ireland.** Jim Lyons has proposed an American peace center in Northern Ireland to make available America's experience in combatting discrimination. Tony says a peace center focussed too narrowly on discrimination could be seen as equating the Unionists with Southern segregationists, which wouldn't be helpful. But he thinks a center focussed more broadly on the experiences of the U.S., U.K. and Ireland on issues of political/minority rights and multi-cultural societies might be a very good thing. NSC will have to investigate whether funding would be feasible before deciding whether you could announce such a center during your trip.
- (C) **Babbitt report on Haiti trip.** Secretary Babbitt had a good meeting with President Aristide in August on the electoral process, violence and the privatization program. He reports on the serious deforestation problem, caused principally by reliance on charcoal as cooking fuel. He urges cutting demand for charcoal by having affordable propane cooking canisters made available, as well as broad land reform. As things stand now, Haiti is afflicted with a variant of the "tragedy of the commons", where no individual has a stake in protecting trees for the long term. Underpinning all these problems is an urgent need to reduce the fertility rate.

OK
UP Tony
Let's look
with this

THE WHITE HOUSE

WASHINGTON

August 26, 1995

95 AUG 26 P3:57

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
9-12-95

FROM:

ANTHONY LAKE

SUBJECT:

Jim Lyons' Proposal for a "Peace Center" in
Northern Ireland

Jim Lyons has suggested that one element of your upcoming visit to Northern Ireland be the announcement of an American "peace center" to make available to the people of Northern Ireland the American experience in combating discrimination. Lyons envisages a permanent library and conference facility to provide access to the American anti-discrimination experience and our written constitutional and statutory protection of political minorities.

A peace center has merit as a way to make a uniquely American contribution to resolving the conflict in Northern Ireland. However, as Lyons acknowledges, the blatant anti-Catholic discrimination of the Stormont era has ended. An American center focusing too narrowly on discrimination risks being seen as subtly equating the unionists with 50's-style Southern segregationists, which would be neither fair nor useful.

There is, however, considerable interest in Northern Ireland in political/minority rights and in issues related to the functioning of multi-cultural societies. An American peace center focused on sharing the experiences of the U.S., the UK and Ireland on these issues would be a significant asset to the long-term resolution of the conflict in Northern Ireland.

We will need to investigate funding sources before deciding whether the announcement of such a peace center is feasible in time for your trip. Jim Lyons has suggested that the International Fund for Ireland would earmark \$5 million for the project, but the Board would have to vote to do so. If U.S. funding is secured, we would consider approaching the EU, which has just announced a multi-year \$561 million program for Northern Ireland, and the British and Irish governments for additional support.

Attachment

Tab A Memo from Jim Lyons

cc: Vice President
Chief of Staff

August 11, 1995

MEMORANDUM

To: THE PRESIDENT
From: Jonathan Friebert
Re: James Lyons Memo

*Jack (Nancy)
interesting, Advise
Be*

Mr. Lyons wrote a memo concerning your upcoming visit to Northern Ireland. His thesis is the root cause of turmoil in Northern Ireland is "open and pervasive discrimination, particularly in employment, education, and housing." Although not acknowledged by the U.S., the British government has assisted in opening these sectors of society to the Catholic minority.

Mr. Lyons believes that you could discuss the American experience of combating discrimination, particularly focusing on "constitutional and statutory protections." He thinks U.S. provisions for minority groups provide a good design for Irish lawmakers to follow. To make these resources available, Lyons thinks you should announce "the establishment of a permanent library and conference facility to be located in Northern Ireland" called the "United States Center for Peace in Northern Ireland" or "America House." He reasons this would not only "represent a permanent and valuable U.S. contribution," but would also symbolize your personal commitment to peace.

He has discussed this idea with Jack Quinn and the NSC staff. He will be in Ireland the week of August 21st and could begin conversations with key people. Please let him know through Jack Quinn or Nancy Soderberg how he should proceed.

MEMORANDUM

To: POTUS

From: James M. Lyons

Re: Presidential visit to Northern Ireland
("American Peace Center")

Date: August 10, 1995

I. BACKGROUND.

The principal causes of the years of unrest and violence in Northern Ireland are not religious differences or poor economic conditions, although both of these factors have contributed to the situation. Rather, the underlying source of unrest, distrust, and instability has been open and pervasive discrimination, particularly in employment, education, and housing.

Since the institution of direct rule of Northern Ireland by the British government over 20 years ago, a number of programs have been instituted by the British to address discrimination in these areas.¹

- Public housing in Northern Ireland is generally of the four-plex multi-family townhouse style located in well-landscaped areas with common amenities such as parks and open space. This housing is available to both Catholics and Protestants alike, and frankly is significantly superior to that found in most U.S. cities. Public housing is regulated by a government agency and is intended to be provided on a non-sectarian and need-determined basis.
- Employment laws barring discrimination have also been put in place and are theoretically enforced on a non-discriminatory basis through detailed and comprehensive reporting which is required of companies and businesses which are subject to the applicable laws.
- Public education, particularly at the college and university level, has successfully been opened to the Catholic minority in Northern Ireland. The result over the years has been that Catholics now outnumber

¹ Parenthetically, I would note that the British government has never received enough credit or recognition from the U.S. for these efforts. You may wish to address or acknowledge this in some way while you're in London.

Protestants at Queen's University in Belfast, which is the largest university in the province.

The four major churches in Northern Ireland (Catholic, Presbyterian, Anglican and Methodist), and private philanthropic or community organizations such as the Flax Trust have played an important role at the community or district council level in bringing people together in common purpose, encouraging dialogue, and promoting reconciliation between the two religious traditions. Governmental agencies of the British government and the European community as well as organizations like the International Fund for Ireland have also played substantial roles in promoting economic development through job creation and establishing mechanisms at the community level for tolerance and understanding.

Nevertheless, much remains to be done if peace is to become permanent and a political solution developed which will allow the people of Northern Ireland and the Republic of Ireland to achieve lasting harmony without outside intervention. The Hume-Adams talks, the Downing Street Declaration, the IRA ceasefire in August, 1994, and the Protestant/paramilitary ceasefire in the fall of 1994 have all created a true "window of opportunity" for meaningful political dialogue to take place. Nevertheless, as time goes by without substantial and significant progress, momentum could be lost and extremists could disrupt the fragile status quo for their own long-term purposes. In short, the window of "peace opportunity" may already be closing.

II. ADDRESSING THE ROOT CAUSE OF DISCRIMINATION.

You know first-hand as a "son of the new south" the tangible and constructive role played by the federal government over the last 25 years in combating racial discrimination in the U.S. (Similarly, federal law has played an important role in addressing the problems of age, gender, and ethnic discrimination.) The Civil Rights Act of 1964 and the Voting Rights Act of 1965 (both the result of the leadership of another southern president), as well as equal or fair employment, housing and education laws have created a body of experience and jurisprudence which over a generation or more has significantly improved the lives of literally millions of Americans while strengthening the social fabric and economic vitality of affected regions, particularly the south.

In Northern Ireland, the thoughtful and moderate Unionists (mostly but not exclusively Protestant) sensed the inevitability of a Catholic majority in the province and some type of political arrangement, if not union, with the Republic. This group is increasingly mindful of their likely minority status in the future

and is looking to legal or constitutional protections such as our Bill of Rights to protect them when this day comes.

The combination of American anti-discrimination experience and our written constitutional and statutory protections of political minorities is a powerful model and resource which we can provide to Northern Ireland as a practical, lasting, and significant contribution in support of political talks and efforts to achieve a permanent peace. In order to make this American experience and resource available, I propose that, during your Ireland visit, you announce the establishment of a permanent library and conference facility to be located in Northern Ireland (probably in Belfast) to provide a resource to be used by all parties to the peace process.

The facility (working title: United States Center for Peace in Northern Ireland or "America House") would include:

- °A full legal and academic library, including Westlaw and Lexis databases, focusing on anti-discrimination jurisprudence and constitutional scholarship, particularly in the area of individual and political rights. Eventually, the facility could possibly be computer linked to one or more major American law schools and/or the Library of Congress.

- °The facility would include seminar and meeting rooms for use in conferences and programs as well as for use by participants in the ongoing peace process and the New Ireland Forum.²

- °Office facilities for staff, fellows, and visiting scholars such as senior federal judges to provide personal, hands-on assistance at little or no additional cost to the facility or the United States (federal judges are appointed for life, as you well know, and continue to receive compensation upon senior status or retirement).

Ideally, the facility would be located in an area such as Springvale in West Belfast, where a major new branch campus of the University of Ulster is already under consideration at a site which is centrally located between the principal Protestant and Catholic

²The New Ireland Forum is an organization of political parties (North and South) which meets regularly to consult on the manner in which peace and stability can be achieved in a "New Ireland" through the democratic process and to explore structures through which this objective can be achieved. Membership is open to all democratic parties which have rejected violence and have elected or appointed members to the Dial or the Northern Ireland Assembly. Tanaiste (Deputy Prime Minister) Dick Spring and John Hume are both members of the Forum.

enclaves in this part of the city. Alternatively, the facility could be located at or adjacent to Queen's University.

Depending on the size and scope of the facility, a capital budget would need to be developed and funding sources identified. In this regard, the IFI has already pledged five million pounds to the Springvale Campus of Ulster University; this money could be earmarked for America House. Assuming this concept meets with your preliminary approval, we would need to solicit the views (and hopefully financial support) of the British government, the EC, and the Republic of Ireland. Additional funds through private Irish-American organizations and the United States could also be solicited.

I believe this concept outlines a project which could represent a permanent and valuable U.S. contribution to the peace process and is a project worthy of a Presidential announcement during your visit this fall. Certainly, given the role which you have personally played in advancing the cause of peace in Northern Ireland, such a project would be a fitting symbol of your contribution to peace and the centerpiece of your visit to Belfast.

I have preliminarily discussed this concept with several members of the White House and NSC staff and have reviewed it with Jack Quinn, who is enthusiastic.

Please let me know (through Jack Quinn or Nancy Soderberg) if you would like me to proceed to develop the details and support for such a project. I plan to be in Ireland the week of August 21, and could begin discussions with the necessary players and decision makers.

JML:kw

cc: Jack Quinn
Nancy Quinn

THE WHITE HOUSE
WASHINGTON

September 8, 1995

THE PRESIDENT HAS SEEN

9.12.95

See memo

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TOS*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Rivlin/Tyson memo on your G.I. Bill for America's workers.** Reviews state of play on the Hill. Principally discusses the Kassebaum bill which has some positive features -- consolidation of programs, a youth strategy consistent with school-to-work, an adult strategy based on one-stop shopping, substantial state flexibility -- but also some key flaws. First, resources are inadequate. Second, her bill would permit states to offer skill grants, but not require them to do so. Third, her version of your proposal for a federal-state partnership in a national workforce development system is inadequate. Senator Kennedy, the key Democratic player, will probably favor our position on the first two issues, but is publicly closer to Kassebaum on the third.

(B) **Lake memo on Lyons' "Peace Center" proposal for N. Ireland.** Jim Lyons has proposed an American peace center in Northern Ireland to make available America's experience in combatting discrimination. Tony says a peace center focussed too narrowly on discrimination could be seen as equating the Unionists with Southern segregationists, which wouldn't be helpful. But he thinks a center focussed more broadly on the experiences of the U.S., U.K. and Ireland on issues of political/minority rights and multi-cultural societies might be a very good thing. NSC will have to investigate whether funding would be feasible before deciding whether you could announce such a center during your trip.

(C) **Babbitt report on Haiti trip.** Secretary Babbitt had a good meeting with President Aristide in August on the electoral process, violence and the privatization program. He reports on the serious deforestation problem, caused principally by reliance on charcoal as cooking fuel. He urges cutting demand for charcoal by having affordable propane cooking canisters made available, as well as broad land reform. As things stand now, Haiti is afflicted with a variant of the "tragedy of the commons", where no individual has a stake in protecting trees for the long term. Underpinning all these problems is an urgent need to reduce the fertility rate.

*UP TO YOU
CLAS look
with files*



THE SECRETARY OF THE INTERIOR
WASHINGTON

THE PRESIDENT HAS SEEN
9-12-95

August 21

85 SEP 7 11:19

Mr. President -

Attached is a
letter to Strobe
reporting on the
progress of tree
planting in Haiti.

Br Bullitt



THE SECRETARY OF THE INTERIOR
WASHINGTON

THE PRESIDENT HAS SEEN
9-12-95

August 21, 1995

The Honorable Strobe Talbott
Deputy Secretary of State
2201 C Street, N.W.
Room 7220
Washington, D.C. 20520

Dear Strobe,

I had a most interesting trip to Haiti. This weekend diplomacy marks a nice break from my normal routine.

Our meeting with President Aristide to discuss the electoral process, the privatization program and the incidents of violence went well, and I am sure that Ambassador Swing has given you a full report. So I will use this letter for a few thoughts on the President's tree planting initiative and one or two related themes.

President Clinton's interest in tree planting has been effectively communicated and translated into action; the increased supply of seedlings is already visible in some of the communities that I visited. The more complex question is how long the trees will stay in the ground before they are grazed over by livestock or cut down to add to the omnipresent piles of charcoal sold in the streets of Port au Prince for cooking fuel.

To achieve long term success tree planting must be closely integrated into the planting and cropping practices of hillside farmers. On these mountainsides silviculture and agriculture are two sides of the same coin.

The Ambassador and I spent Sunday morning in a small mountain valley called Banat talking with small farmers participating in an AID hillside agriculture project called PLUS. The farmers showed us their work at terracing, gully plugging, and planting trees and hedgerows intermixed with a variety of crops designed to improve soil fertility and to provide cash income above and beyond subsistence needs. The PLUS project is a well run and effective assistance program, and it deserves continuing support.

We should be doing more, however, to reduce the demand side of the deforestation equation by encouraging substitutes for charcoal as a cooking fuel. (From the air it is easy to see the tree-cutting-to-charcoal cycle - the landscape is dotted with plumes of white smoke where newly cut trees are smoldering beneath dirt cover.)

In the near term the only way to cut the demand for charcoal is to get affordable propane cooking canisters into the market place. It could be done quickly by requiring all gas and petroleum product distributors to make available a modest amount of propane at a price that is cross subsidized by the sale of gasoline and oil. (I am told that there is a program of this type already operating next door in the Dominican Republic.)

I was surprised to learn that none of the various assistance programs have dealt with the basic issue of land tenure reform, perhaps because the land is already broken down into very small parcels (no latifundias) and the problem is too obscure to command much attention. But the problem is nonetheless very real and, unless addressed, it will continue to undermine all initiatives like terracing and tree planting.

In a nutshell, the problem is a variant of the tragedy of the commons. Where land titles are not clear, no individual has a clear stake in protecting the trees for the long term, and the winner is the person who gets there first to cut them down.

The creation of secure land titles in a situation like Haiti will be a long and arduous process. The all important first step is to create a process that incorporates the correct approach and technology, including Landsat photography, from the start. This is not a big dollar item; it is about identifying the right international land reform agencies and getting them into a working partnership with the new Agrarian Reform Institute that President Aristide has already established.

One last word - as you know, all these land issues are ultimately tied to population and reduction of the fertility rate. I was impressed with the skill and enthusiasm of the AID staff, and there is evidence that these fertility control programs are beginning to work, as they have in other developing countries. It is imperative that, as the foreign assistance programs are scaled back, these programs be given absolute, unequivocal number one priority on our development assistance agenda.

Please call on me again if and when you need any assistance.

Sincerely,

A handwritten signature in dark ink, appearing to be "R. F. M. A." with a stylized flourish at the end.



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

August 25, 1995

95 AUG 25 P4:42

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
9-12-95

THROUGH: Alice Rivlin *WR*

FROM: T.J. Glauthier *JG*

SUBJECT: Follow-up to Questions from the 6/1/95 Montana
Town Hall Meeting

The information below follows up on two questions concerning Native American programs raised at your 6/1/95 Montana Town Hall Meeting. Specifically, one questioner asked about funding for Tribally Controlled Community Colleges and another expressed concern over reported losses of tribal trust funds by the Bureau of Indian Affairs (BIA). Copies of the questions that were posed to you are attached.

Tribally Controlled Community Colleges: The questioner asked about your commitment to "full funding" for Tribally Controlled Community Colleges (TCCCs). The answer is that your Administration has requested the highest level of funding ever. It is comprised of \$28.5 million for grants and technical assistance through the BIA, and an additional \$4.6 million initial installment from USDA toward an endowment fund.

BIA awards grants and technical assistance to 24 TCCCs. The FY 1996 request of \$28.5 million is equal to the FY 1995 request and just under the full authorization level of \$33 million. The FY 1996 House Appropriations Bill for Interior and Related Agencies provides the \$28.5 million request. The Senate bill does not cut TCCC funding but, because of a "general reduction" for BIA operations, funding would likely be about \$28.2 million.

In addition, the FY 1996 request for the Department of Agriculture contains \$4.6 million for TCCCs to establish an endowment, pursuant with the 1993 Equity in Educational Land-Grant Status Act. This Act provides TCCCs with land-grant status and establishes a \$23 million endowment. The \$4.6 million is the first of five installments for the endowment. The House bill provides the full \$4.6 million request, while the Senate has yet to take action.

Trust Funds: The questioner claims that BIA Tribal Trust Funds are missing \$1 to \$2 billion. That is not true. Management of the funds has been a problem, but the investment losses have been small and the BIA is making progress on management of the funds and repayment of prior losses.

The Secretary of the Department of the Interior (DOI) is authorized by law to manage Tribal and Individual Indian Money (IIM) trust funds. These trust funds comprise proceeds from Indian trust assets, judgment awards, payments of claims, and investment income. There is currently \$2.3 billion in the funds, including \$1.8 billion in 1,500 tribal accounts and \$460 million in 285,000 IIM accounts.

BIA is responsible for ensuring proper control and accounting for trust funds. Reviews by OMB, GAO, DOI's Inspector General, independent accounting firms, and Congress during the past ten years had identified serious problems in BIA's management of the funds. DOI and OMB have worked together since 1989 to address these problems, and have made substantial progress during this time.

Although the on-going reconciliation is incomplete, "investment losses" discovered to date are approximately \$22 million, not the \$1 billion to \$2 billion as stated by the questioner. These losses were incurred in the 1980's from BIA investments in failed financial institutions. With the exception of interest losses of the IIM accounts, they have been repaid with funds appropriated for DOI. The Administration requested \$13 million in the FY 1996 Budget to pay the remaining IIM losses, however, neither the House nor Senate funded the request.

Attachment

Q Mr. President, if the Republicans rewrite the Endangered Species Act or the Clean Air and Water Acts, will you veto that revision?

THE PRESIDENT: Well, it depends on what they do. If this bill the House passed on clean water passes, I'll veto that. But I do believe that there are Republicans and Democrats in the Senate who will try to work together to give us some responsible revisions. And we're trying to revise the way the Endangered Species Act is administered, and all these things trying to push more down to the local level. But we can't abandon them. There is a reason that we have an Endangered Species Act. We brought the eagle back, we're bringing the grizzly bear back, and if we can preserve diversity, it will be good for the environment. But we've got to do it with common sense, and we can do that.

Q I want to know if you'd fully fund the tribally-controlled community colleges?

THE PRESIDENT: Well, we've got -- you know, we did some things for the tribal community colleges that -- had not done before and made them eligible for certain streams of federal money. I can't promise to fully fund anything in this budgetary environment; I wish I could, but I can't.

Q Dave Henry, a federal whistle-blower of the Bureau of Indian Affairs, formerly. The Indian trust accounts are short between \$1 billion and \$2 billion -- that's with a "b" not an "m" -- billion dollars federal Indian personal money gone. Could you please ask the Bureau of Indian Affairs to reform the system of accounting for Indian trust funds?

THE PRESIDENT: I will look into that. That's the second question I don't know the answer to tonight, but I'll look into it.

Any real quick yes or nos?

Q Will you support any change in procedures which would eliminate the soft money in political campaigns which is allowing wealthy individuals in corporations to give very large amounts to the political campaigns?

THE PRESIDENT: Yes, I will. I think that the Democratic Majority in Congress last time made a mistake not to pass campaign finance reform. I think the lobby reform bill ought to pass as well, which would ban the giving of gifts and require disclosure of lobbying activities. Those two things would do a lot to straighten up politics in Washington. Yes, I will -- both of them, strongly.

MR. KOERNIG: Mr. President, this is absolutely the last question.

THE PRESIDENT: Okay.

Q Can we do anything to save the endangered species that are out there that people are killing and that we

(D)

Glauthier follow-up on Montana Town Hall Meeting. 1) Commitment to "full funding" for Tribally Controlled Community Colleges: Your budget requests the highest level of funding ever -- \$28.5 million for grants and technical assistance through the Bureau of Indian Affairs (BIA) and \$4.6 million through USDA as the first installment toward creation of a \$23 million endowment, pursuant to statute. Congressional appropriations bills provide most of the \$28.5 million request; the House also provides the \$4.6 million, but the Senate hasn't acted yet. 2) Have BIA Tribal Trust Funds lost \$1-2 billion: No. Management of the funds has been a problem, but investment losses were much smaller -- \$22 million out of a \$2.3 billion fund, mostly from 1980s investments in financial institutions. Except for interest, these losses have been repaid. The Administration requested \$13 million for FY 96 to pay remaining losses, but neither house funded our request.

(E) **Gorelick memo on DOJ response re threats to federal employees.** Outlines three steps the Department is taking: (i) it is investigating and, where appropriate, prosecuting reported threats; (ii) it has established an interagency structure to ensure that agencies consult with and notify DOJ about threats to their personnel; (iii) it has begun an extensive training program aimed at prosecutors, investigators and federal agency personnel.

(F) **Secretary O'Leary's birthday note.** Wishes you happy birthday.

We have also received the following information items:

- **Ickes note on D'Amato meeting.** Secretary Glickman and James Lee Witt met with Sen. D'Amato September 6 to discuss the Suffolk County fire. The meeting went well and Glickman assured D'Amato that USDA was conducting a comprehensive review of the government's response. D'Amato sent over an autographed copy of his book, which I've sent up.
- **Tyson memo re limits on employer-provided child care.** In response to your comment about a business person who complained of being unable to offer child care benefits above \$5,000/year through a cafeteria plan. The bottom line is that child care up to \$5,000 is tax-favored (i.e., not included in the employee's gross income), while amounts above that aren't. Laura defends this scheme because a larger exclusion would (i) reduce revenues and (ii) confer greatest benefit on those with highest incomes.

McLarty note on DOE appointment -- Assistant Secretary for Policy. Two letters from Michael Baly III, President of the American Gas Association: one (to Mack) opposes the Acting Secretary for Policy, Abe Haspel, as a "pro-coal and anti-gas DOE official;" the other (to Hazel) recommends the appointment of Donna J. Bobbish, currently DOE's Director of the Office of Natural Gas Policy.

Reich note re President's OKC Scholarship Fund. Bob sent a letter he sent to DOL employees promoting and soliciting contributions for the President's OKC Scholarship Fund, recently established at your request. Bob notes that the DOL Day Committee has earmarked half of the proceeds from DOL Day for this Fund.

*Explain
you should
be more
to be more
thorough
Do
Frank*

Sept 6/95

THE WHITE HOUSE

Mr. President,

Per your comments to ^{pg 1} ~~pg 2~~ of
more than one occasion, we should
discuss Briefly this APPT.

W. J. F.

cc: Ershine

Rosh

AMERICAN GAS ASSOCIATION

1515 WILSON BOULEVARD
ARLINGTON, VA 22209

MICHAEL Baly III
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

(703) 841-8612

August 23, 1995

Mr. Thomas F. McLarty
Counselor to the President
Executive Office of the President
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mack:

Attached is a letter that we sent to the Secretary of Energy regarding our recommendation for a new Assistant Secretary for Policy. Sue Tierney resigned and will return to New England.

We are very concerned that someone being considered for that post, Abe Haspel, is a pro-coal and anti-gas DOE official. He is now serving as acting Assistant Secretary for Policy. He prepared a negative paper last year indicating that natural gas is not helpful in resolving U.S. Climate Change. Also in discussions with DOE staff, I found that he tried unsuccessfully to keep natural gas out of DOE's Post-2000 Climate Change Action Plan. Thank you for your help on this.

Russ Keene tells me you were a big hit and received a strong ovation at Ross Perot's shindig. Russ said he really enjoyed seeing you again.

Hope you and Donna have gotten some well-deserved R&R this summer. I did not see you in the raft with the Clinton's in Wyoming, but so many in the raft had sunglasses on and I might have missed you.

Your number one fan.



Michael Baly III



**American Gas
Association**

1515 Wilson Boulevard, Arlington, Va. 22209-2469
Telephone (703)841-8612, Fax (703)841-8609

Michael Baly III

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8501 East Pleasant Valley Road, Cleveland, Ohio 44131-5575
Telephone (216)524-4990 Fax (216)642-3463

August 23, 1995

Honorable Hazel R. O'Leary
Secretary of Energy
1000 Independence Avenue
Washington, D. C. 20585

Dear Secretary O'Leary:

In implementing your Strategic Realignment Plan for the Department of Energy, the American Gas Association hopes that you will continue President Clinton's commitment to increase natural gas use in the United States as part of a balanced domestic energy supply portfolio.

The American Gas Association expects that DOE's Office of Policy will play a vital role in this effort. That is why we respectfully recommend that Donna J. Bobbish, currently DOE's Director of the Office of Natural Gas Policy, be appointed Assistant Secretary for Policy.

Since joining the Policy Office in October of last year, Donna has worked diligently to communicate the Administration's energy policy to the public and to fulfill that policy at DOE. She has worked to coordinate the Administration's policy in DOE's natural gas programs in the Offices of Fossil Energy and Energy Efficiency and Renewable Energy. As you probably know, she was the principle drafter of the chapter in Sustainable Energy Strategy that outlines the Administration's plan to "Develop a Balanced Domestic Energy Resource Portfolio." We appreciate her making numerous speeches outlining the Administration's concern over increasing imports of foreign oil, and its plan to change the situation through advanced energy technology and proactive energy policies.

We believe that Donna shares your commitment to identifying and promoting opportunities for U.S. energy companies in energy markets abroad. She recently led a successful delegation of U.S. natural gas experts, including the American Gas Association, to Indonesia to explore necessary changes in that country's regulation of natural gas to spur U.S. investment, as well as participating in your mission in South Africa by assisting with discussions of natural gas regulatory options in that country.

Honorable Hazel R. O'Leary

Page 2

August 23, 1995

We feel that Donna shares your commitment for a partnership between the Federal Government and the private sector. Having represented natural gas and electric companies in the private sector, she understands the issues facing the energy industry today and works continually with the private sector to address its concerns. She was a positive influence to assure that natural gas was the part of the Post-2000 Climate Change Action Plan when it was not included in earlier drafts. She is well-liked and respected by members of the American Gas Association.

Like you, Donna is a fighter, and would be a great help as you continue to inform Congress and the public of the vital missions of a streamlined and focused Department of Energy.

We hope that you will recommend that the President appoint Donna Bobbish to become Assistant Secretary of Energy for Policy. Thank you for your consideration of our request.

Sincerely,

A handwritten signature in black ink that reads "Mike Baly". The signature is stylized with a cursive, flowing script.

Michael Baly III

cc: Mack McLarty

ATTACHMENT 1: Biographies of Roundtable Participants and Suggested Questions

Pam Britton, moderator, is the Director of Financial Aid at SIU, Carbondale. She was one of the first participants in the Federal Work Study Program at the University of Iowa, where she worked in the college's financial aid office. She has been at SIU since 1984 and has overseen the school's entry into the Direct Lending Program.

Possible Question: Pam is a major supporter of the Direct Lending Program and can describe in detail the positive effects of the program on students and the school.

Presenters

- ① **Duane Sherman**, 22, will speak about the importance of income contingent aid, including Pell Grants. Duane is the undergraduate student body president at Southern Illinois University, Carbondale. Duane, fully dependent on financial aid, has been independent since age 18, working 20-30 hours a week. Duane has helped coordinate SIU's event.

Question: Duane already works 20-30 hours a week. With less federal assistance, how would he pay for college?

- ③ **Mary Armstrong**, 51, will speak about the in-school interest subsidy. Mary is a mother of three who applied to Eastern Illinois University after her 29-year marriage ended. After her divorce, Mary returned to school. She is now a graduate student who is 100 percent dependent on financial aid. She owes \$25,000 and has a son in college who is dependent on financial aid as well. She said of direct lending: "this is the first semester in 5 years that I have ever received my financial aid check on time."

Question: How important are these programs to people returning to school later in life - particularly parents whose children also have education loans?

- ② **Noemi (No-eh-me) Rivera-Morales**, 30, will speak about direct lending. Noemi is a graduate assistant counselor in the Office of Student Financial Assistance, a position funded through the Federal Work Study program. She has gotten loans both under direct lending and commercially. Without federal assistance and her work study program, Noemi could not attend college. Noemi says direct loans are "easier to understand and less bureaucratic with faster disbursement and better repayment options." She says, "I will pay back the government more than just the money."

Question: How does direct lending affect the day-to-day lives of students?

- ④ **Rickie Collie**, 36, will address the importance of financial aid to a community college student. Rickie attends Shawnee Community College. He is a high school drop out who has been 100% dependent on aid since he entered college after scoring the highest score on his GED ever achieved at his school. Rickie recently was awarded Tutor of the Year and has received a JTPA grant. Rickie will pursue a physical therapy degree at Washington University after completing his nursing degree in summer 1996.

Question: How important are financial aid programs to students attending community colleges?

Don't forget to ask about the interest subsidy

Other Participants

Vanika Mock, 24, is President of the Black Graduate Student Association at Southern Illinois University, Carbondale. Vanika's family is unable to assist her financially, and she is 100 percent dependent on aid. She is the second person in her family to attend college.

Question: How difficult is it to pursue graduate education when one already has debt from undergraduate school?

Valentin Vasquez attends Knox College, a private liberal arts school. Valentin has been able to attend academically strong institutions because of financial aid and was a Prep for Prep student in NY. Valentin is from a low-income section of the Bronx in New York City, is from a single-parent family, and is 85 percent dependent on aid, including Pell grants and work study.

Question: How has the availability of financial aid affected the choices you have had in where you have gone to school?

Ramon Blakley, 21, is student body president at Southern Illinois University, Edwardsville. Ramon is 80 percent dependent on financial aid and is particularly concerned about the impact of cuts in Pell grants. He has worked with organizations on campus involved in letter writing campaigns to educate government leaders about the potential harm of educational cuts.

Question: How would potential limits to Pell Grants affect your particular situation?

Michelle Birch, 24, is a single mother of a four-year-old son, and is attending the University of Illinois, Springfield. Michelle says because of financial aid, she is no longer as dependent on welfare, although she still receives some welfare assistance. Michelle is barely making it, and can only take 12 hours of classes, because of work and caring for her son. She transferred from Black Hawk Community College where work study was vital in helping her through school. Her education is 90 percent financed by financial aid.

Question: How important has educational assistance been in helping you build up your self esteem?

Allison Crabtree, 22, is at the University of Kentucky and a member of the National Association for Students for Higher Education and of UK's Student Government. Allison says students can't win choosing between direct loans or interest subsidies. "Without them we'll end up cutting off needy students. Almost everyone I know works. We need financial aid."

Question: Can you discuss in more detail the importance of the interest subsidy to her and her fellow students?

Angela Neal, 21, is a sophomore at Austin Peay University in Tennessee, which is not a direct lending school. As a 15-year-old, Angela was placed in foster care because of her family's financial situation. Angela is the first person in her family ever to attend college and is fully dependent on financial aid. Angela is planning to study rural medicine, and is particularly concerned about losing the interest exemption.

Question: Can you describe the importance of financial aid to people intending to pursue a lower-paying careers like rural medicine?

Brian Szuda, 27, has a minor mobility disability. He attends Illinois State University. Brian's parents are divorced, and he supports himself. He works in the school financial aid office and could not attend without assistance himself. Brian says students he meets every day are often very emotional about their loans. He is concerned about students and is receiving his masters in Student Personnel Administration.

Question: In your work at the financial aid office, what impact do financial aid issues have on the students who come to see you?

Other General Discussion Questions

We have heard from several students on how the cuts in student aid would affect their lives. How do some of the others of you think these cuts will affect you and your friends?

What would you do if your student aid was cut? How would you make up the difference? Would you be able to stay in school?

Do you get the impression that your classmates and peers are aware of the dangers that cuts in student aid pose?

How many of you are from schools that participate in the Direct Lending program? How many of you borrowed money before your schools joined the program? What are your impressions of the program -- has it made a difference?

month -
£41 for
your cheque
on the fund
for Ireland
issue. May
complete things.
T.

THE WHITE HOUSE

WASHINGTON

95 AUG 26 P3:57

August 26, 1995

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE

SUBJECT:

Jim Lyons' Proposal for a "Peace Center" in
Northern Ireland

Jim Lyons has suggested that one element of your upcoming visit to Northern Ireland be the announcement of an American "peace center" to make available to the people of Northern Ireland the American experience in combating discrimination. Lyons envisages a permanent library and conference facility to provide access to the American anti-discrimination experience and our written constitutional and statutory protection of political minorities.

A peace center has merit as a way to make a uniquely American contribution to resolving the conflict in Northern Ireland. However, as Lyons acknowledges, the blatant anti-Catholic discrimination of the Stormont era has ended. An American center focusing too narrowly on discrimination risks being seen as subtly equating the unionists with 50's-style Southern segregationists, which would be neither fair nor useful.

There is, however, considerable interest in Northern Ireland in political/minority rights and in issues related to the functioning of multi-cultural societies. An American peace center focused on sharing the experiences of the U.S., the UK and Ireland on these issues would be a significant asset to the long-term resolution of the conflict in Northern Ireland.

We will need to investigate funding sources before deciding whether the announcement of such a peace center is feasible in time for your trip. Jim Lyons has suggested that the International Fund for Ireland would earmark \$5 million for the project, but the Board would have to vote to do so. If U.S. funding is secured, we would consider approaching the EU, which has just announced a multi-year \$561 million program for Northern Ireland, and the British and Irish governments for additional support.

Attachment

Tab A Memo from Jim Lyons

cc: Vice President
Chief of Staff

THE PRESIDENT HAS SEEN
8-15-95

August 11, 1995

MEMORANDUM

To: THE PRESIDENT
From: Jonathan Friebert
Re: James Lyons Memo

Jack (Nancy)
interesting, Advise

PK

Mr. Lyons wrote a memo concerning your upcoming visit to Northern Ireland. His thesis is the root cause of turmoil in Northern Ireland is "open and pervasive discrimination, particularly in employment, education, and housing." Although not acknowledged by the U.S., the British government has assisted in opening these sectors of society to the Catholic minority.

Mr. Lyons believes that you could discuss the American experience of combating discrimination, particularly focusing on "constitutional and statutory protections." He thinks U.S. provisions for minority groups provide a good design for Irish lawmakers to follow. To make these resources available, Lyons thinks you should announce "the establishment of a permanent library and conference facility to be located in Northern Ireland" called the "United States Center for Peace in Northern Ireland" or "America House." He reasons this would not only "represent a permanent and valuable U.S. contribution," but would also symbolize your personal commitment to peace.

He has discussed this idea with Jack Quinn and the NSC staff. He will be in Ireland the week of August 21st and could begin conversations with key people. Please let him know through Jack Quinn or Nancy Soderberg how he should proceed.

M E M O R A N D U M

To: POTUS

From: James M. Lyons

Re: Presidential visit to Northern Ireland
("American Peace Center")

Date: August 10, 1995

I. BACKGROUND.

The principal causes of the years of unrest and violence in Northern Ireland are not religious differences or poor economic conditions, although both of these factors have contributed to the situation. Rather, the underlying source of unrest, distrust, and instability has been open and pervasive discrimination, particularly in employment, education, and housing.

Since the institution of direct rule of Northern Ireland by the British government over 20 years ago, a number of programs have been instituted by the British to address discrimination in these areas.¹

- Public housing in Northern Ireland is generally of the four-plex multi-family townhouse style located in well-landscaped areas with common amenities such as parks and open space. This housing is available to both Catholics and Protestants alike, and frankly is significantly superior to that found in most U.S. cities. Public housing is regulated by a government agency and is intended to be provided on a non-sectarian and need-determined basis.
- Employment laws barring discrimination have also been put in place and are theoretically enforced on a non-discriminatory basis through detailed and comprehensive reporting which is required of companies and businesses which are subject to the applicable laws.
- Public education, particularly at the college and university level, has successfully been opened to the Catholic minority in Northern Ireland. The result over the years has been that Catholics now outnumber

¹ Parenthetically, I would note that the British government has never received enough credit or recognition from the U.S. for these efforts. You may wish to address or acknowledge this in some way while you're in London.

Protestants at Queen's University in Belfast, which is the largest university in the province.

The four major churches in Northern Ireland (Catholic, Presbyterian, Anglican and Methodist), and private philanthropic or community organizations such as the Flax Trust have played an important role at the community or district council level in bringing people together in common purpose, encouraging dialogue, and promoting reconciliation between the two religious traditions. Governmental agencies of the British government and the European community as well as organizations like the International Fund for Ireland have also played substantial roles in promoting economic development through job creation and establishing mechanisms at the community level for tolerance and understanding.

Nevertheless, much remains to be done if peace is to become permanent and a political solution developed which will allow the people of Northern Ireland and the Republic of Ireland to achieve lasting harmony without outside intervention. The Hume-Adams talks, the Downing Street Declaration, the IRA ceasefire in August, 1994, and the Protestant/paramilitary ceasefire in the fall of 1994 have all created a true "window of opportunity" for meaningful political dialogue to take place. Nevertheless, as time goes by without substantial and significant progress, momentum could be lost and extremists could disrupt the fragile status quo for their own long-term purposes. In short, the window of "peace opportunity" may already be closing.

II. ADDRESSING THE ROOT CAUSE OF DISCRIMINATION.

You know first-hand as a "son of the new south" the tangible and constructive role played by the federal government over the last 25 years in combating racial discrimination in the U.S. (Similarly, federal law has played an important role in addressing the problems of age, gender, and ethnic discrimination.) The Civil Rights Act of 1964 and the Voting Rights Act of 1965 (both the result of the leadership of another southern president), as well as equal or fair employment, housing and education laws have created a body of experience and jurisprudence which over a generation or more has significantly improved the lives of literally millions of Americans while strengthening the social fabric and economic vitality of affected regions, particularly the south.

In Northern Ireland, the thoughtful and moderate Unionists (mostly but not exclusively Protestant) sensed the inevitability of a Catholic majority in the province and some type of political arrangement, if not union, with the Republic. This group is increasingly mindful of their likely minority status in the future

and is looking to legal or constitutional protections such as our Bill of Rights to protect them when this day comes.

The combination of American anti-discrimination experience and our written constitutional and statutory protections of political minorities is a powerful model and resource which we can provide to Northern Ireland as a practical, lasting, and significant contribution in support of political talks and efforts to achieve a permanent peace. In order to make this American experience and resource available, I propose that, during your Ireland visit, you announce the establishment of a permanent library and conference facility to be located in Northern Ireland (probably in Belfast) to provide a resource to be used by all parties to the peace process.

The facility (working title: United States Center for Peace in Northern Ireland or "America House") would include:

- °A full legal and academic library, including Westlaw and Lexis databases, focusing on anti-discrimination jurisprudence and constitutional scholarship, particularly in the area of individual and political rights. Eventually, the facility could possibly be computer linked to one or more major American law schools and/or the Library of Congress.

- °The facility would include seminar and meeting rooms for use in conferences and programs as well as for use by participants in the ongoing peace process and the New Ireland Forum.²

- °Office facilities for staff, fellows, and visiting scholars such as senior federal judges to provide personal, hands-on assistance at little or no additional cost to the facility or the United States (federal judges are appointed for life, as you well know, and continue to receive compensation upon senior status or retirement).

Ideally, the facility would be located in an area such as Springvale in West Belfast, where a major new branch campus of the University of Ulster is already under consideration at a site which is centrally located between the principal Protestant and Catholic

²The New Ireland Forum is an organization of political parties (North and South) which meets regularly to consult on the manner in which peace and stability can be achieved in a "New Ireland" through the democratic process and to explore structures through which this objective can be achieved. Membership is open to all democratic parties which have rejected violence and have elected or appointed members to the Dail or the Northern Ireland Assembly. Tanaiste (Deputy Prime Minister) Dick Spring and John Hume are both members of the Forum.

enclaves in this part of the city. Alternatively, the facility could be located at or adjacent to Queen's University.

Depending on the size and scope of the facility, a capital budget would need to be developed and funding sources identified. In this regard, the IFI has already pledged five million pounds to the Springvale Campus of Ulster University; this money could be earmarked for America House. Assuming this concept meets with your preliminary approval, we would need to solicit the views (and hopefully financial support) of the British government, the EC, and the Republic of Ireland. Additional funds through private Irish-American organizations and the United States could also be solicited.

I believe this concept outlines a project which could represent a permanent and valuable U.S. contribution to the peace process and is a project worthy of a Presidential announcement during your visit this fall. Certainly, given the role which you have personally played in advancing the cause of peace in Northern Ireland, such a project would be a fitting symbol of your contribution to peace and the centerpiece of your visit to Belfast.

I have preliminarily discussed this concept with several members of the White House and NSC staff and have reviewed it with Jack Quinn, who is enthusiastic.

Please let me know (through Jack Quinn or Nancy Soderberg) if you would like me to proceed to develop the details and support for such a project. I plan to be in Ireland the week of August 21, and could begin discussions with the necessary players and decision makers.

JML:kw

cc: Jack Quinn
Nancy Quinn

Original Carter
letter sent to NSC

THE PRESIDENT HAS SEEN
9-13-95



JIMMY CARTER

September 12, 1995

Handwritten notes:
1. Mr. Jones 9/13/95 ✓
2. 9/13/95 President
3. [Signature]

To President Bill Clinton

We at The Carter Center continue to be interested in the crisis in Bosnia-Herzegovina, and on occasion have been able to stay in touch with the Bosnian Serb leaders. Despite our repeated effort to induce them to remove their heavy weapons from the exclusion zone defined by UNPROFOR, three things have become increasingly obvious: 1) They will not remove the specified weapons until given reliable assurances that the sites will not be attacked by Bosnian forces; 2) They will consider it an embarrassing show of cowardice to yield to public ultimatums and aerial bombardment; and 3) they are convinced that General Janvier does not have any real authority and that NATO (i.e., the U.S.) is making the decisions about sustained bombing.

From today's news reports, the continuing bombardment of people who are not able to respond is becoming less and less acceptable to other U.N. Security Council members, and perhaps to the general public. At the same time, the Bosnian Serbs need a way out of this impasse. Perhaps a compromise is possible to end this deadlock.

The statement by President Izetbegovic yesterday afternoon that Bosnian forces will not attack the defenseless positions is a positive move. However, he will not be believed by the Bosnian Serbs, any more than he would believe them. His comment does make it possible for NATO leaders to guarantee Bosnian restraint without its being forced on the Bosnians. Building on this, we have contacted Karadzic and Mladic with the following proposal:

a) The Bosnian Serbs will agree to move a significant number of heavy weapons outside the exclusion zone, with United Nations verification;

b) The U.S. government (or NATO) will guarantee that the Bosnian government forces will not attack Serb held areas that no longer have the protection of heavy weapons; and

c) There will be a sufficient U.N. presence at the remaining gun sites to ensure that no heavy weapons will be used against the Bosnian held part of Sarajevo. A contingent of Russian troops would help to preclude the possibility of hostages being taken.

We cannot expect a definitive answer from both Karadjic and Mladic until later today, but there are some early indications that Bosnian Serb leaders will react positively to these ideas. Although I will be en route to Japan this morning and not returning until Thursday, Ambassador Harry Barnes will be available at The Carter Center to be of assistance on these issues. He and Sandy Berger will be in contact.

Best wishes,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is centered on the page.

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

cc: Warren Christopher

Is/Rea

MVE
Send me some cash -
then the money will be
to Prunus
to Prunus
to Prunus
to Prunus
to Prunus

Wendy
Sm. the

richtig
letzte
(bei 619 per
Stromregler
per 65)

Wendy
Sm. Th

[illegible]

I'm grateful for your advice about strategy and the road ahead. I'm proud of my Administration's accomplishments, and I'm looking forward to building on our success.

Ben Turner

Esquire, Inc.

Legal Search Consultants

August 3, 1995

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

Dear Bill,

After spending three hours with your brother last week (Learning Annex Seminar), I decided to write you. Quite frankly, I think you've been doing such a damn good job I was going to write anyway.

First off, you have a brother you can really be proud of. Although he took a few wrong turns in his earlier life, he now seems to have found himself and is extremely dedicated to his wife, son and his older brother.

Based on what he said, you guys apparently had one hell of a mom - something I was somewhat lacking as I grew up in a pseudo-orphanage called Vista Del Mar Child Care in West Los Angeles.

I was especially impressed by your mom's influence on you and Roger of "sucking it up" - that life is tough, but not *too* tough to overcome obstacles along the way. Being the "comeback kid" in the New Hampshire primary and all your other adversity leap-frogs along the way are consistent with someone who won't quit, no matter how tough the going is. Those who really know your timber know that you would not wilt, and buckle under the pressure. I've always believed that those who accomplish great success are usually those who had to overcome significant adversities early in their life. While most people falter and flee when confronted by seemingly insurmountable obstacles, the relatively few who fight become stronger and tougher in withstanding the Nicky Negatives who proclaim, "You can't make it, you're not good enough, you're in over your head, you'll fail, forget it, come back another day!"

While you were running against Mr. Bush, there were many who were out to destroy you, sabotage your efforts and blind side you and your campaign at every turn. Today, some in this country (who I believe are misguided souls) are as committed to achieving your downfall in 1996. There is a war going on in this country for the soul of America and the Republicans have found great success (at least in Congress) of Willie Hortonizing the issues, polarizing people and seeding hate.

I would like you to know that this is one Californian who will do everything in his power to see that your political enemies fail and you are re-elected. Seldom has this country had a man with your vision, energy, ability to juggle so many balls at once and find common ground in conflicting ideologies. You are indeed a true leader. While the Republicans have taken the initiative on certain issues, you can (and I believe are) recapturing the energy and initiative. Unfortunately in politics, perception is reality. Your success in accomplishing your objectives in office for the remainder of this century will be in large part based on successfully tapping into Ma and Pa Kettle in Everytown U.S.A. Plus, you must out-hustle and out-maneuver the Republicans. In order to win in 1996, you must effectively demonstrate and enhance the perception of you as: (a) world leader, (b) having a positive impact on the economy (c) fighting for things you really believe in. Perhaps more important than anything, you must make people realize that this country is based on effective checks and balances. Should this country have a Republican Congress AND Republican President, it would remove the breaks on a car potentially careening out of control - abortion, the environment, military weapons, city infrastructures, health care, welfare reform, etc. People must realize the direction that the Far Right is attempting to take the Republicans and without a strong counter-balancing force, the country would potentially fall in the hands of those controlled by the N.R.A., Ralph Reed, Ollie North, Phil Graham, religious intolerance groups, anti-abortionists, right wing militia types etc. This country needs a Clinton to be more than a footnote in history books as a "Carterisk" one term president besieged by scandals. Your stance concerning the Oklahoma bombing and standing up to the "militia mindset" was superb. Not buckling under to the Japanese and opening international trade channels (e.g. Vietnam) was excellent. While I am personally "liberal", it would be political suicide to give in to the Jesse Jackson faction. In this day and age, the mainstream voter has drifted slightly to the right. The average American, especially Ma and Pa Kettle are not behind these groups and it's no secret that the Republicans continue to try to paint your administration into the tax and spend corner.

*Clinton
on
how to
win*

While I disagree with virtually everything Ronald Reagan stood for, he was well perceived because of people's sense that he was a man of strong, unyielding conviction, consistent over the years. While the Republicans have in many ways been successful in staking claim to deep emotion - gut issues, if you can out hustle them and make effective pre-emptive strikes, you will beat them at their own game - and beat Dole in a very tough, but winnable race. Because California is so important in electoral votes and Wilson is pretty strong here and very adapt at exploiting rising trends (and getting votes), I suspect he'll do better than people think and have a solid chance of being selected as a V.P. candidate on the GOP ticket. Even without a strong Southern belt connection, the Republican machine will deliver a big part of the South.

In closing, if there is anything I can do on your behalf - help raise money, help fill any positions (pro bono) etc., let me know. As owner of one of California's prominent attorney placement organizations, (placing partners nationally with firms such as Manatt, Phelps; Arnold & Porter; O'Melveny & Myers), perhaps I can be of assistance in some way.

Again, keep up the good work. You're doing a superb job in a job I suspect is a thousand times tougher than you ever imagined. All the Whitewater, Vince Foster, Waco and other stuff are simply no more than Republican payback and a concerted, well-oiled, well-thought out Republican strategy of throwing enough mud against you and your people with the hope that enough of it sticks by 1996. This country needs the services of you and your Administration throughout this century.

Sincerely,

Sandford A. Leontick
Sandford A. Leontick
President

P.S. I've enclosed a donation for your defense fund on the Flower's matter.

ESQUIRE, INC. 22222 SHERMAN WAY, STE. 202 818-702-8000 CANOGA PARK, CA 91303		1140
PAY TO THE ORDER OF	Defense Fund - Bill Clinton	8.2 19 95
Two Hundred		\$ 200 -
 AMERICAN PACIFIC STATE BANK WARNER CENTER OFFICE 21322 OXNARD STREET, WOODLAND HILLS, CA 91367		DOLLARS
FOR	<i>S. A. Leontick</i>	
⑈001140⑈ ⑆122229439⑆ 06010598⑈		

THE WHITE HOUSE
WASHINGTON

Mr. Roger Clinton
334 Avenue F
South Redondo Beach, CA 90277

Worship
was very
good

THE PRESIDENT HAS SEEN
9.13.95

~~TO DISCLOSE~~

Monsieur
Scott →

we need to know
up on the meeting
by AIDS TF
when can we start?
B.S.

9.13.95

THE WASHINGTON POST
TUESDAY, SEPTEMBER 12, 1995

Breed

good piece Bx

Judith M. Gueron

A Way Out of the Welfare Bind

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end

welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work

approach offers a way out of the bind.

Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs, in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 27 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost \$3 for every \$1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it *not* run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there

for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everyone else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad sup-

port, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs *before* reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or

face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

The writer is president of Manpower Demonstration Research Corp., a nonprofit social policy research organization.

Weller said that Karrow should be commended for refusing to be a "stage prop for the Clinton White House," but instead was rejected for his political views.

White House press secretary Mike McCurry said that dozens of students were interviewed for the panel discussion and Karrow simply "didn't cut the mustard."

Clinton 'Voice' on AIDS in '92 Now a Political Outsider By Faye Fiore= (c) 1995, Los Angeles Times=

WASHINGTON The photograph is propped up on a window ledge, dwarfed by a broad, government-issued desk and a metal filing cabinet, but it is his reason for going on, nevertheless. It shows two people with AIDS standing together at the podium of the 1992 Democratic National Convention in New York: Elizabeth Glaser in a smart black suit and pearls, and Bob Hattoy, requiring none of the three baseball caps he packed in case the chemotherapy made his hair fall out.

They were supposed to be the symbols of a new time, handpicked to send a message to America by a presidential candidate who called their disease his "passion."

Now, nearly three years later, she is in her grave in Boston and he is in political exile, bounced out of a White House where he thought he had been brought to help make AIDS a presidential priority.

"Elizabeth Glaser and I stood before America and convinced America that Bill Clinton was a human being worth electing and who was going to do something about AIDS," Hattoy said from his office at the Department of Interior where as White House liaison on environmental issues, he is more likely to be consulted about grazing fees than the disease that is probably killing him.

"I look at that picture every day and say: Oh my God, the other half is gone. I'm still sick and I'm not gettin' any better. And I am the only representative voice within the administration that speaks out on AIDS."

Hattoy's is the story of a bright and witty Los Angeles environmental activist who ascended to the power circles of Washington and crashed. Some say he is emblematic of the administration's AIDS policy itself. Others say he is a victim of his own rapier wit and sharp tongue whose personal convictions never allowed him to be a "team player."

What began in the spotlight is now warehoused some six blocks from the White House; he is a distant voice too contentious to confront, too persistent to ignore.

He came to Washington with the Clinton team in the winter of 1993 as a 41-year-old openly gay man with AIDS. "First Fag," as he put it. His very presence connected the new president to a population never represented in the White House; it lifted a gay and lesbian constituency that had turned out 74 percent for Clinton. As associate director of White House personnel, Hattoy had the administration's ear, was privy to 8:15 a.m. senior staff meetings, likely to bump into the chief of staff at the water cooler. He was in the loop and AIDS was his cause. He was going to get some things done.

But within months, as the White House struggled with the volatile issue of gays in the military, Hattoy became a reluctant but nettlesome administration critic. After his characteristic zingers began appearing in print, the White House press secretary scolded him for being "off-message." The New York Times branded him "a time bomb." Hattoy was abruptly transferred to the benign Department of Interior.

The biting wit and clever mind that made him something of a Los Angeles legend as a Sierra Club lobbyist were in Washington considered reckless. If out West he was a Jay Leno among activists, in the East he is a Martha Mitchell dangerously candid and hard to control.

Still fiercely loyal to his president, Hattoy has spent the past

three years struggling to remain true to Clinton and to his conscience. He is trying to keep his job and spur government to action on an epidemic that ranks as the nation's No. 1 killer of men and women between 21 and 44.

"I didn't come to Washington to be a faceless federal bureaucrat. I came to Washington to be a bureaucrat in your face," Hattoy said. "If a foreign enemy were killing that many people, we'd be calling out the Marines."

The Clinton administration, for its part, said it has made great strides in AIDS education and funding, including a 40 percent increase for HIV/AIDS programs. And recently, it named a national AIDS commission that includes Hattoy as a member.

(Begin optional trim)

It was his rare flair for humor and honesty that made for love at first sight when Hattoy showed up in 1992 to work as environmental adviser for the Clinton campaign: smiling, shaggy-haired activist in wire-rimmed glasses. His personality was magnetic, his politics exactly right. He was an environmental encyclopedia and he fit effortlessly into Clinton's young and energetic fold.

He had been openly gay since college and aware for two years that he was HIV-positive. Still, Hattoy was less a gay activist than an environmental activist who happened to be gay. Then in late May of 1992, while campaigning with Clinton in Portland, Ore., Hattoy found a lump under his right arm.

The virus had progressed to AIDS-related lymphoma. A doctor told him he had three months to live, advised him to get his affairs in order and go toward God. "---- you," he replied. "I'm going to an oncologist." The cancer specialist ordered chemotherapy.

One month later, he was standing before the Democratic National Convention, bestowed all at once with an opportunity to help push the country in a new direction on AIDS and a medical diagnosis that was probably fatal. He fought the latter and seized the former, diving tirelessly into the campaign. On Wednesday mornings he took his chemotherapy treatment in Los Angeles. Thursdays he spent at home violently ill. Friday through Tuesday he crisscrossed the country for Clinton. Tuesday night he flew home to begin the cycle again.

(End optional trim)

As in most campaigns, the '92 staff was bonded like a family, and the mission was clean and focused: Get Clinton elected. They did. With his cancer in remission, Hattoy was going to Washington.

By all indications, AIDS would be a front-burner issue. When he walked five blocks from his 1940s-style apartment every morning and put his security card in the White House gate, he considered himself a lucky man. As assistant director of personnel, he was making sure qualified gay and lesbian candidates were considered for top federal posts.

Then, in one of his first actions as president, Clinton moved to lift the ban against gays in the military, and the issue exploded. His poll numbers in the South slid at the very mention of the matter. The White House, stung by it all, settled for a "don't ask, don't tell" policy and promptly distanced itself from gay issues thereafter, critics charge.

Hattoy's keen wit turned inward not at the president, to whom he remains unfailingly devoted but at the "straight white boys at the White House" he blamed for failing to press the president's agenda. In his estimation, the issue of AIDS had fallen off the White House radar screen.

Hattoy started speaking his mind publicly. Dee Dee Myers, then White House press secretary, was regularly summoning him to her office in the West Wing to scold him for remarks unsuitable to a White House staffer. The dam broke when

Hattoy on the front page of The New York Times compared restricted duty for homosexuals in the military to "restricting gays and lesbians to jobs as florists and hairdressers." It was seen as internal criticism of a White House in no mood for dissension.

So ended his hopes of landing another White House appointment working with community groups on health care or welfare reform or lobbying on the Hill. He was moved to the Department of Interior, where his environmental expertise came in handy. But he was out of the loop, his pointed remarks no longer a reflection on the president. His phone did not ring calls from reporters. Politically speaking, he was an outsider.

When it came to the environment, Hattoy could play politics and compromise politely. When it comes to AIDS, he cannot, an attitude that has earned him a reputation in some circles as demanding and hard to please.

"No matter what you do about AIDS, you haven't done enough. I don't mean there is no pleasing him, but people are still dying and still getting infected," one administration staffer said. "Bob has a lot of energy and sometimes he defeats his own purpose when he mouths off. He's a very bright guy. Smart people can think of five put-downs, but is it useful to use any of them?"

"People are afraid of Bob because of his fearlessness and the quotability," another official said. "Bob has created this persona for himself that he is going to hold their feet to the fire, and let them know it when they fall short."

Hattoy shakes his head at such logic. He is not the problem, he responds, AIDS is the problem. "I'll compromise a little on environmental stuff, everything is not a bottom-line thing for me. But AIDS is a bottom-line life or death thing for me and hundreds of thousands of Americans. And no one else at the White House is speaking out on this."

But Hattoy presses on. He is a sought-after speaker at AIDS fund-raisers and conferences around the country, taking his message to the nation, even if the administration won't. When the AIDS workplace training was scaled back, he called the White House AIDS office and left the following message for anyone who answered: "Wimps! Wimps! Wimps!"

"I still make those phone calls. I still bring up AIDS all the time. I don't know what impact I have, but I can't let it go unaddressed. That's been my problem." He laughs. "Forgotten, but not gone."

Senate Panel Retreats From House Effort to Defang EPA By James Gerstenzang= (c) 1995, Los Angeles Times=

WASHINGTON In a move likely to provoke a sharp confrontation with the House of Representatives, a Senate panel took a large step back Monday from the dramatic restrictions the House has imposed on enforcement of environmental laws.

The subcommittee vote makes it clear that while the House was willing to accept a conservative-led effort to sharply limit the operations of the Environmental Protection Agency, proponents of the restrictions face a difficult battle in the Senate.

The Senate subcommittee also restored three-quarters of a billion dollars in environmental funding that was stripped from the measure by the House, although the bill would still trim President Clinton's budget request for the EPA by \$1.7 billion, to \$5.7 billion, which is \$900 million less than the agency was granted for the current fiscal year.

The Senate panel the appropriations subcommittee responsible for the budgets of the Veterans

Administration, Department of Housing and Urban Development, and independent government agencies did endorse a House decision to deny Clinton any funding for his National Service program, which provides tuition funds for college students in exchange for volunteer work. It also lopped nearly \$1.3 billion from the \$38.6 billion the president has sought for the veterans' agency. The White House has indicated the president is likely to veto the bill unless major changes are made in it.

The full committee is expected to pass the bill without major changes and send it to the Senate floor, perhaps as early as next week.

(Optional add end)

At the center of the differences between the House and Senate is the debate over the degree to which government agencies can order state and local governments and private business to follow Washington's dictates on the environment and social programs.

In July, the House came close to rejecting the limits on the EPA, voting on a Friday to turn down the restrictions, and then narrowly reversing itself on the following Monday after House Speaker Newt Gingrich, R-Ga., argued that the regulations were unnecessarily burdensome and, as such, exemplified federal excess in areas that should be left to state and local authorities.

The House plan includes 17 provisions that would prevent the EPA from enforcing certain regulations protecting wetlands, governing automobile emission inspections, and setting drinking-water standards, among other environmental measures.

The Senate subcommittee accepted only one of the 17, a measure that prohibits the environmental agency from requiring states to force employers to draw up car-pooling plans. Sen. Christopher Bond, R-Mo., the subcommittee chairman, indicated that his opposition to the provisions was based not so much on their content as on his concern that the appropriations measure was not the proper vehicle for considering them.

The Clinton administration took sharp issue with the subcommittee's budget decisions, drawing attention to the sizeable cuts in the president's spending plan and ignoring the decision to retreat from the restrictions imposed by the House. For example, the Superfund that pays for cleaning up toxic waste dumps would receive \$504 million less than the \$1.5 billion Clinton has sought for it.

"Despite some window-dressing designed to make the bill appear moderate and reasonable, it closely mirrors the House bill and is outside the mainstream of what Americans want and need," said Lawrence Haas, the Office of Management and Budget's associate director for communications.

"On Capitol Hill, splitting the difference between the House and the Senate is the name of the budget game, and in this game the American people will be the losers," Carol M. Browner, EPA administrator, said in a written statement. "A 34 percent cut by House Republicans and a 23 percent cut by Senate Republicans means Americans will lose vital public health and environmental protections."

The vote in the subcommittee was 6-3, largely along party lines.

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Separation of Race and State

By DINESH D'SOUZA

Before adopting a course that will determine the future of race relations into the 21st century, Americans must step back from the sound and fury of the affirmative action issue long enough to consider the four basic policy options for dealing with the continuing problem of racial discrimination.

The first approach is to preserve racial preferences, based on the logic of proportional representation. This is the Clinton administration's preferred route, and despite recent Supreme Court decisions it remains the regnant practice. Absent discrimination, our laws expect minorities to fan out into the work force at roughly their proportion in the population. Companies that fail to maintain the proper ethnic breakdown of workers are guilty until proved innocent: The Civil Rights Act of 1991 places on employers the burden of proving that they are not discriminating.

But over the past generation the basic flaw in proportional representation has become apparent: Merit, no less than the old racism, produces inequality—inequality between individuals and among groups. There is no reason to expect that equality of rights for individuals necessarily translates into equality of results for groups. If different groups of runners hit the finishing tape at different times, it does not follow that the race has been rigged. Our current civil rights laws, therefore, are built on an intellectual foundation of quicksand.

In addition, proportional representation fails the test of social justice. Columnist Michael Kinsley argues that race is a "rough and ready shorthand for disadvantage," but that does not hold true any more. The African-American community has bifurcated into a middle-class and an underclass.

There is no justification for giving a university admissions preference to the black government official's son who attends a private school in Washington over the daughter of a white Appalachian coal miner or a Vietnamese refugee. Moreover, proportional representation unfairly subsidizes the children of new immigrants, who have played no part in American history, at the expense of the sons and daughters of native-born citizens.

A Matter of Unfairness

Proportional representation also erodes the principle of equality of treatment under the law, the only unifying principle for a multiracial society. People can live with inequality of results if they are assured equality of rights, just as we can endure losing a contest in which all competitors played by the same rules. Majorities, no less than minorities, need the assurance that they are being treated fairly; otherwise they are sure to mobilize through democratic channels to affirm their interests.

Finally, proportional representation ensures an unceasing balkanization and racialization of American society. At least the old discrimination existed anomalously with the American creed; the new discrimination, enshrined into law, corrupts the nation's institutions and makes them purveyors of injustice.

The only prop sustaining affirmative action today is the liberal conviction that the social outcomes produced by merit alone would prove painful and humiliating for blacks. For example, studies have shown that if the University of California at Berkeley selected students solely based on grades and test scores, the percentage of blacks would fall to between 1% and 2%. Similarly, blacks would be scarce in some professions. Proportional representation will end only when we have the courage to say that we are willing to live with these

outcomes until blacks are able to raise their own standards to compete at the highest levels.

A second option, favored by some scholars, is to abolish racial preferences for all groups except African-Americans. Eugene Genovese, for example, argues that blacks have faced a unique history in this country and should be permitted to identify themselves as culturally black and benefit from a carefully selected range of preferences.

This approach has the benefit of acknowledging the absurdity of preferring newcomers from Mexico City over locals from Kansas City. It sensibly seeks to narrow the range of beneficiaries to the group that has suffered the evils of slavery, segregation and widespread discrimination. It would preserve preferences as exceptional, rather than typical. And it would continue to view them as temporary.

The problem with this attractive strategy is that it is increasingly unsustain-

able to outlaw minority companies from giving preferences to members of their own group. Peek into a Korean grocery store and what you often see, in the back, is other Korean workers. Similarly black-owned businesses may seek out African-American employees. Should the government prohibit these obvious displays of minority ethnocentrism? Such interference makes no sense, particularly considering the fact that earlier generations of ethnic minorities such as Jews have advanced by helping their own people.

The limitations of the previous three policy options invite us to consider a fourth, which is based on the distinction, crucial to a liberal society, between the public and the private sphere. This approach holds the government to a rigorous standard of colorblindness, while allowing private actors to be free to discriminate as they wish. In practice, this means uncompromising race-neutrality in government

simply refuse to hire blacks even when they have demonstrated that they are best qualified candidates for jobs. Since such behavior makes no economic sense, we can expect it will be relatively infrequent in a competitive market.

To see why markets tend to eliminate irrational discrimination, consider sociologist Christopher Jencks's example of what would happen if every baseball team in America refused to hire blacks. Blacks would suffer most, because they would be denied the opportunity to play professional baseball. And fans would suffer, because the quality of games would be diminished. But what if only a few teams—say the Yankees and the Dodgers—refused to hire blacks? African-Americans as a group would suffer hardly at all, because the best black players would offer their services to other teams. The Yankees and the Dodgers would suffer a great deal, because they would be deprived of the chance to hire talented black players. Eventually competitive pressure would force the Yankees and Dodgers either to hire blacks, or to suffer losses in games and revenue.

On the other hand, some forms of discrimination—rational discrimination based upon statistically accurate group judgments that are nevertheless unfair to some members within the group—are likely to persist. Yet anyone familiar with today's work force knows that discrimination against blacks has declined dramatically and is now furtive and largely anecdotal, while discrimination in favor of blacks is systematic, openly practiced and legally sanctioned.

Consequently, if faced with the alternative of an enforced colorblind approach, many African-Americans who recognize the pervasiveness of contemporary preferences in their favor might well prefer to see those benefits continue, and thus would be willing to pay the price of tolerating a few relatively isolated employers who would refuse to hire blacks. Thus we arrive at a supreme irony: The best way for African-Americans to save private-sector affirmative action may be to repeal the Civil Rights Act of 1964.

The Central Choice

The issue of private discrimination is important, but whichever way it is settled, the central choice facing American society is whether its agencies of government are going to embrace racial categorization of citizens and practice racial discrimination, or reject it and treat Americans equally under the law. America will never liberate itself from the shackles of the past until the government gets out of the race business.

Some activists agree that in an ideal world the government would not privilege citizens on the basis of color; yet in today's society, these self-styled realists contend, race-based policies are indispensable because, as African-American scholar Cornel West puts it, "race matters." But precisely because race matters, one can argue that the government should not play favorites.

Consider the separation of church and state: The reason for its enactment in the West was not that religion didn't matter. On the contrary, precisely because people were killing each other over their faith, some form of separation became an appealing and indispensable solution. What we need now is what economist Jennifer Roback calls "separation of race and state."

Separation is based on the recognition of the harm that government-imposed racial distinctions have done. The best safety of citizens, consequently, lies in refusing to trust the state with a power that they are unable to trust themselves to use wisely. As theologian John Courtney Murray wrote, when it came to religion, the American founders established not "articles of faith" but "articles of peace." By permitting the free and voluntary interaction of citizens within a framework of state neutrality, America can begin the job of transcending the pathology of race and move closer toward the destination that we can term "the end of racism."

Mr. D'Souza, John M. Olin Scholar at the American Enterprise Institute, is author of "The End of Racism," just published by the Free Press.

Am I calling for a repeal of the Civil Rights Act of 1964? Actually, yes. The law should be changed so that its nondiscrimination provisions apply only to government.



able in a multiracial society. If we are going to insist that middle-class blacks deserve preference for admissions and jobs over the poorest members of all other groups, this will not only produce acute resentment, it will probably stigmatize African Americans as inherently inferior. Whites, Hispanics, Asians and Native Americans would all be competing together, with a kind of Special Olympics reserved for blacks. The moral and psychological damage would almost certainly outweigh any tangible short-term benefits, so that the only workable scheme is one proposed by sociologist Lawrence Fuchs: Limit affirmative action now to African-Americans and set a date, perhaps 2010, when "all counting by race should be phased out."

The third option is a blanket nondiscrimination rule, which requires the enforcement of colorblind principles both in the private and public sectors. This is the approach that Martin Luther King Jr. favored, and the one that was written into law in the Civil Rights Act of 1964. Liberals such as Jim Sleeper, Randall Kennedy, William Julius Wilson and Clarence Page as well as conservatives such as Newt Gingrich and Jack Kemp are trying to revive this approach, typically combined with a demand for class-based affirmative action.

The benefit of this colorblind strategy is that it would use a single standard to implement civil rights laws. Whites and blacks would enjoy the same degree of protection, and so would other groups. Resources currently invested in promoting proportional representation could be more sensibly invested in strictly enforcing antidiscrimination laws.

Yet the cardinal weakness of the broad-based colorblind rule is that, if applied even-handedly, it would require the gov-

ernment to outlaw minority companies from giving preferences to members of their own group. Peek into a Korean grocery store and what you often see, in the back, is other Korean workers. Similarly black-owned businesses may seek out African-American employees. Should the government prohibit these obvious displays of minority ethnocentrism? Such interference makes no sense, particularly considering the fact that earlier generations of ethnic minorities such as Jews have advanced by helping their own people.

In a recent book, legal scholar Richard Epstein argues that "discrimination laws represent the antithesis of freedom of contract." Mr. Epstein asserts that people should be free to hire and fire people for good reason, bad reason, or no reason at all. He challenges the strongly held belief of many Americans that they have a right not to be discriminated against: In a free society, he counters, they have a right to enter into voluntary transactions that other parties should be at liberty to accept or refuse.

Without putting it this way, Mr. Epstein is defending ethnocentrism as not only natural but also justifiable. He implies, and I agree, that this is a defensible and in some cases even admirable trait. What is the argument for preventing people from giving jobs and benefits, which are theirs to give, to those whom they prefer? Admittedly in some cases the job goes to the nephew of the boss. This, in the boss's mind, is his nephew's "merit"—to be related to him. Such nepotism, although reprehensible in the public sector where the government has an obligation to treat citizens equally, is entirely appropriate in the competitive private sector where the economic cost of selecting the less competent falls on the individual or company making the selection.

I can already hear the gasps of civil rights activists. Absent legal penalties, they will warn, many companies would

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The Arms Race Is On

By Spurgeon M. Keeny Jr.

WASHINGTON

In only a few months, the Republican Congress has quietly managed to undermine more than two decades of progress on nuclear arms control. With practically no public debate, the Senate included in its Pentagon authorization bill a land-based missile defense system that would flagrantly violate the 1972 Antiballistic Missile Treaty, the foundation of all nuclear weapons agreements.

Under the bill, the United States would "develop for deployment" a ballistic missile defense by 2003. The legislation calls for trying to negotiate amendments to the Antiballistic Missile Treaty to allow for the system; but if such talks fail, we

If Congress gets its missiles, the ABM treaty is history.

would have to consider withdrawing from the treaty.

The system, which could ultimately cost hundreds of billions of dollars, is designed to intercept only long-range ballistic missiles. The cold-war thinking behind it ignores the reduced threat of Russian nuclear attack. No rogue state will have long-range ballistic capability anytime soon.

The bill tacitly recognizes the limited value of an antiballistic defense system, because it also calls for creating new cruise missile defenses (which could be equally costly) and for spending at least \$50 billion more on so-called theater missile defense systems that would protect armed

Spurgeon M. Keeny Jr., executive director of the Arms Control Association, was an arms negotiator in the Carter Administration.

forces and allies overseas.

In addition to its huge expense, this package would all but destroy the possibility of new gains in nuclear arms control, starting with the as yet unratified second Strategic Arms Reduction Treaty. President Boris Yeltsin of Russia has said that Start II "can be fulfilled only provided the United States preserves and strictly fulfills the bilateral Antiballistic Missile Treaty."

Besides, if we build the antiballistic missile system, Russia would probably begin building its own. This bilateral buildup would preclude future reductions of strategic weapons below the levels called for in Start II. Faced with expanded Russian defenses, Britain, China and France would not likely consider reductions in their nuclear forces and might even seek increases.

The proposed system is a much less effective defense than the agreements it would wipe out. Start I and II call for eliminating missiles and aircraft that could deliver at least 7,000 nuclear warheads; the proposed antiballistic missiles would be lucky to knock down a hundred such warheads in a full-scale assault.

Finally, a new American buildup would give belligerent countries grounds for withdrawing from the Nuclear Nonproliferation Treaty or demanding changes in it.

The Clinton Administration deserves some blame for this dangerous new turn. Last year it advocated a theater missile defense system that itself undercut the Antiballistic Missile Treaty.

President Clinton can atone for this mistake by vetoing the Pentagon authorization bill unless the commitment to set up the antiballistic defense system is dropped when the House and Senate prepare the final version this fall. If he signs the bill because Congress is certain to override a veto, he must make clear that he will not deploy this system or seek any changes in the ABM Treaty.

Why risk restarting the arms race at a time when America has never been in less danger of a nuclear attack? □

Women Less Optimistic About Work, Poll Says

84% Cite Limits Related to Their Sex

By JUDITH H. DOBRZYNSKI

When it comes to the world of work, the mood of America's women appears to have taken a pessimistic turn. They believe overwhelmingly that while women are better off than they used to be, they continue to face restrictions and discrimination, according to a new poll to be made public today.

Of the 3,000 women polled, 84 percent agreed that "regardless of changes that may have occurred, women still face more restrictions in life than men do." A total of 77 percent said that sexual discrimination, although more subtle and less open than it used to be, "remains a serious problem."

And 76 percent said that there was a lot or some sexual harassment in the workplace.

Even though those results suggest that women believe there is room for improvement, the poll also shows that women do not have as much hope as they once had. Only 56 percent see the role of women as continuing to change, down from 73 percent in 1990.

Men agreed. Of 1,000 polled, 57 percent believe women's roles will keep changing, down from 76 percent in 1990.

Sheila Wellington, the president of

Catalyst, a nonprofit women's research and advocacy group, said she was not entirely surprised by those results. "Women believe, and Catalyst believes, that there is much that remains to be done before the workplace is prepared to take advantage of the talent women have to offer," she said.

But realism seems to have set in. "There was a kind of buoyant optimism 10 years ago and certainly 20 years ago," Ms. Wellington said. "But I don't think this means that women will leave the work force. It does mean that they will be very careful about where they choose to work and how they choose to work."

The poll, which is done every five years, was conducted by Roper Starch Worldwide Inc. for the Virginia Slims brand of Philip Morris USA.

The poll shows that women believe that several factors keep them back, ranging from an old boys' network to the lack of role models.

Those feelings, coupled with the stress of balancing work and family, are taking a toll on how women feel about their jobs. Only 31 percent said that aside from money they got "great personal satisfaction" from their jobs, compared with 37 percent in 1990.

Men, however, are more satisfied with their work life now, with 40

What's Holding Women Back?

Major reasons cited in 1995 Roper Starch opinion poll.*

- 45% Women are mostly given low or mid-level jobs, while men hold the real power.
- 44% Women face the "old-boy network" in major corporations.
- 44% Women are held to higher standards than men.
- 38% The doors have not been open long enough for many to have made it to the top.
- 37% Women are discriminated against in life, and business is no exception.
- 34% There are few women in high corporate positions to inspire others.
- 34% The business world lags behind the rest of society when it comes to equality.
- 25% Young girls are not encouraged to aspire to careers as managers.

*Conducted for the Virginia Slims brand of Philip Morris. The margin of error is plus or minus two percentage points.

The New York Times

percent getting great satisfaction in 1995, compared with 35 percent in 1990.

To make their jobs more satisfying, 58 percent of the women and 59 percent of the men polled cited incentive or bonus-pay programs to reward higher productivity; 53 percent of the women and 51 percent of the men cited better health benefits as a means to greater job satisfaction.

More women than men — 38 per-

cent versus 27 percent — wanted more opportunity to work at home. And 32 percent of the women and 31 percent of the men wanted company-run, on-site day care for their children.

The poll indicates that women work because they must: 73 percent said they worked to support their families or themselves, compared with 55 percent in 1990 and 46 percent in 1980. Only 23 percent said they worked to bring in extra money,

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down from 32 percent in 1990 and 43 percent in 1980.

The poll, which has a margin of error of plus or minus two percentage points, also asked some questions about women's personal lives.

But the area in which women most desired change was the workplace. When shown a list of items and asked whether major change, some change or no real change was needed, 94 percent of women said that major change or some change was needed in the salaries paid to women; 87 percent believed that women needed more opportunities for leadership positions.

"Women thought it would take less time to see progress at the top of corporations than it has," said Adele Scheele, a career strategist hired by Philip Morris to interpret the study. "They've been welcomed in, but the rewards, both financial and psychic, are lagging. If corporations want to keep women, they must promise to take them more seriously and make them more visible."

LOS ANGELES TIMES

COLUMN RIGHT/
 ELIZABETH M. WHELAN

Anti-Smoking It's Not Just For Liberals

The trend against regulation
 has confused the issue for
 Republicans on the right.

Republicans and tobacco, perfect together? So it seems. In a March letter to shareholders, Philip Morris Chairman Geoffrey Bible captured the essence of this apparent alliance: "New faces and new leadership on Capitol Hill mean Philip Morris... has tremendous opportunities."

Bible must have been assured that happy days were here again for the tobacco industry when conservative politicians, their spokesmen and right-wing journalists almost uniformly condemned Clinton's "war" against teen-age smoking. For example, House Speaker Newt Gingrich said the Food and Drug Administration had "lost its mind" when it proposed legislation to regulate nicotine as a drug. Gingrich spokesman Tony Blankley calls anti-smokers "health Nazis." And columnist Tony Snow editorialized that anti-smoking campaigns represent "federal nannyism."

Conservative pundits pounce on anti-smoking activists with gusto, questioning not just our methods, but our priorities. Gingrich declares that we should not pursue policies to discourage smoking because "we haven't won the far more serious fight about crack cocaine and heroin." Does this mean that because we have not won our war on drugs, which kill 3,000 Americans a year, we should not discourage the use of cigarettes, a legal product that kills 500,000 Americans a year?

Republicans, posturing themselves as friends of the tobacco industry, are doing themselves and America's youth a great disservice. As a public health professional and life-long Republican I ask: Why?

Smoking is a physically addictive, life-threatening habit taken up primarily in adolescence, often in childhood. Sounds like a habit conservatives would be loathe to defend and against which they would willingly campaign, just as we would campaign against child pornography or violence-laden entertainment. But, anti-smoking efforts rarely involve conservatives. Discussions of tobacco and health policies are dominated almost exclusively

'Republicans, posturing themselves as friends of the tobacco industry, are doing themselves and America's youth a great disservice.'

reflexively gravitate to the opposite camp. In this way, liberal anti-smoking enthusiasts have poisoned the waters for the political right. Yet, just because some people cannot distinguish between serious and hypothetical risks hardly means that knowledgeable Republicans cannot muster the courage to speak out for health.

The Republican Party should seize the initiative and acknowledge publicly that cigarette smoking is the leading cause of preventable death in the United States and craft an anti-smoking agenda consistent with personal freedom and minimal government. Impossible? Not at all. Here's what congressional Republicans can do:

- Make tobacco companies play by the same liability rules as other industries. The way to do this is to remove the government-mandated warning label from cigarettes, which merely preempts the responsibility the industry would normally have for the consequences caused by their products.

- Disassociate themselves from the tobacco industry.

- Encourage state and local attempts to reduce cigarette sales to minors.

- Ensure that tobacco taxes cover smoking's medical and social costs.

- Appoint an impartial committee of scientists to review the effects of second-hand smoke. If this panel concludes that second-hand smoke contributes to illness, Republicans should support efforts to protect nonsmokers.

Last month, a letter signed by me and 41 other Republican physicians and scientists was delivered to Gingrich, urging him to adopt this agenda. Unfortunately, the reaction of his spokesman Blankley, who suggested that our views were "misinformed" and constituted "intrusions into the private lives of others," suggests a blind spot in a leader who otherwise prides himself on his concern for America's next generation.

This is a time when conservatives are understandably eager to dismantle much of the government regulatory apparatus that most Americans agree is too large, too inefficient and too disdainful of the rights and choices of individuals. Yet at the same time, we should recognize the duty of government to protect its citizens not only from physical violence but also from fraud, and especially to protect America's children. The quantifiable harm done to our children when they begin what often becomes a life-long addiction should be viewed as a grave public danger.

Dr. Elizabeth M. Whelan is president of the American Council on Science and Health.

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Liberia Tries Peace After 5-Year Civil War

Interim Government Finds Little to Build on Following False Settlements, Devastation

By Stephen Buckley
Washington Post Foreign Service

MONROVIA, Liberia, Sept. 9—The government of this sultry, lush West African nation is staggering back to life following a peace accord signed late last month intended to end five years of civil war.

Some government ministries are missing basics: telephones, faxes, computers. Others must retake buildings overrun by squatters during the war. And some ministries cannot afford to pay their employees.

"We are literally starting from scratch," one minister said.

A week after a new six-member Council of State was installed to run the country until elections next year, government ministers must now rebuild a war-wrecked nation, which lost 150,000 people to the conflict. Nearly 800,000 refugees remain outside the country. About 60,000 soldiers, including thousands of children, must be disarmed. The economy, crushed by the war, must be reconstructed.

"The war set this country back 30 years," said John Langlois, director of the Atlanta-based Carter Center's democracy project in Liberia. "This country's infrastructure—education, roads, electricity, water facilities, health care—everything was totally devastated."

But after more than a dozen previous cease-fires, the most urgent question is whether this agreement will last long enough to allow this country of 2.3 million people even to begin recovery.

For now, diplomats and other observers are optimistic, noting that for the first time representatives of all warring factions have signed an accord.

The agreement, brokered by Nigerian and Ghanaian officials, calls for elections next September. The interim council includes the leaders of the nation's five major factions.

Most notably, Charles Taylor, 46, whose rebel National Patriotic Front of Liberia began the war in December 1989, appears to have embraced this agreement after scuttling several others. Thousands of Liberians greeted Taylor earlier this month as he re-

turned to this capital for the first time in five years. He has already declared himself a candidate for president.

"The fact that Charles Taylor is back in Monrovia is really important," said a diplomat. "The fact that all the factions are here signals that everybody is willing to try to make this work."

Taylor's 1989 invasion unleashed fighting that led to the assassination of then-dictator Samuel Doe in 1990 and grew into a conflict involving numerous factions and sub-factions, based largely on ethnicity.

Since 1990, the United States has aided Liberia with more than \$400 million, and a West African multinational military force—comprising mostly Nigerians and Ghanaians—has struggled to keep peace.

The period has seen more than 50 rounds of peace talks. An agreement signed in August 1994 collapsed the following month when members of Liberia's army—which had become simply another of many warring factions—attempted a coup against another provisional Council of State. West African peacekeepers thwarted the coup.

Now that last month's accord appears to have taken hold, Liberian officials say their first task is to rehabilitate the economy. Liberia's currency has plummeted in value. Major companies dealing in rubber and agriculture have fled. Prices have skyrocketed. Unemployment has approached 90 percent.

Dozens of people cluster daily outside the gates of nongovernmental organizations, seeking jobs. Small children, compelled to work to support their families, hawk peanuts and popcorn and chunks of coconut in the streets.

Most Monrovia live on food provided by relief agencies because they cannot afford rice or bread. Even those with decent jobs struggle.

The family of Alphonsus Juwle, 38, sometimes has had to live on roots in recent years. During the war, the price of a bag of rice leaped nearly 1,000 percent. A loaf of bread went from 15 cents to 10 Liberian dollars. Juwle said that at one point during the war he lost 50 pounds. His three small children were constantly sick. "We were basically living on water," he said.

Of the latest cease-fire, Juwle said: "I feel relief. I feel happiness because there is a sign that real peace has come."

Liberia's children were especially battered by the war. Thousands were recruited into the warring factions or displaced when fighting rocked their villages.

"There are children who have been displaced so many times in the past five years that they don't know which village they came from originally," said Esther Guluma, program coordinator for UNICEF in Monrovia.

In some parts of Liberia, malnutrition among children exceeds 50 percent. Only 25 percent of the children are enrolled in school. Surveys have indicated that most parents cannot afford to pay the annual fee, typically less than \$10.

George Zannehkarneh, 35, said his 10-year-old son missed two years of school after a warring militia kidnapped him. The father does not know whether his son was actually forced to fight. He is only sure that he found his son traumatized and ill, nearly naked,

standing beside a road. The boy wept when he saw his father.

Zannehkarneh's joy over finding his son is tempered by worry. "Once a child loses time in his education," the father said, "he cannot get it back."

Wilton Sankawolo, chairman of the new ruling council, knows that peace will not last if families cannot feed their children or send them to school. Yet the prominent writer and academic, chosen because of his neutrality, acknowledges that right now the government can barely pay its employees. Some earn \$5 a month.

Sankawolo, prone to saying "thank you" after each question during interviews, hopes that a burst of generosity will make countries eager to help Liberia. But he realizes many countries are slashing aid and that Liberia's track record is less than sparkling.

"People have been reasonably doubtful about the success of this agreement," Sankawolo said. "They must see that the solution to our problem has not been easy to find. All the previous efforts to put together peace were not a waste."

"It will be difficult getting assistance when people feel like they have already pushed a lot of money and resources into this country," a diplomat said.

Still, soldiers are laying down arms. Refugees are trickling home. At least one large corporation reportedly is considering a return.

And peace has held.

Sankawolo insists that it will hold because if it does not, Liberians will blame those now running the country—the faction leaders and himself.

The state council "will have a greater share of the blame if it doesn't work," Sankawolo said. "The burden is on us."

THE WASHINGTON POST

SUNDAY, SEPTEMBER 10, 1995

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Congress Looks to Give Retirement Plans a Lift

CRENSHAW, From H1

The average American spends 18 years in retirement, the Labor Department noted recently, and 20 percent of workers have absolutely nothing saved in any kind of investment or saving vehicle.

And recent trends suggest that things may get worse. People are living longer and thus may spend far more years in retirement,

CASH FLOW

Albert B. Crenshaw

while savings patterns, which have gone from fair to miserable over the past 20 years, don't show much sign of improving.

Social Security's prospects aren't great, either. While few serious scholars expect the system to collapse, simple arithmetic makes some sort of reduction in benefits inevitable.

All these factors have been evident for many years, but only recently have the nation's political leaders seemed to recognize the true dimension of the problem.

Now there is a flurry of interest in the Clinton administration and Congress. This summer the president outlined a package of proposed changes in tax and labor laws designed to encourage employers, especially small ones, to set up some kind of pension or retirement saving plan for their workers.

Likewise, Sens. Orrin G. Hatch (R-Utah) and David Pryor (D-Ark.) and Reps. Rob Portman (R-Ohio) and Benjamin L. Cardin (D-Md.) have introduced similar measures. A hearing last week of the House Small Business Committee showed widespread agreement that something needs to be done.

While union workers and employees of very large corporations tend to have good pension coverage, younger, lower-paid workers and those employed by small businesses often have no retirement benefits. Even where such plans are offered, many of these workers do not sign up.

Only about 10 percent of work-

See CRENSHAW, H5, Col. 1

ers at firms with fewer than 10 employees participate in a retirement plan, according to the Employee Benefit Research Institute here. Participation rises with company size, but it is only at companies with more than 100 workers that even half the employees participate.

The principal theme of both the administration and congressional plans is that pension and tax laws are far too complicated for many businesses to cope with, and that provisions enacted over the years in the name of fairness discourage, or even prevent, some workers from participating in some thrift plans.

"I hear again and again from small business owners in my district that current pension laws are so complex that the cost for a small business to establish and administer a pension plan is excessive," Portman told the Small Business panel.

Many of these provisions were written into the laws to prevent abuses and to try to make sure the plans are fair to lower-paid workers. But in its attempts to cover every conceivable circumstance in which someone might get a retirement windfall, Congress made many of these provisions virtually incomprehensible to the average business owner.

Others are counterproductive. Limits on 401(k) contributions, for example, sometimes prevent middle managers—those in the \$60,000 to \$80,000 a year range—from making the maximum contribution, but higher-paid executives have the same problem.

The three different legislative proposals—which overlap by about 80 percent, their backers say—would wipe out or simplify a number of these restrictions.

For example, they would eliminate a limit on contributions to two different kind of plans by the same company for the same worker.

"It's a provision which, if people actually obeyed it, and it actually were enforceable, would probably have some marginal benefit in preventing an abuse. But it is not enforceable. It is so complicated that ... nobody has ever gotten it right," said Ellen Seidman, a special

assistant to the president for economic policy.

In addition, the administration is seeking to enact a greatly simplified type of retirement savings plan, dubbed the National Employee Savings Trust, or NEST, that would combine features of an individual retirement account (IRA) and a 401(k) plan. It would be available to companies with 100 or fewer employees, and would allow workers to set aside, tax-deferred, \$5,000 a year, with the employer matching at least a portion of that.

White House and congressional staff members were encouraged by the hearing Friday, so perhaps this will be the year something finally gets done.

However, one of the enduring mysteries of the legislative process is how

items that have widespread backing and that meet an obvious need often do not get enacted. In fact, Portman noted, most of the substantive parts of his proposal have been passed twice by the House and twice by the Senate since 1992, but have never become law.

The resignation last week of Senate Finance Committee Chairman Bob Packwood (R-Ore.), who had taken a strong interest in the issue, is expected to complicate the situation in the Senate.

Retirement experts note that even if these measures are enacted, they will not produce a resurgence of the old-fashioned pension plan in which the costs are borne largely by employers.

Instead, workers in most cases will

do the saving, with the government providing favorable tax treatment and employers perhaps contributing some sort of match. This means that the bulk of the money must still come from workers' pockets—something that remains a considerable barrier to participation by those at the low end of the wage scale.

Backers concede as much, but note that they have to start somewhere.

"This is the first step," said Portman. "We simplify procedures and therefore make it easier for employers [to establish plans] and for workers to understand the benefits." If workers better understand the benefits of retirement saving, he said, "We might see better participation."

The Green Revenue Path

For Healthy Growth, Washington Should Tax Resources, Not Labor

By Ted Halstead and Jonathan Rowe

FOR ALL the talk of radical tax reform in Washington, there's a basic question that the politicians and experts have somehow missed. The leading proposals, whether Democratic or Republican, are justified by what they *wouldn't* tax—capital gains, interest income, etc.—not by what they would tax. Purporting to encourage savings and investment, these proposals would all tend to shift the burden of taxation in one way or another from income onto work—that is, onto the folks who, in Sen. Phil Gramm's apt phrase, "pull the wagon."

There's a better way, one that doesn't penalize the things—work and enterprise—that America needs most. Instead of taxing the creation of wealth, the government ought to tax

Ted Halstead is executive director, and Jonathan Rowe is program director, of Redefining Progress, a public policy organization in San Francisco. This article is based in part on a forthcoming article in the Atlantic.

the depletion of it. The federal government should be moving toward elimination of payroll and income taxes and toward taxation of the use of finite natural resources and the pollution that results. Instead of using taxes simply to raise revenues, the government could raise revenue in a way that helps reduce the need for both government and taxes.

This idea of resource-based taxation is quite different from President Clinton's BTU tax proposal in 1993 that was mainly a new tax on top of the existing income tax structure. By contrast, we're talking about replacing the income and payroll taxes on the middle class with taxes on the use of finite resources such as oil and coal, on pollution and on virgin materials that end up in the trash. The federal income tax would be restored to what it was in the early 20th century—a kind of excise tax on only the very richest Americans (a historical fact that the Democratic Party seems to have collectively forgotten.)

Such a tax shift would provide a big boost for jobs and for America's ability to compete in the world.

First, eliminating income or payroll taxes for most of the middle class would cut the cost of labor in America without reducing wages. The real "job killer" of the current tax system is not the tax on capital gains, as Republicans claim. Much more debilitating for employment in America is the payroll tax, which slaps a big penalty on small businesses for the heinous act of hiring a worker. Resource-based taxes provide a practical way to reduce that penalty.

Second, a shift to resource taxes would push our whole economy toward more efficiency. A few pioneering companies have already shown the economic gains that are waiting to be tapped, as Joseph J. Romm demonstrates in his book "Lean and Clean Management." Boeing, for example, installed efficient new lighting that has cut electricity use for that purpose by 90 percent. West Bend Mutual Insurance, in West Bend, Wis., cut total energy use almost in half with a new office building designed to conserve resources.

Since conservation technologies and practices employ many more people than does the use of virgin resources,

more jobs would result. Many of those new jobs would be in recycling, which would boom because virgin materials would no longer have the subsidies they enjoy under current tax laws. This, in turn, could help bring manufacturing jobs back to the inner cities, which could become the new supply depot of recycled raw materials, the equivalent of the mouth of the mines, that companies seek to be near.

Third, resource-based taxes would help solve our environmental problems by reducing the need for cumbersome, top-down regulation. Boeing's manager of conservation, Lawrence Friedman, has noted that if every company in America adopted the lighting efficiencies that Boeing did, "it would reduce air pollution as much as if one-third of the cars on the road today never left the garage." In other words, a resource tax system would make tax avoidance both legal and socially desirable. As individuals and corporations sought to cut their tax bills, the environment would become cleaner and the economy more efficient—and regulators less necessary.

This is not a pipe dream. We have

THE WASHINGTON POST

SUNDAY, SEPTEMBER 10, 1995

completed the first draft of a resource tax proposal for the state of California, and found that the state could abolish virtually all existing state and local taxes, and raise the same amount of revenue from resource use and pollution instead. A shift of that scale is not feasible at the federal level. However, a reasonable tax on resource use and pollution—which would keep the price of gasoline within the levels paid by Europeans and Japanese—would make it possible to eliminate the federal income tax entirely for families making up to \$75,000 a year, and for individuals earning up to \$40,000. Part or all of that money could be used to abolish payroll taxes at the lower wage levels, and to buffer low-income Americans from the impact of the tax.

So why not? Some will warn that the United States would lose competitive position, but the opposite is more likely. With incentives to become lean and efficient in the use of resources, American companies would actually gain a competitive edge. Convinced of this, major international corporations in Sweden,

such, including IKEA and Electrolux, are supporting a move toward resource taxes there, and the European Community is moving in this direction as well. Moreover, Prof. Lawrence Goulder of Stanford has shown how a resource tax could be levied on the energy content of key imports, keeping the playing field level for American producers paying such taxes.

Another objection will be raised by technological utopians, who say there's no such thing as "finite" natural resources, because the infinite ingenuity of people will always find substitutes for any resources that run out. If that's true, then resource-based taxation would buy more time for such new technologies to arise; it would also create price incentives that would hasten the development process. This would help bring about exactly what Newt Gingrich says he wants: a Third Wave economy, which Alvin Toffler describes as "based on 'processes and products that are miserly in their energy requirements'."

Resource-base taxation is a proposal designed for where the economy is going, rather than where it has been.

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Uncle Sam Is No Match for the Marlboro Man

The Ad Is Mightier Than the Rule

By STUART ELLIOTT

As the joke goes, an intellectual is someone who can listen to the "William Tell" overture without once thinking of the Lone Ranger, perhaps an antismoking activist is someone who can listen to the score of "The Magnificent Seven" without once thinking of Marlboro.

Nearly a quarter of a century after cigarette advertising disappeared from the airwaves, those stirring strains remain inextricably linked to the world's best-selling smoke. For millions of people, the bold "BUM-bum-bah-dum, BAH-bah-bah-bah-dum" that called them to Marlboro Country can still conjure up potent images of free-spirited cowboys who act out their masculinity and command their own destinies by smoking continuously.

Now, in an effort to discourage children from taking up smoking, the Clinton Administration is taking aim at the advertising that is so vital to a business where image is all. But the enduring symbolic power of the Marlboro Man suggests just how difficult it will be for those curbs to alter consumer behavior in any meaningful way, at least for a generation or two.

The proposed regulations are indeed tough, perhaps the most stringent since 1964, when the Surgeon General declared smoking a health hazard. If they can withstand legal and political challenges, they would ban such powerful advertising tools as brand-name merchandise giveaways and sponsorships of sports events and the use of color in outdoor advertisements, while curtailing others, like print advertising and displays in stores.

Not surprisingly, then, Philip Morris, which has grown with Marlboro to become the world's largest tobacco marketer, has joined the fight against the rules, assailing them as a profound threat to its business.

"This goes way beyond anything we've ever faced before. Our ability to compete would be severely curtailed," said Ellen Merlo, a senior vice president of Philip Morris U.S.A. While there is "more that could be done" to prevent youth smoking, she added, the Clinton proposals infringe upon the "rights of adults to make free choices in a free marketplace."

They are so strict, she said, that Philip Morris executives have taken to wondering, "Will there be a Marlboro as it is today?"

The rules, of course, do not single out Marlboro; they would also apply to also-ran brands like Players and faltering former favorites like Winston. But Marlboro's history and hegemony show that it is best positioned to survive and thrive, that while Philip Morris may have to try harder, short of a total ban on cigarette advertising — or cigarettes — there will be a Marlboro for a long time to come.

Beyond simple smoker habit, the reasons for that remarkable stamina are rooted in what is probably the greatest strategic success story in the history of Madison Avenue.

In the way the puissant and lasting Marlboro Country imagery has been deftly shaped and reshaped to meet whatever obstacles Government and the marketplace have thrown in its path.

Philip Morris, understandably, is reluctant to discuss its future marketing strategies. But should the new rules be put into place, the company would still retain a arsenal of weapons to carry those images forth for generations — among them color advertising in publications not specifically directed at children and a data base of at least 26 million smokers, all of them poten-

tial targets of direct-mail marketing. Even where the use of the brand name would be prohibited — at sporting events or in merchandise giveaways, for example — the constants of the Marlboro sell, like the Western scene, the letter "M," the color red, could well remain.

"The problem is, we think we're smarter than the cigarette industry and that's not true," said Dr. Alan Blum, president of Doctors Ought to Care, an anti-smoking organization in Houston. "Philip Morris is 20 years ahead of any of our attempts."

Continued on Page 11

Continued from Page 1

Impose limitations on its activities.

(Wall Street seems to echo that view. Philip Morris stock closed unchanged at \$73.50 on Aug. 10, the day of the Clinton announcement. By Friday, it was up to \$74.875.)

Before the Marlboro Man rode onto the scene in 1955, Marlboro was a brand aimed at women, much like Virginia Slims today; it held less than a quarter of a percent of the cigarette market. Now, 3 of every 10 cigarettes sold in the United States carry the logo of Marlboro — its highest market share ever. Marlboro outsells the brands ranked second through sixth combined and leads in categories that include premium-priced, low-tar, "full flavor," 100-millimeter and hard-pack. And the numbers indicate that Marlboro now appeals to the children and grandchildren of the smokers the cowboy attracted; most smokers still take their first puffs on a Marlboro.

That makeover was accomplished through ad campaigns, supported by extensive consumer research and testing, that used carefully chosen words, pictures, colors and shapes to transform what anti-smoking forces deride as a nicotine delivery system into a brand name that vies with Coca-Cola for the title of the world's most valuable trademark.

"To build a brand like this takes decades," said Douglas McIntyre, editor in chief of Financial World. The magazine ranked Marlboro No. 1 in value among the world's brands in 1992 and 1993, at \$31.2 billion and \$39.6 billion, respectively, and No. 2 behind Coca-Cola in 1994 (\$33 billion) and 1995 (\$38.7 billion).

And although "selling a cigarette is tougher than it has ever been," he added, "to create a brand like this also takes decades" because of the residual value of the "images of the cowboy, the tough guy, the range."

There was nary a guy, tough or otherwise, on hand during Marlboro's first three decades. The brand was a premium product with a feminine slant, as signaled by its ivory- and rose-colored tips, elegant packaging and slogans like "Mild as May." But in the early 1950's, concerns about health and smoking led to the popularization of filtered cigarettes, even among men, and Philip Morris, a useful sixth among the six American tobacco marketers, sought to clamber aboard the bandwagon.

The company's first move was to hire the Leo Burnett Company, a highly regarded Chicago advertising agency, in November 1954. One Saturday morning, according to "Leo Burnett, Star Reacher," a biography the agency published this month on its 60th anniversary, Mr. Burnett greeted visitors by asking, "Do you know anything more masculine than a cowboy?" and showing them a prototype of an ad promoting a new cigarette that "delivers the goods on flavor."

In a letter dated Jan. 7, 1955, Mr. Burnett outlined the philosophy of the revamped Marlboro brand, which also featured a reformulated, more flavorful tobacco blend; a package dominated by the color red, which a Philip Morris marketing executive declared "stronger, more masculine"; a "red roof" chevron including a crest of two horses flanking Caesar's words "Veni, Vidi, Vici" and an innovative flip-top box.

Citing research by the Roper Organization "that many people think of filter cigarettes as a woman's smoke," Mr. Burnett wrote, "This is not the personality we want for the new Marlboro." He praised the cowboy as "an almost universal symbol of admired masculinity," adding that while this semiotic sell "almost sounds like Dr.

Fred were put in agency hands, "he isn't. We've been guided by research and old-fashioned horse sense."

Still, the Marlboro Man was not just a cowboy. Though the first one to appear in early 1955 was called "The Sheriff," the agency spent almost a decade alternating cowboys with other rugged individualists — skin divers, pro football players, military officers and race-car drivers. There was also a tattoo on the hand or wrist of the Marlboro Man; it would "say to many men," Mr. Burnett wrote, "that here is a successful man who used to work with his hands," while "to many women, we believe it will suggest a romantic past."

And there was even a sex-appeal sell: The singer Julie London would warble, "Where there's a man, there's a Marlboro," and sulkily suggest to the Marlboro Man that he "settle back" and "make yourself comfortable whenever you smoke."

BUT in 1964, after additional research among smokers found that the most-remembered Marlboro Man was always a cowboy, the campaign was narrowed and resettled in the mythic Marlboro Country, where cowboys, saps tattoos, would "come to where the flavor is."

That turned out to be far more effective than more cumbersome efforts by competitors like Viceroy, which touted "a thinking man's filter, a smoking man's taste." And it proved invaluable when lower-tar cigarettes became popular; "the spirit of Marlboro in a low-tar cigarette" became the sales pitch for Marlboro Lights.

Philip Morris has "maximized the value of every tool to enrich and embellish the brand," said Clive Chajet, chairman of Lipincott & Margulies, a corporate and brand identity consulting company in New York. "The cowboy is as enduring up icon as you can have. And the stronger your brand image, regardless of the environment in which you compete, the better off you are."

Deconstructing the omnipresent imagery of the Marlboro cowboy has proven a popular pursuit.

"The heart of what Marlboro is is that it's a war brand," said Alan Brody, president of Tech Marketing Inc. in Scarsdale, N.Y., who has long studied tobacco advertising. "Historically, cigarettes were popularized in World War I. The crest is a symbolic medal."

So why isn't the Marlboro Man a soldier rather than a cowboy?

"The mythical fighting man in our culture is a cowboy," Mr. Brody said. "He's our samurai." Coincidentally — or perhaps not — "The Magnificent Seven" was based on a popular Japanese film, "The Seven Samurai."

"You have to understand what smoking's all about," Mr. Brody said. "We as a society have abandoned tribal initiation rites, and cigarettes are a substitute; kids want to prove themselves and play the role of adults. When you rob people of something they want, marketers find a way to give it to them."

In 1971, the tobacco marketers were robbed of an important tool when broadcast advertising vanished. The theory was that once Philip Morris, R.J. Reynolds and the rest lost the special benefits of broadcast advertising, particularly television's huge audiences, instant impressions and moving images, cigarette sales would slump.

Far from it. Instead, the restriction had the unintended consequence of punishing brands with images that were difficult to translate into print, like Winston, then the No. 1 smoke, which centered its campaigns on a jingle, "Winston tastes good like a cigarette should."

The reverse applied, too: Brands with strong, simple, adaptable imagery thrived. By 1975, three years after becoming the world's No. 1 cigarette, Marlboro overtook Winston for first place in the United States, a position it has yet to relinquish. And Philip Morris was on its way to becoming first among tobacco marketers.

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THE NEW YORK TIMES, SUNDAY, AUGUST 27, 1995

The end of broadcast advertising, said Ms. Merlo of Philip Morris, "left us with a lot of other media delivery vehicles to get our message across," like direct marketing mailings to smokers, displays in stores, sponsorship of sports events and colorful print ads that presented abstract imagery, all text or no text at all in addition to the standard Marlboro Country campaign.

"Our ability to reach adult smokers was not as impeded," she added, as it would be under the proposed regulations.

One of the most effective alternatives was merchandise promotion under names like the Marlboro Adventure Team and the Marlboro Country Store; by one estimate, 19 million T-shirts, caps, jackets and other items bearing Marlboro logos were sent out last year, making Philip Morris for a time the nation's third-largest mail-order house.

THOSE programs helped Marlboro counter the lure of lower-priced cigarettes, which dented the brand's sales until Marlboro prices were cut permanently in 1993. They also enabled Philip Morris to add to its huge data base of smokers.

"Look when they took away television," said Financial World's Mr. McIntyre. "The tobacco companies developed a generation of things you see now, like event marketing, as a replacement." And they managed to "sneak themselves onto television" through "surrogates like a Marlboro car at a race, a Marlboro sign on a scoreboard."

Added Dr. Blum of Doctors Ought to Care: "The Marlboro Man is now Al Unser Jr., the popular young race-car driver."

He fulminated over the use of colors that match those on cigarette packages, like racing cars painted Marlboro or Winston shades of red, to avoid some countries' restrictions (similar to those proposed by the President) on cigarette ads or sports events held under brand names.

"You don't even have to see the word Marlboro any more," he said. "All you have to see is the color red."

So the proposed regulations might not be as disruptive to cigarette business-as-usual as the President intends. The rules' primary impact would be to "tend to freeze existing market shares, making it more difficult for one company to take share from another," said Roy Burry, who follows the beverage and tobacco industries for Oppenheimer & Company in New York.

Since the Administration's ability to achieve as drastic a measure as an ad ban is problematic, what then could be done to affect the ability of tobacco marketers to sell Marlboros and other brands to the 26 percent of the population that still smokes, as well as to the children who don't yet?

One step would be to reduce the specialness of brand-name cigarettes and deglamorize smoking by requiring, as proposed in Canada, that they come in plain, black-and-white packages.

"We communicate with our eyes, with visual means, as well as with verbal means, sometimes more so," said Alvin H. Schechter, chairman of Interbrand Schechter, a corporate and brand identity

consulting company. "What's the use of paying for a Marlboro, if you're not able to get on that horse in your head?"

Joseph Cherner, president of Smokefree Educational Services, an anti-smoking organization in New York, agreed that such packaging changes "would be a tremendous disincentive to smoking." Rather than an advertising ban, he said, "I'd like to see more counter-advertising aimed at kids," but not "saying 'You're too young to enjoy this adult product,' which will only really make children smoke."

The best counter-advertising, Mr. Cherner asserted, is humor, particularly ridicule. It was ridicule that helped anti-smoking groups demonize Joe Camel, the cartoon character used by R. J. Reynolds to give its Camel line of cigarettes a more contemporary image.

For instance, mocking counter-ads created by children and sponsored by Smokefree Educational Services are scheduled to begin appearing Friday atop New York City taxis. One depicts a skeleton astride a horse in front of the word "cancer" rendered in the Marlboro typeface. Another spoofs Virginia Slims as "Virginia Slimme" and shows a crone smoking and the parody slogan "You've come the wrong way, baby!"

Added Dr. Blum: "You have to say, 'I will do whatever it takes to reduce the consumption of Marlboro,' go after the top brand. Otherwise you're not doing demand reduction; you're only aiming at supply." (Dr. Blum's insistence on attacking Marlboro led him to part company with other critics of smoking in their castigation of Joe Camel; he believed that focusing solely on that character enabled Philip Morris to strengthen its own, the Marlboro Man.)

If those or other alternative restrictions were adopted, could Philip Morris still find ways to market Marlboro?

"I wouldn't rule it out," Ms. Merlo said. "Necessity has always been the father of the mother of invention."

Even if Marlboro or other brands are damaged, she added, "there will be ways to market your product."

Though corporate policy precludes discussion of future marketing plans, trade publications have reported that Philip Morris is developing a variety of Marlboros named Marlboro Express that would be 70 millimeters long rather than the standard 85 — perfect for puffing in those doorways to which smokers have been exiled by restrictive policies in workplaces.

So short of a prohibition of cigarette sales, there may always be a Marlboro. And if a ban should come, shoppers might then be urged to visit Marlboro Country by buying Marlboro cereal or beer.

"I'll put my money on Philip Morris any day," Mr. Cherner said. "They have the best lawyers, the best ad agencies, the best management talent. They're so good at the bad they do. It's really frustrating." □

THE WHITE HOUSE
WASHINGTON

September 12, 1995

Gloria Cabe
3826 Warren Street, N.W.
Washington, D.C. 20016

Dear Gloria:

Happy Birthday! Hillary and I send
our very best wishes for a wonderful
day and for a healthy and happy year
ahead.

Sincerely,

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Bob
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U. S. Department of Justice
Office of the Attorney General

THE PRESIDENT HAS SEEN

9-13-95

THE
ATTORNEY GENERAL'S
REPORT TO THE PRESIDENT:
The First Year of the
Violent Crime Control Act of 1994



KEEPING OUR PROMISE TO THE AMERICAN PEOPLE

Ann Lewis
Clinton/Gore '96 Campaign
2100 M Street
Suite 700
Washington, D.C. 20037

THE PRESIDENT HAS SEEN
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Business Bulletin

A Special Background Report On Trends in Industry And Finance

FROM HERE TO PROSPERITY. Publishers ballyhoo a blockbuster era for books. Despite inroads by electronic media, book sales flourish. Consumer spending on books is expected to reach \$30.8 billion by 1999, up 30% from \$23.8 billion last year and up 71% from 1989, says the Book Industry Study Group in New York. Readers spend the most on "pleasure" books, rather than educational or professional works, and fall's pleasure-book lineup is being billed as epic. A forthcoming election year and Hollywood-style hype help.

The big gun at Random House is "My American Journey," by retired General Colin Powell. But Random's racks also include new books by Gore Vidal, James Michener and William Safire. Rival Simon & Schuster's "politicos" list includes works by former New York Gov. Mario Cuomo, morals czar William Bennett and first lady Hillary Clinton. Suspense queen Mary Higgins Clark offers "Silent Night" and Richard Paul Evans delivers "The Christmas Box."

"The Road Ahead," by Microsoft's Bill Gates from Viking, arrives about a year late, but comes with CD-ROM.

'JUST-ENOUGH' PACKAGING and right-size packages carry clout.

Nearly 90% of surveyed consumers say products should use no more packaging material than is necessary, says Packaging Digest, a trade magazine in Des Plaines, Ill. Recyclability slipped in importance as less packaging gained, it added. The shoppers singled out cosmetics, pharmaceuticals, consumer electronics and food as being over-packaged. Reclosability ranked high among shoppers' priorities as did ease in opening packages.

Meanwhile, companies take right-sizing to heart. Marigold Foods Inc., Minneapolis, launches liters of its Kemps Premium Ice Cream and new Fat-Free Kemps Ice Cream and Sherburst lines. Smaller than half-gallons, liters allow more promo pricing (two for \$4 vs. two for \$5), sell well in convenience stores and appeal to today's smaller families, it says. And Guardsman Products Inc. says sales of its "Chip Clip" line of clamps for resealing bags grow about 10% a year.

THE TRADE SHOW CROWD sports more blue collars and fewer managers.

Some 30% to 60% of people attending trade shows these days are part of buying teams rather than individual managers, says Allen Konopacki, president of Incomm International, a convention consultant in Chicago. Rather than a perk, attendance is now often viewed as a research trip for a project. For exhibitors, the change brings a shopper who is more serious, better organized and more interested in problem-solving than in showmanship, he says.

For example, Fel-Pro Inc. in Skokie, Ill., a privately held maker of gaskets and sealing components, says it sent 12 teams or 15 teams to the big International Machine Tool Show in Chicago last year. Five years ago, it might have sent foremen, engineers and management to the show, says Steve Neises, a Fel-Pro executive. And while a team may have a mission, such as studying laser-cutting equipment, there is still room for browsing exhibits for new ideas, he says.

Often, teams bring back information that makes it into the company suggestion box, Mr. Neises says.

CORPORATE GIVING to charity will rise 3% this year and 5% in 1996, marking the first time in five years polled companies projected an increase, says an advance report on a study by the Conference Board, a research group in New York.

CAL RIPKEN'S WORK ETHIC may be as unusual in business as it is in baseball where the Baltimore Orioles shortstop has legendary attendance. Only three of 25 companies polled by Challenger, Gray & Christmas Inc., an outplacement firm in Chicago, say they have any employees who have been on the job for 14 years without an absence.

HOW MUCH WOOD can a woodworker work if the woodworker works wood as a hobby? Amateur woodworkers spend \$6.7 billion annually on woodworking products, supplies and equipment, says American Woodworker magazine, Emmaus, Pa.

SHOP TILL the currency drops. Tourists add a spark to retail sales.

A weak dollar in recent months prompts overseas visitors to stock up on U.S. name brands, cheaper basics and novelties. Warner Bros. Studio Stores reports a tourist surge at its 100 outlets, especially in Florida and Hawaii. In Los Angeles, Universal Studios Hollywood stores log a 30% rise in foreign traffic. And in New York, Bloomingdale's says its own logo goods sell well to tourists as do foreign fashions that are cheaper here than abroad.

Shoe retailer Timberland Co. credits a "significant" part of its 8% growth in the second quarter to tourists. "Foreigners pretty much know what they want when they come in" and they buy more than one pair, says Eileen Barnett of Timberland's store on Newbury Street in Boston. Converse Inc. in North Reading, Mass., says sales at its outlet near Disney World in Orlando, Fla., rise 9% this year. But analysts note buying by tourists is just a deutsche mark in the bucket for beleaguered general retailers.

In Texas, retailers such as Jones & Jones note the devalued peso hurts sales among its regular shoppers from Mexico.

BRIEFS: A Bono's barbecue restaurant unit in Brunswick, Ga., uses a slogan created by the owner's father: "If you leave hungry, it's your own fault." . . . Green Foods Corp. in Torrance, Calif., develops Barley Dog, a new pet-food supplement it says keeps Fido from wanting to eat grass.

—PAMELA SEBASTIAN

Shades of Blue

Many Minority Police Doubt That the Force Is Really With Them

They Trail in Assignments,
Promotions and Respect,
Despite Integration Push

Job Tensions Aggravate Bias

A

By JONATHAN KAUFMAN
And DOROTHY J. GAITER

Staff Reporters of THE WALL STREET JOURNAL

Ronald Twitty, a 22-year veteran of the Cincinnati police department, became the fourth black police captain in the city's history in April 1994. Almost immediately, the predominantly white Fraternal Order of Police sued to block his promotion.

While the union says the problem involved the use of incorrect procedures and affected a white officer's promotion as well, within the fractious department the battle quickly took on racial overtones.

"For a police union to fight the promotion of its own members is bizarre," says Alphonse A. Gerhardtstein, lawyer for Capt. Twitty and the city's black police association. The white officers' case will be argued in a state appeals court on Monday, following a lower-court ruling supporting Capt. Twitty's promotion.

For black cops, the issue of supervisory opportunities is a particularly sensitive one. In New York, where 28.7% of the population and 11.4% of police are black, only 6.6% of police supervisors are African-Americans. In Houston, which is 28.1% black, 17.5% of the force and 5.7% of supervisors are black. Most major cities show similar disparities, which many blacks attribute to lawsuits and other opposition from mostly white unions. Hispanics and women also lag behind white males.

To be sure, the number and influence of black police officers have grown significantly as a result of integration efforts. Since 1972, the number of black police officers nationwide has doubled to more than 60,000. Between 1982 and 1992, the 50 largest police departments increased the number of black officers by an average of 36%. During the past 10 years, black police chiefs have taken office in New York, Los Angeles, Chicago, Houston, Philadelphia and Detroit.

But blacks say they have had to fight every inch of the way and still must contend with obstacles to recruitment and advancement, harassment by racist colleagues and difficulties in getting plum work. "Job assignments, discipline and promotions — the whole system is bankrupt," contends Lt. Michael Cureton, a 15-year veteran of the Cincinnati police department.

Some officers, white and black, have exacerbated the problems by voluntarily

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segregating themselves within the station house, befriending only members of the same race and refusing to be teamed as partners. "Simply hiring a lot of minority officers is not going to make a difference," says James Fyfe, a former New York police officer now teaching at Temple University in Philadelphia. "You have to do a lot of other things — changing the culture so that certain things are not tolerated," he says.

With affirmative action under new assault nationally, many blacks worry that the gains made so far are in jeopardy. They note that several large cities such as New York and Houston that had black police chiefs now have white ones, just as some black big-city mayors have been replaced by whites. And they worry about what a conservative Supreme Court, which has been pulling back from affirmative action, will think of its continued use in the nation's police forces.

Reflecting the pessimism among some blacks about the future of police departments, Earl Shinhoster, acting executive director of the National Association for the Advancement of Colored People, says, "We underestimated just how entrenched attitudes about race were in the police. We thought 30 years would be enough time to overcome it. Perhaps 30 years is not."

"You are going to see more reverse-discrimination suits being brought," says John Pierson, a Los Angeles lawyer who represented three white officers in 1991 in an unsuccessful challenge to the police department's affirmative-action program. He says such programs discriminate

*Pl. e Turn to Page A1 Column 1
Continued From First Page*

against white officers with equivalent or superior credentials. Mr. Pierson predicts that in the current political climate, victory will be "a slam dunk."

Aggressive efforts to integrate the nation's police forces go back to the mid-1960s, following television coverage of white police beating black civil-rights demonstrators in the South and of rioting in the North. At the time, many police veterans say, police forces, North and South, were dominated by white officers, some of whom held views comparable to those expressed by Mark Fuhrman, the retired Los Angeles police detective quoted in tapes as denouncing "niggers" and boasting of abusing black suspects.

Oakland, Calif., a city that was about 25% black in the 1960s, had only a handful of black officers, as did riot-torn Newark, N.J., which was nearing a majority of black citizens. "There was a feeling that this had to change, that an all-white police department was an ineffective police department," says Eric Schnapper, a civil-rights lawyer involved in a number of lawsuits to integrate police departments.

What followed was a blizzard of federal lawsuits against almost every major police department, demanding the recruitment of black officers. Jerry Wilson, Washington police chief from 1969 to 1973, recalls the anxiety in some quarters during this time when he doubled the number of black officers. He says a Southern congressman called him up and asked: "If you hire all these blacks, who is going to protect us when the revolution comes?"

From the start, affirmative action faced fierce, organized opposition from white police officers and their unions. In almost every major city in the 1970s and 1980s, police unions filed lawsuits against the affirmative-action plans. These suits were often paid for by dues collected from both white and black officers. So incensed did black officers become by this opposition that by the mid-1970s most black officers

had stopped participating in the white-dominated unions and set up their own black fraternal groups.

In some cities, black and white cops seemed close to open warfare. In the summer of 1975, tensions exploded in Detroit when several hundred off-duty white officers marched on the federal courthouse in Detroit to protest a court ruling that certain black officers would be bypassed in layoffs. A group of white officers overpowered and beat a black officer, and both black and white police drew guns on the courthouse steps. The standoff stretched on for hours before the two groups dispersed.

When he was named a Detroit police sergeant during this period, a current black commander, David Simmons, says some white officers refused to take orders and went behind his back to white supervisors to see if they had to obey him. "One lieutenant told me: 'You supervise the black officers. I'll supervise the white officers.'"

The Detroit police unions eventually lost all their suits against affirmative-action plans but continued to file grievances against individual promotions of black officers. Today, about half of all Detroit police supervisors are black — still short of the goal established 20 years ago that the makeup of the police at all levels should mirror that of the city, which is 75% black.

In many police departments, blacks and whites still find themselves at loggerheads — and on opposite sides of lawsuits. In Los Angeles, the police union not only mounted a series of court challenges to affirmative action, it helped pay for the defense of two white officers accused of beating black motorist Rodney King in 1991. About 35% of police departments are currently under court-ordered affirmative-action plans; another 40% have voluntary affirmative-action programs prompted by lawsuits.

With officers from the same police department often battling each other in court, the animosity spills over into squad rooms and patrol cars. In St. Louis earlier this year, a black officer publicly accused white officers of stealing a promotional exam and distributing copies to whites so they could get higher scores. A police investigation determined that the tests hadn't been stolen, but resentment among black and white officers still lingers.

"The tensions over affirmative action fester," says Peter Sarna, a former Oakland police captain who is white. "At some point they bubble over — in a reduced level of cooperation, in a lack of enthusiastic assistance. If people have lingering tension, it is going to affect their work."

Lt. Rodney Williams, a black watch commander in St. Louis, says he sometimes has to prod black police to ride with white partners. "Some black officers would rather ride with other brothers or sisters," Lt. Williams says. He says he sometimes has black cops say, "Man, I don't want to ride with that redneck cracker, you know how he is." And I would tell them, "Well, that's why you've got to ride out there with him, because you know how he is."

Traditionally, most white police come from conservative, working-class backgrounds with little contact with blacks. Patrolling high-crime black areas can exacerbate racial tensions and stereotypes. "Police work tends to aggravate whatever prejudice one has," says Jerome Skolnick, visiting professor at John Jay College of Criminal Justice. "Police officers tend to meet people at their worst. It's very easy for police to generalize about their clientele."

More and more, though, black cops say it is they who are too often assigned to deal with drugs and gang crime because these

are seen as "black problems." At the same time, blacks say they have difficulty getting assigned to elite units such as SWAT teams or to headquarters jobs that lead to promotion and recognition from top police officials.

Blacks also maintain that they are more likely than white officers to be given dangerous assignments. Indeed, Prof. Fyfe of Temple University estimates that black police in New York are twice as likely to be assigned to high-crime areas as white police. A New York police spokesman denies any intention to assign blacks to more dangerous precincts, but notes that they do tend to be assigned to areas close to where they live.

The introduction of black police chiefs hasn't helped blacks as much as some had hoped. Since 1982, for example, New York has failed to increase its percentage of black police officers, even though it had two black police commissioners during this span. Critics say that even under a black police chief, New York failed to recruit blacks aggressively and had trouble retaining black officers. Police officials say they can't explain the lack of progress: "All you can say is the agency failed in its attempt to attract more minorities," one official says.

Ronald Hampton, executive director of the National Black Police Association, notes that there are fewer black chiefs of major departments today than 10 years ago. "We've lost a great deal of ground," he says, attributing this to a conservative backlash that began long before the 1994 elections.

Indeed, many white cops have long held the view that too much has been done to help blacks advance, to the detriment of whites. Because affirmative-action programs in police departments have often involved rewriting civil-service exams to increase the passing rate for blacks, many white officers have concluded that black officers simply aren't qualified.

"There is a lot of feeling among white officers that they lowered the standards to bring in black officers," says Lt. Gary Becerra, who is white and chief of the Omaha, Neb., police union. (Lt. Williams of the St. Louis police counters that many white recruiters reject highly qualified black applicants whom they suspect will end up competing with whites for promotions.) Emboldened by the current assault on affirmative action, Lt. Becerra and others say many white officers and unions will be heading to court again to halt police affirmative-action plans.

Yet amid all the concerns, there are some voices of optimism about race relations within police departments. As big cities become more diverse, some believe that pressure on police to integrate their police forces will only increase — and racial divisions among police will ease.

Clarence Harmon, the black police chief of St. Louis, says he already sees a difference in the younger generation of white officers joining his force. Having grown up in a more integrated society, attended integrated schools, served in an integrated army, these white officers "do not exhibit some of the same racial animosities as older officers. They are frequently appalled by what they hear from some of their white peers who have been on the street for a while."

Moreover, says George Kelling, professor of criminal justice at Boston's Northeastern University, "Many police departments are going to continue to move ahead with affirmative action regardless of whether the courts move ahead or not. They understand that a good police department has to be a pluralistic police department."

"And that," he adds, "will ultimately have an impact on the culture of the swaggering white male macho cop."

JAMA[®]

July 19, 1995

The Journal of the American Medical Association



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THE PRESIDENT HAS SEEN
9-13-95

Original to
Carol Roscoe
M.S.

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THE PRESIDENT HAS SEEN
9-13-95

SEPTEMBER 12, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK
SUBJECT: DAILY REPORT

95 SEP 12 P4:39

1996 PRESIDENTIAL

Pete Wilson

An LA Times September 7-9 poll of 1,065 registered voters shows your favorable/unfavorable rating in California as 52-41%, Wilson's numbers are 33-60% favorable/unfavorable -- a record low for Wilson. Fifty-nine percent of those polled think Wilson waffles on issues and 67% think Wilson should not run for President. In head-to-heads, against Dole and Wilson you win handily (53%-42% and 57%-38%), but trail Powell 47-41%. (A clip on the poll is attached.)

Bob Dole

A New Hampshire poll has Dole leading at 38%, Buchanan at 9% and Gramm at 5%. Fifty-three of those polled think Powell should run as a Republican, and 72% would consider an independent candidate.

Colin Powell

I assume you've seen the reports on Powell's revealing his stand on abortion, gun control, affirmative action and school-prayer. The right wing was quick to denounce Powell's pro-choice views, as well as his refusal to endorse school prayer.

ILLINOIS

Gov. Edgar set November 28 for the special primary election to fill Mel Reynolds seat and December 12 for the special general election. Jesse Jackson, Jr. has already announced -- the field is expected to be crowded.

KENTUCKY

The Patton campaign has stopped returning our phone calls. The State Party has been responsive to a point, but the Administration's stance on tobacco has not made things easy.

A Bluegrass poll will be coming out in the next week on the gubernatorial race. Internal polls out of the Patton campaign have shown Patton up from 8 to 9 points. Forgy reached the \$600,000 limit under the new statewide campaign laws as of mid-August. As of last week the Patton campaign was still \$100,000 short of reaching that limit. The Forgy campaign has accused the Patton campaign of deliberately failing to reach the spending cap -- Forgy cannot receive public funds until Patton reaches the \$600,000 mark.

Secretary Pena will open a Kentucky airport with Senator Ford October 13. He will also do a small reception for the state party.

REPUBLICANS

PBS will air a TV special tomorrow night at 9:00, "Inside the Republican Revolution: the First 100 Days." We will get a copy of the tape to you as soon as possible.

STUDY #365

(213) 237-2027

SEPTEMBER 11, 1995

FOR IMMEDIATE RELEASE

*** LOS ANGELES TIMES POLL ALERT ***

WILSON'S FORMAL PRESIDENTIAL ANNOUNCEMENT FAILS TO RALLY SUPPORT FOR HIM IN CALIFORNIA AS HIS POPULARITY PLUMMETS

Although his stands on issues are popular, he trails Dole in race for GOP nomination, and loses badly to Clinton in head-to-head competition. Clinton and Democrats make some statewide gains.

Californians increasingly oppose Governor Pete Wilson's presidential candidacy as his favorability rating hits a record low according to a Los Angeles Times statewide survey conducted September 7 through 10.

Seventy-three percent of Californians and 67% of registered Republicans in California believe that Wilson should not seek the Republican presidential nomination. This is up significantly from March when 59% of registered Republicans opposed his candidacy (as did 63% of all Californians). In addition, Californians do not find Wilson's reason for breaking his promise of serving out his term convincing. Although Wilson says he can do more for California as president than as governor, 73% of the population say his explanation does not justify his change of mind. In addition, a 48% plurality of Californians view him less favorably as a result of his decision to run.

Perhaps as a result of Californians' distaste for his announcement, Pete Wilson's job approval rating is the lowest it has been in two years and his favorability rating is lower than its ever been. In the poll of 1,343 adults, Wilson's job approval rating has sunk to 33% among all respondents, a 14 point drop from March. According to the Times Polls, the last time Wilson's job approval was this low was in October of 1993 when it stood at 31% among all Californians. His favorability rating among registered voters is 35%, an all-time low in the history of the Times Poll.

Wilson's stand on illegal immigration looms large among both his admirers and detractors. His stand on illegal immigration is the most frequently cited reason people feel favorably towards him, while his support of Proposition 187 is the top reason people feel unfavorably towards him. The other top reasons given for liking Wilson are "I just like him" and a perception that Wilson shares the respondent's views. Additional reasons people cited for their dislike of Wilson were his broken promise to serve out his term as governor and what people see as a tendency to flip-flop on issues.

Reflecting this, on character issues Pete Wilson performs poorly. 45% of Californians say he is not a man of deep convictions while only 34% say he is. In addition, 57% of the population say that he waffles on issues, while only 29% say he does not.

In an ironic twist, although Californians are not happy with Pete Wilson in general, most of his stands on issues of concern to both California and the nation are very popular in the state. However, while a majority of Californians say Wilson's ideas and policies on welfare, illegal immigration and crime all give him a boost, roughly 40% of those who say this still view him unfavorably. Again, the reasons most commonly cited for unfavorable opinions of him are his support of Proposition 187, his broken promise, and his flip-flopping.

At this early point in the presidential campaign, Republican primary results are a mixture of both good and bad news for the governor. In an open-ended question to registered Republicans about who they would like to see as their party's 1996 presidential nominee, Wilson has gained only one point since March. He is mentioned as first choice by only 7% of Republicans. In the same open-ended question, Dole has slipped 9 points since March to 18%, and Gramm has slipped 5 points to 4%. This puts Wilson in second place. Wilson remains in second place when registered Republicans are asked to choose from a list of potential candidates, but he still trails Dole by 18 points (17% vs. 35%). However, at this stage not even the front-runner is secure as 74% of those Republicans who currently support a candidate say that they are not certain about their choices and will continue to consider other candidates.

In good news for President Clinton, although his job approval rating has increased only slightly since March (2 points to 52%), he has gained considerable ground in the presidential horse-race in California against Wilson, Senate Majority Leader Bob Dole, and Texas Senator Phil Gramm. Registered voters prefer Clinton over Wilson by 57% to 38%, as opposed to a 51% to 42% margin in March. Clinton currently leads Dole 53% to 42% (a reversal from March when Dole led Clinton 48% to 45%), and he widened his lead over Gramm by 6 points to 57% to 31%. However, in a hypothetical scenario with Colin Powell as the Republican nominee, Clinton fares less well receiving only 41% of the vote compared to Powell's 47%.

These horse-races assume that the presidential contest in 1996 will be a two-way race. However, large numbers of Californians say they would consider voting for a third party candidate if presented with such an option. Only 41% of Californians say they are wedded to either party in the presidential election, while 35% say they would consider voting for any third party candidate and 20% might consider it depending on who that candidate was. This means that a majority (55%) of Californians are potential third party voters. However, given the options of Ross Perot and Colin Powell as independent candidates in a race with Clinton and Dole, Clinton still comes out ahead. As an independent candidate, Perot draws only slightly more Republican votes from Dole than Democratic votes from Clinton, 14% and 9% respectively. But Colin Powell provides a serious threat to Bob Dole. In a three way contest with Clinton/Dole/Powell, Powell takes 30% of the Republican vote from Dole, but only 16% of the Democratic vote from Clinton.

Statewide, Democrats have made marginal gains. When asked which party could do a better job of handling California's problems, 33% of respondents said the Democrats, while 38% said Republicans. This is a slight Democratic increase since March when 30% of Californians said the party was better able to handle the state's problems. Republicans were favored by 41% of Californians in March.

In another reflection on the governor's performance, Californians are increasingly unhappy with the direction the state is taking. 64% of Californians say the state is on the wrong track, while only 27% believe it is going in the right direction. This is a 9 point increase in Californians' dissatisfaction since March when 55% said the state was headed in the wrong direction. In addition, although economic conditions are improving nationally, Californians see no hope for improvement in the state's economy. Opinions on whether the state is in an economic recession are virtually unchanged since March. When asked about the future of unemployment conditions, only 16% of Californians expect them to improve in their area in the next three months (a 5 point drop from March), while 27% expect them to worsen (vs. 22% in March).

In California politics, overall support for the proposed California Civil Rights Initiative remains virtually steady at 65% (66% in March). Support for the initiative varies however among racial groups and between genders, with white males supporting it most strongly at 73%. Women are 62% in favor of the initiative (vs. white women at 70%) while men are 69% in favor. Black respondents are almost evenly split on the issue, while a bare majority of Latinos favor it (52%).

How the Poll Was Conducted

The Times Poll contacted 1,343 California adults, including 1,065 registered voters, by telephone September 7 through September 10. Telephone numbers were chosen from a list of all exchanges in the state. Random-digit dialing techniques were used so that listed and non-listed numbers could be contacted. The sample was weighted slightly to conform with census figures for sex, race, age, education as well as for regional voter registration. Interviewing was conducted in English and Spanish.

The margin of sampling error is plus or minus 3 percentage points; for certain sub-groups the error margin may be somewhat higher. Poll results can also be affected by other factors such as question wording and the order in which questions are presented.

Notes

All answer frequencies are given in percentages. Totals may exceed 100% in questions where respondents are permitted more than one answer. Numbers may add to less than 100% when not all answer categories are displayed.

The wording of some questions has been abridged.

The letters "a," "b,"... next to the survey date in the Trend data indicate that more than one Times Poll was conducted in that month; "a" designates the earliest survey, "b" the next, etc.

SELECTED RESULTS FROM THE TIMES CALIFORNIA POLL OF SEPTEMBER 7-10, 1995

(A full summary of results will be available through the Los Angeles Times Poll at a later date.)

GOVERNOR WILSON

40. Do you think Governor Pete Wilson should seek the 1996 Republican presidential nomination or not? (AMONG REGISTERED REPUBLICANS)

	Now	3/95 ^a
Yes, seek nomination	30 %	34 %
No	67	59
Don't know	3	7

44. What is your impression of Pete Wilson? (AMONG REGISTERED VOTERS)

	Now	10/94 ^b
Favorable	35 %	49 %
Unfavorable	59	45
Don't know	6	6

45. Why do you have a favorable impression of Pete Wilson? (FIVE MOST FREQUENTLY MENTIONED RESPONSES AMONG REGISTERED VOTERS)

	THOSE WITH FAVORABLE IMPRESSION
His views on illegal immigration	28 %
Nothing in particular	16
His views are like mine	11
He's trying	9
Strong leader	7

46. Why do you have an unfavorable impression of Pete Wilson? (FIVE MOST FREQUENTLY MENTIONED RESPONSES AMONG REGISTERED VOTERS)

	THOSE WITH UNFAVORABLE IMPRESSION
His support for Prop. 187	18 %
Broke promise not to run for president	17
Flip flops on the issues	11
His policies hurt education	7
Nothing in particular	7

48. Do you think Pete Wilson is a man of deep convictions, or not?

	ALL ADULTS	REG VOTERS
Man of deep convictions	34 %	35 %
Not a man of deep convictions	45	47
Don't know	21	18

49. Do you think Pete Wilson waffles on the issues, or not?

	ALL ADULTS	REG VOTERS
Yes	57 %	59 %
No	29	29
Don't know	14	12

54. As you may know, when Pete Wilson ran for governor last year he pledged to serve his full four-year term, but he has since decided to seek the 1996 Republican presidential nomination. Wilson says he changed his mind because as president, he will be able to do much more for the people of California than he can do as governor. Do you think that explanation justified Wilson's decision to change his mind and run for the presidency or not?

	ALL ADULTS	REG VOTERS
Justified	22 %	21 %
Not justified	73	75
Don't know	5	4

50 - 53, 55. How do Pete Wilson's views/decisions on the following issues affect your opinion of him? (AMONG ALL ADULTS)

	AFFIRMATIVE ACTION	WELFARE	ILLEGAL IMMIGRATION
More favorable	35 %	55 %	50 %
Less favorable	32	26	34
No difference	28	17	13
Don't know	5	2	3

	CRIME	HIS DECISION TO RUN FOR PRESIDENT
More favorable	61 %	7 %
Less favorable	18	48
No difference	18	43
Don't know	3	2

CALIFORNIA POLITICS AND THE ECONOMY

(AMONG ALL ADULTS)

6. Do you think things in California are generally going in the right direction or are they seriously off on the wrong track?

	Now	3/95 ^a
Right direction	27 %	32 %
Wrong track	64	55
Don't know	9	13

19. Do you think California is in an economic recession, or not?

	Now	3/95 ^a
No recession	22 %	22 %
Mild recession	14	17
Moderate recession	30	29
Serious recession	29	28
Don't know	5	4

14. Which party, the Democrats or the Republicans, can do a better job handling the problems California faces today?

	Now	3/95 ^a
Democrats	33 %	30 %
Republicans	38	41
Neither	18	14
Both equally	5	7
Don't know	6	8

27. Do you favor or oppose the California Civil Rights Initiative?

	Now	3/95 ^a
Favor	65 %	66 %
Oppose	25	26
Don't know	10	8

PRESIDENTIAL POLITICS

**APPROVAL RATINGS
(AMONG ALL ADULTS)**

	Now		3/95 ^a	
	APPROVE	DISAPPROVE	APPROVE	DISAPPROVE
Bill Clinton	52 %	41 %	50 %	41 %
Pete Wilson	33	60	47	44

30. Do you think Bill Clinton should be the Democratic Party's nominee for President in 1996, or would you prefer that the Democrats look for another candidate? (AMONG REGISTERED DEMOCRATS)

	Now	3/95 ^a
Renominate Clinton	59 %	55 %
Look for another candidate	35	36
Don't know	6	9

32. Republican Primary candidate preferences:

REGISTERED REPUBLICANS

Bob Dole	35 %
Pete Wilson	17
Phil Gramm	8
Pat Buchanan	7
Robert Dornan	4
Lamar Alexander	4
Alan Keyes	2
Arlen Specter	1
Richard Lugar	-
Don't know	18

(AMONG RESPONDENTS WHO MENTIONED A CANDIDATE)

33. Are you certain you're going to vote for that candidate, or is it possible that you might end up voting for somebody else?

REGISTERED REPUBLICANS

Certain	22 %
Might vote for somebody else	74
Don't know	4

18. Will you consider voting for an independent or third-party candidate for President in 1996, or will you most likely decide between the nominees of the Democratic and Republican parties?

ALL ADULTS

Would consider independent or third party candidate	35 %
Would choose Democrat or Republican	41
Depends on who runs	20
Don't know	4

**GENERAL ELECTION MATCHUPS
(AMONG REGISTERED VOTERS)**

Clinton	53 %	Clinton	41 %
Dole	42	Powell*	47
Clinton	57 %	Clinton	44 %
Gramm	31	Dole	32
		Perot**	20
Clinton	57 %	Clinton	39 %
Wilson	38	Dole	24
		Powell**	30

* Running as the Republican nominee

** Running as an independent

END

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Senate race hinges on Kitzhaber

■ State school chief Norma Paulus, the latest entrant, favors having a primary election for candidates to replace Bob Packwood

By JEFF MAPES

of The Oregonian staff

State schools superintendent Norma Paulus on Monday became the latest U.S. Senate candidate in a race that increasingly appears to hinge on whether Gov. John Kitzhaber allows voters or party insiders to choose the Democratic and Republican nominees.

Paulus, who previously had toyed with the idea of an independent candidacy for the Senate, said she will run as a Republican. So far, Oregon Senate President Gordon Smith of Pendleton is the only other declared GOP candidate, but several other Republicans also are considering getting into the race to fill the vacancy that will be left by the resignation of Sen. Bob Packwood, R-Ore. Paulus, contending that her two decades in public office give her the ability to "enter Washington at full stride," strongly urged Kitzhaber not to let the party central committees pick the Democratic and GOP nominees.

Kitzhaber will determine the course of the campaign when he sets the date of the special election to replace Packwood. If he sets it more than 80 days after Packwood's Oct. 1 resignation, a primary will be held. If it is within 80 days, the party central committees will pick the nominees. As Packwood marked his 63rd birthday on Monday with a low-key party in his Senate office, his potential replacements and their political handlers all were waiting for Kitzhaber to make up his



PAULUS

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Please turn to
RACE, Page A7

Race: Harry Lonsdale plans to run for Senate if primary held

Packwood observes his 63rd birthday

WASHINGTON (AP) — Sen. Bob Packwood had cake with staff members Monday to observe his 63rd birthday.

But falling four days after the Oregon Republican announced his resignation, the gathering wasn't exactly celebratory.

"We are too busy putting together resumes. We want to get on with our lives," said chief of staff Elaine Franklin.

Continued from Page One

"Whether it goes to the primary or the central committee has the potential to impact who gets the job," said Bob Moore, a Republican pollster based in Portland.

With her strong name recognition with the public, Paulus has a strong chance against Smith and other potential Republican candidates in a primary. But she and her supporters acknowledge that she would have little chance to be picked by the conservatives who dominate the 130-member Republican Central Committee.

On the Democratic side, Bend businessman Harry Lonsdale — a

two-time candidate for the U.S. Senate — said he will likely jump into the race if a primary is held. "The central committee would not pick me," he acknowledged. "I'd be way down their list."

All three of Oregon's Democrats in the U.S. House — Ron Wyden, Peter DeFazio and Elizabeth Furse — have declared for the seat. Wyden is pushing for a primary, where his large campaign war chest and strong base in the Portland area would give him an edge. DeFazio is reportedly pushing for the decision to be made by the 120-member Democratic Central Committee, where he has strong support among the union members and liberal activists

who dominate it.

Even more than the Democrats, however, the size of the Republican field could dramatically change depending on Kitzhaber's decision. "I think if we have a primary, you'll see that field winnowed down a lot," said Barton DeLacy, the state Republican Party treasurer.

U.S. Rep. Wes Cooley and state Republican Chairman Randy Miller both said they're interested in being candidates only if the central committee chooses. In addition, former congressional candidate Bill Witt said he thinks he would have a strong chance if the central committee picks. Witt said he is still trying to decide to stay in the 1996 race for

Sen. Mark O. Hatfield's seat or to join the fray to replace Packwood.

U.S. Rep. Jim Bunn is also a potential candidate, but he didn't return calls Monday to talk about which scenario he prefers.

In addition, a campaign aide for former state Rep. Ron Sunseri, a Gresham Republican who has led the fight against Oregon's education reform law, said that Sunseri plans to enter the race. Dick Younts, who says he will manage Sunseri's campaign, said the former legislator will soon make a formal announcement.

Kitzhaber has said he will decide by the end of this week on an election calendar. Michael Greenfield, the deputy secretary of state, said

that early December would be a logical time to hold either a primary or the special election itself. Kitzhaber decides to have a primary, Greenfield said he expected the special election to be held in mid-late January.

Supporters of a primary say that voters ought to pick the winner, while backers of the central committee process say it would be the most efficient and fastest way to fill the vacancy.

Jeff Mapes covers politics and elections for The Oregonian. He can be reached at 221-8209 or by mail at S.W. Broadway, Portland, 97201.

Salmon: Senators support exemption

phone County District Court.

"It's a sad day," said Lou Gold, a protester and former college professor who has kept vigil at Sugarloaf and other mountain camps. "These are people who have a long history of going to the mountain to pray. No one was talking about blocking logging or anything like that. The request was to do a ceremony."

Doug Bartels, a Boise Cascade spokesman, called the protesters' actions regrettable and unnecessary.

"We will operate this sale and will not be deterred from that, certainly not through acts of disobedience or violence or unlawful acts," he said. "That will have no impact at all other than increase our resolve."

John Stahmer, a spokesman for the Ashland environmental group Headwaters, said protesters are frustrated and want to keep atten-

tion on the forest of course.

At Sugarloaf, where some trees are more than 400 years old, opposition was fierce years before Boise Cascade bid \$2.2 million for the sale in 1989.

A contract wasn't awarded until last year, after two legal challenges failed, an injunction protecting the northern spotted owl was lifted, and the logging plan was altered to be more environmentally palatable.

Environmentalists hoped Sugarloaf would be spared after President Clinton's Northwest Forest Plan labeled the area a reserve. But the plan allows for sales, including Sugarloaf, that fall under a 1989 appropriations rider.

The Associated Press contributed to this report.

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THE OREGONIAN, TUESDAY, SEPTEMBER 12, 1995

Process to replace Packwood complex

By GAIL KINSEY HILL

of The Oregonian staff

When Oregonians select a replacement for Sen. Bob Packwood they will follow an extraordinary process.

The unusual approach denies the governor the chance to appoint a replacement. Instead, Gov. John Kitzhaber will decide whether to hold a special election within 90 days. If he goes for the short time frame, Democratic and Republican Party leaders will select the candidates. If he goes for a later date, a primary will be held.

"It's definitely one of the most complicated and convoluted processes I've heard of," said Paige Richardson, a spokeswoman for Rep. Elizabeth Furse, D-Or.

The history behind the selection process is a bit strange, too. Or, at least, extremely political.

It came about in 1885 after Sen. Mark O. Hatfield, R-Or., had fought off ethical controversies surrounding his dealings with Greek financier Basil Tsakos. He had just won re-election. Nevertheless, rumors continued to circulate of a possible resignation.

At the time, the state constitution called on the governor to fill any vacancy in the U.S. Senate through appointment.

Democrats, in control of the Legislature, and feeding off rumors that then-Gov. Vic Attyeh, a Republican, might appoint himself to fill any vacancy — which, in turn, would make then-Secretary of State Norma Paulus the governor — crafted a bill to change the process.

The constitutional amendment was referred to the ballot in May

The Oregonian
INSIDE LINE
225-5555



We'd like your thoughts on a replacement for U.S. Sen. Bob Packwood. First, should nominees for the seat be chosen by political party conventions or by a statewide vote? Second, what major qualities should Oregon's new senator have? To share your comments, please call The Oregonian's Inside Line, 225-5555 and press this four-digit number: 4800.

1986 and passed 348,005 to 269,805.

Most states fill vacancies through appointment by the governor, followed by a special election, according to Tim Storey, a spokesman for the National Conference of State Legislatures. Though Oregon's details may be unique, they still aim toward the same thing: a special election where voters select someone to fill out the remainder of the term.

The last time Oregon faced a vacancy in the Senate was 1960. Richard Neuberger, a Democrat, died in office March 9 and then Gov. Mark O. Hatfield, a Republican, appointed Democrat Hall Lusk to fill the seat.

Vacancies must be filled by someone of the same party.

That November, Richard Neuberger's wife, Maurine Neuberger, won the election. Actually, her name appeared twice: once to fill the two months that remained in her husband's term and again to fill a full term.

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CHICAGO Sun Times 9/12/95

Clinton at SIU, Rips GOP Education Cuts

BY JOHN M. BRODER
LOS ANGELES TIMES

CARBONDALE, Ill.—Launching a week of events designed to highlight differences between the administration and Republicans on education spending, President Clinton told several thousand students at Southern Illinois University that the GOP wants to rob them of their futures.

Clinton cited proposed reductions in spending on student loans, grants and work-study programs as evidence that the Republican majority in Congress is "short-cutting the future" to balance the budget.

"Do not be fooled by the smoke screen of balancing the budget," Clinton told the students at an outdoor rally. "We don't have to cut education to balance the budget."

He said the Republican budget would cut \$36 billion over seven years from spending on education and training, eliminate the Ameri-corps volunteer program and raise the cost of student loans.

Republicans called Clinton's assertions "a big lie" and "cheap politics" designed to scare students.

Meanwhile, 47 top administration officials left Washington for political appearances around the country this week to try to bolster Clinton's education message.

In the SIU appearance and in an earlier roundtable with a dozen students, Clinton stressed what he considers an important educational in-



JAMES A. FINLEY/ASSOCIATED PRESS

A supporter of President Clinton's views on education spending holds a sign of encouragement.

novation—the 1993 creation of a direct student loan program, which bypasses commercial banks and other middlemen to speed disbursement of money. Clinton said the program has lowered interest rates, cut red tape and saved taxpayers \$6.8 million in administrative costs.

Republicans are trying to cap the direct loan program and return some of the lucrative and low-risk lending business to commercial banks and private companies that distribute the government-guaranteed loans and collect repayments.

The debate over student loans has come to symbolize much of what

separates Clinton from congressional Republicans. It illustrates philosophical differences over ways to accomplish the same goal, whether through a government-run program or incentives to private industry.

Republicans believe the Education Department has no business taking over a loan program that 700 private banks have run for decades. In fact, the GOP wants to abolish the department.

Speaking before Clinton, U.S. Rep. Jerry Weller (R-Morris), tried to generate controversy over the "blacklisting" of graduate student leader Bill Karrow from the group of students who participated in the roundtable discussion with the president.

Karrow was cut from the list of invitees after he expressed opposition to the direct lending program and other administration education policies. Karrow told the Chicago Sun-Times on Sunday that he wanted to tell Clinton he had problems with his own direct student loan.

Weller said that Karrow should be commended for refusing to be a "stage prop for the Clinton White House," but instead was rejected for his political views.

White House press secretary Mike McCurry said that dozens of students were interviewed for the panel discussion and Karrow simply "didn't cut the mustard."

Contributing: Associated Press

Specter lashes out at 'intolerant right'

By DAVID YEPSEN
REGISTER STAFF WRITER

Pennsylvania Sen. Arlen Specter, a candidate for the Republican presidential nomination, said Monday religious conservatives need to be careful they don't drive the GOP so far to the right that President Clinton wins re-election.

Specter, who supports abortion rights and who has fought with religious conservatives in the GOP over that issue, told reporters at a Monday morning press conference "It is a colossal mistake for the Republican Party to knuckle under to the intolerant right. It's just going to guarantee the re-election of a president from the incompetent left."

Specter said he was still upset at not being invited to speak to the Christian Coalition's annual convention. Religious conservatives say

they have a right to get involved in politics to push their views. Ralph Reed, the director of the coalition, said Specter was not invited to participate in the Christian Coalition's convention because of his attacks on the group.

"President Clinton is in much better shape for 1996 than most people concede as of this moment," Specter said. Clinton has "co-opted" Republican calls for a balanced budget. "He's really counting on the dominance of the Pat Robertsons and Ralph Reeds and Pat Buchanans as a millstone around the neck of the Republican Party," Specter said.

Specter was in Iowa to meet with labor leaders about appropriations for federal labor and education agencies. Aides said while most labor leaders are Democrats, they might prove useful to Specter in the Republican caucuses because they have so

phisticated voter-turnout operations.

Despite his back-of-the-pack showing in polls, Specter said "we're working other facets of the party. We're working on the women's groups. There are a lot of Republicans in the labor movement. We're going to put together a little different kind of coalition."

Specter was a bit of a prophet Monday when he told reporters "It is a very uncertain field. Nobody knows what is going to happen." Within a few hours, California Gov. Pete Wilson had announced he wasn't going to campaign in Iowa.

Wilson and Specter have been competing for the support of Republicans who support abortion rights, and Specter's aides said late Monday Wilson's departure leaves Specter as the only candidate for these Republicans to rally to.



Sen. Arlen Specter
Meets with Iowa labor leaders

Breaux plan to require state welfare funds

By JOAN MCKINNEY
Advocate Washington bureau

ADVOCATE 9-12-95

A Senate welfare reform bill would roll many federal anti-poverty programs into a single, large welfare block grant for states.

WASHINGTON — States would have to keep spending some of their own money on welfare to remain eligible for a large federal welfare block grant under an amendment scheduled to be introduced today by U.S. Sen. John Breaux, D-La.

If a state's welfare spending dropped more than 10 percent below its historic spending, the state would suffer a corresponding cut in its federal block grant for welfare, the Breaux amendment says.

"Why should states save from welfare reform and not the federal government?" Breaux said.

In a position paper issued by his office and in a Senate speech Monday, Breaux said his amendment would:

- Keep states as active partners in welfare reform.
- Prevent states from shifting all costs of welfare reform to the federal government, and
- Prevent states from trying to solve short-term budget crunches with welfare cutbacks.

As it operates today, the major welfare program, Aid to Families With Dependent Children, or AFDC, is a federal-state venture.

States put up about 45 percent of the money going monthly checks, child care and work programs for welfare recipients. Some 55 percent of welfare money comes from the federal government, which imposes requirements on the states.

A Senate welfare reform bill, sponsored by Republican Leader Robert Dole of Kansas, would roll many federal anti-poverty programs into a single, large welfare block grant for states and simultaneously eliminates many of the federal mandates.

Initially, Dole did not require states to keep spending their own money on welfare. Pressured by

Breaux and others, Dole has added a "state maintenance of effort" provision in his bill.

But Breaux contends that Dole's mandate for state spending is too weak.

The Dole amendment would allow states to cut their welfare spending by 25 percent (as compared to Breaux's 10 percent) before their block grant was threatened. Dole also would end the state matching requirement after 1999.

"If it makes sense to maintain the federal-state partnership for three years, it makes sense to continue it for as long as states are entitled to block grants," Breaux said.

Breaux also warned that a 25-percent cut in state spending for welfare would dump low-income people on to other programs, principally the federal food stamp program.

Thus, the federal government's food stamp costs would soar if the states lower their own spending on welfare, Breaux said.

Breaux also predicted that the proposed new work requirement for welfare recipients will fall unless states help shoulder the costs of child care and work training for AFDC adults.

In the short-term, these child care and work-training programs will be very expensive, Breaux said.

If states are allowed to drop their welfare spending, "states will be sorely tempted to ease their budget in the short run at the expense of real welfare reform," Breaux said.

If state funds are removed from the AFDC program, state officials will lose some interest in helping solve the program's problems, Breaux said.

*Brady
Linder*

Top Ohio Democrats will strategize with Clinton

The scheduling of Ohio Day at the White House Thursday indicates the state's importance.

Ohio will be crucial to President Clinton's chances for re-election next year, and key Democrats from the state have been invited to the White House this week to strategize and rally the troops.

As many as 500 Ohio Democratic leaders and guests are expected to come to Washington Thursday for briefings and lunch with Vice President Al Gore and a White House reception with Clinton and first lady Hillary Rodham Clinton.



ROGER K. LOWE

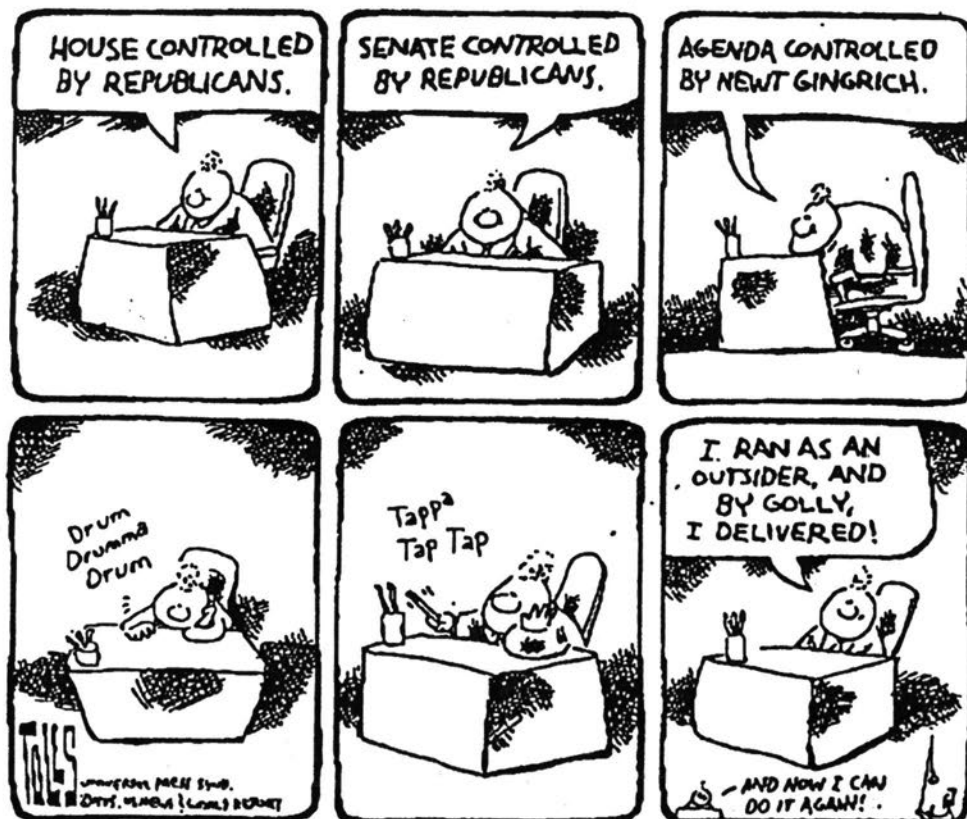
The scheduling of the Ohio event shows the importance of this state to Clinton.

Clinton barely won Ohio in 1992, squeaking by over President George Bush by 90,632 votes out of 4.3 million cast. He got 49.18 percent of the vote to Bush's 38.25 percent. Independent Ross Perot received 9.8 percent, and minor candidates split the rest.

It's impossible to envision Clinton winning re-election next year without carrying Ohio, particularly in Republican strongholds in the South.

"Ohio is a critical state for 1996. There's no getting around it," Leland said.

But Clinton's task in Ohio has been made even more difficult because of the Republican resurgence in the state. The party swept to victory in the 1994 Ohio elections. As a result, the GOP has every statewide



administrative office, majorities in both chambers of the General Assembly, one of the state's two U.S. Senate seats and 13 of the 19 seats in the U.S. House.

In 1992, Clinton was able to build on the political bases and organizations of Attorney General Lee Fisher and State Treasurer Mary Ellen Willrow. Neither is in

office now, as Willrow became U.S. treasurer last year and Fisher fell beneath the elephant stampede.

As a result, when it comes time for Ohio Democrats to stand up for Clinton next year, the party will be turning to mayors, state lawmakers, county party leaders, city council presidents, county commissioners,

business leaders and union officials.

Those Democratic leaders have not been wooed by the White House in the past several years, and Thursday's Ohio Day is designed to help remedy that omission. The list of invited guests is filled with the local leaders whose support will be essential to Clinton's re-election, whether or not he faces a primary challenger.

"Ohio Democrats understand that party unity is going to be critically important," Leland said, both for Clinton's chances in 1996 and to rebuild the decimated party. "When Democrats are unified, no one can beat us; we can only beat ourselves."

Throughout this century, Ohio has been vital in the election hopes of presidential candidates and a bellwether of their political fortunes nationally. The state has voted for the winning candidate in 22 out of 24 elections since 1900, providing the winning margin in several.

The only times the national loser won in Ohio were in 1944, when the state went for the GOP ticket of Thomas E. Dewey and his running mate, Ohio Sen. John Bricker; and in 1960, when Republican Richard M. Nixon won the state.

Clinton fought for the state in 1992, returning to Ohio time and again in the final week of the campaign. He has also paid closer attention to the state since winning election than his predecessor did.

Clinton visited Ohio six times in his first two years in office — although he hasn't returned yet this year — which is far more than Bush did in his first two years.

But White House officials need to spend time listening as well during Thursday's events.

While Clinton has paid close attention to Ohio, many Democrats in the state believe he has focused too much on Cleveland. Four of his six visits to the state have been to Cleveland, with the others to Chillicothe and London.

Northeast Ohio is the heart of the state's Democratic base, but several Ohio Democrats argue that the White House needs to spread the visits around, particularly to cities such as Toledo and Dayton.

Inviting Democrats from throughout the party hierarchy and throughout the state is the first sign that the White House may be getting the message.

Roger K. Lowe is chief of The Dispatch Washington bureau.

Russia's Young Stock Market Cleans Up Its Act

To the Editor:

Re your coverage of Russia and its developing securities market: The structural, mechanical and ethical changes that evolved over the past year in Russia have created a solid, credible foundation that will facilitate investment vehicles and opportunities.

A year ago a common complaint among investors was that if one verbally agreed on a trade, there was little confidence that the transaction would be completed, and if it was, there would be adjustments to the price, settlement date and/or delivery date. The radical change from a year ago in the professionalism of the native market participants should be lauded.

Although renegeing on trades has yet to be eliminated, the Russians have been 98 percent cured, and they realize that the integrity of their markets depends on the old adage: "Your word is your bond."

The past year has witnessed the growth of a national securities market, similar to Nasdaq, which displays two-sided markets in more than 30 of Russia's largest companies and lists more than 100 issues. Yesterday's lament of bogus prices is no more. Dealers are required to make firm markets between 11 A.M. and 6 P.M. if they want to participate in the Russian Trading System.

Bids and offerings are quoted in U.S. dollars, ranked by price, with minimum size obligations. Spreads have narrowed to fractions in some stocks, and last sales and volumes are displayed to market participants. Some issues have 10 or more market makers supplying depth unheard of in emerging markets.

Self-regulatory broker-dealer organizations have been established in Moscow, St. Petersburg, Yekaterinburg, Novosibirsk and Vladivostok; all but Vladivostok are linked to the trading system. The dealer associations have written rules and regulations based on the National Association of Securities Dealers, including arbitration panels and fair practice guidelines for the investing public.

Contracts have been standardized and settlement procedures require re-registration within three business days and monetary settlement two

days later. Re-registration for a regionally located agent is usually completed in seven days — a far cry from a year ago when the registrar's office might have been open between 11 A.M. and 11:15 A.M. on the third Tuesday of each month, and settlement day was a moving target.

Rostelekom, the telephone monopoly, is participating in a nominee ownership project with the Moscow Depository Clearing Corporation, and three New York banks are vying for the right to set up custodial services and provide investor protection guarantees. Many large Western mutual funds are restrained from investing in countries without national depositories that are adequately capitalized, and solid financial institutions must commit to offering custodial services.

Any hint that these two obstacles are overcome, coupled with reasonable stability in the monetary and political arena, will arouse elephant-size funds to come thundering in.

Still, many problems and refinements remain. Telecommunications infrastructure was purposely neglected during the Communist era to discourage exchange of ideas. Phone

with foreign or sizable investors. Until accounting practices are standardized and somewhat Westernized, relying on Russian financials demands blind faith. Many brokers can provide more than the basic essentials about most companies to guide an investor in stock selection.

Nevertheless, the developments in the Russian securities markets deserve more in-depth coverage. Daily you display bid or last-sale prices of smaller, more remote markets. Space should be made available for at least 15 of Russia's most actively traded securities. Perhaps a line dedicated to the ruble-dollar conversion rate would be helpful.

A nation of 150 million people is at the threshold of a great burst of economic activity. Be there!

FREDERICK BERLINER
Moscow, Sept. 5, 1995

The writer is a senior adviser to KPMG/Barents Group, working on a capital markets project sponsored by the United States Agency for International Development.

Georgian Democracy

To the Editor:

Re "Parliament in Georgia Approves Constitution" (news item, Aug. 25): Zviad Gamsakhurdia was not "Georgia's only democratically elected President."

Noe Zhordania was the President of the Independent Republic of Georgia from 1918 to 1921, when he was driven into exile by the Red Army. Granted, he was a parliamentary-elected President. But he was still the first one to be democratically elected.

In our own country the President is elected by the Electoral College, not by popular vote. Yet we still have a democratically elected President.

In the Communist era Zhordania's name and the history of those years of freedom were suppressed.

Many bearing the same last name were executed. Mr. Gamsakhurdia, to enhance his position in history, loved calling himself the first President of Georgia. You should not perpetuate this erasure of history.

MARGARET E. BACKMAN
New York, Aug. 29, 1995



connections have improved but remain erratic. Calling brokers and dealers can be frustrating and time-consuming, and the implications for their business are obvious.

Reliable information about companies is progressing, but many issuers are suspicious and uncomfortable

Why Does U.S. Stall On New World Court?

To the Editor:

"No Accord in Talks on New World Court" (news article, Aug. 26) on the United Nations meeting to discuss the creation of an International Criminal Court, made only brief reference to the disappointing role played by the United States.

Most of those urging a go-slow approach were the predictable opponents of the rule of law in human rights: China, India, Malaysia, Indonesia, Pakistan and Mexico. What was surprising was that these were joined by Japan, Britain and the United States.

The United States delegates, in addition to raising a number of specific objections, made clear that the U.S. has not even decided whether to support the creation of an international criminal court. This is in sharp contrast to its strong and decisive support for the two ad hoc tribunals created by the Security Council to respond to genocide in Rwanda and the former Yugoslavia.

President Clinton should use the occasion of his speech before the General Assembly on the United Nations' 50th anniversary to endorse the creation of an International Criminal Court as a top priority to end the impunity for gross abuses of human rights.

RICHARD DICKER
JUAN E. MÉNDEZ
New York, Aug. 28, 1995

The writers are, respectively, associate counsel and general counsel at Human Rights Watch.

Affirmative Action Delivers Over Time

To the Editor:

Re "Black Students Live Down to Expectations" (Op-Ed, Aug. 31), Claude M. Steele's defense of affirmative action on America's college campuses:

What many arguments in the affirmative action debate fail to take into account is the effect affirmative action programs have over time. Whites opposed to these programs argue they should not be forced to pay for the discriminatory practices of those long dead — slave owners, Jim Crowers and others who committed injustices against blacks.

Early Private Towns

To the Editor:

Re "Many Seek Security in Private Communities" (front page, Sept. 3): Prof. Gerald Frug of Harvard is mistaken in claiming that the new private communities are unlike anything America has ever seen.

In early Puritan New England, the founders and first settlers of towns not only controlled allocation of land, but also controlled who was allowed to settle there.

They issued "warnings out" to individuals, families or groups who were considered undesirable; these were enforced by the town constables. Lists of these warnings out, recorded in town records, are used now by genealogists to track ancestors.

LAURA J. SPURRIER
Berkeley, Calif., Sept. 4, 1995

These people believe that our society should now be color-blind.

White students have legacies rich with tradition, support and expectations that propel them through college and into careers. To not go to college is unheard of in the family line. Those expectations have been ingrained since before birth.

No student, except possibly the black student, enters college on his or her own. Most ride in on the wishes, plans and expectations of parents who have gone before them.

For the black college student there are no traditions to fall back on when the going gets rough. Each day brings the opportunity or obligation to invent new expectations. It is these expectations established today by the black college graduate that will be called upon as a reserve that will help future black students succeed.

When I started at the University of Michigan as a first-generation college student I didn't know that graduate study would be needed for many fields of endeavor. I hadn't been to the father-son football outings with alumni. I had no one at home to ask what courses I should take.

Most black students on campuses are playing it by ear. While support networks set up as a part of affirmative action policies provide some direction, they fall short of the legacy the majority of students benefit from.

ANTHONY WILLIAMS
Brooklyn, Sept. 5, 1995

The writer is a graduate of the University of Michigan, class of 1993.

THE PRESIDENT HAS SEEN
9-13-95

69

The Best Congress Money Can Buy

Washington lobbyists are setting aside breakfast and cocktail hours this month and getting out their wallets. Congress is back.

Lawmakers representing districts all around the country are holding fund-raisers inside Washington's Beltway. For years the Democrats capitalized on this system, but now it's the Republicans, in the majority, who are taking most of the booty. More than three dozen House Republicans will shake the special interest money trees this month alone in the nation's capital.

The only change the Republicans have brought to special interest campaign contributions is that different in-



Politics & People

By Albert R. Hunt

terests are benefiting—the National Rifle Association and most industry associations are in, while the trial lawyers and most labor unions are out: Money, more than ever, talks. The GOP has taken the system, developed by Democrats, and expanded it to new horizons.

"There's no question the system is worse than ever," says Ellen Miller, the executive director of the Center for Responsive Politics, a nonpartisan group that monitors campaign financing. "In the past we could always track special interest favors; now it's happening so fast it's impossible to keep up." Overall, the Republicans are raising about twice as much in campaign funds as the Democrats this year.

The House Republican leadership is setting new benchmarks for aggressive shakedowns, and the followership is right in step. The 73 members of the freshman class—remember, the ones who were dif-

ferent, who eschewed the inside-the-Beltway stuff—are in the vanguard. In the first six months of this year, according to a study by Common Cause, these newcomers raked in \$11 million, almost half of it from political action committees. The class leader is Nevada's John Ensign, a member of the House Ways and Means Committee, with \$448,698 the first half of the year, almost \$200,000 from PACs; for good measure he kicked off the fall season with fund-raisers both yesterday morning and tonight.

His stiff competition includes Rep. Jon Christensen, who charged that an earlier column that cited his fund-raising prowess was an outrage because his Democratic predecessor raised a higher percentage of funds from political action committees and, besides, the author—me—is a "partisan shill." The Nebraska freshman, also a member of the tax-writing committee, hit pay dirt this summer when for \$1,000 a pop he took a busload and a half of lobbyists to a Baltimore Orioles game. The good news was that his wife sang the National Anthem at Orioles Park; the bad news was that because of House votes, Rep. Christensen missed most of the game and the scoreboard misspelled his name.

Sadly, some freshmen who came here with better intentions get caught up in this sordid system. One is Rick White, a bright and decent freshman from Washington state. In June, Rep. White, in a fund-raising appeal, declared: "In a little over a week the media will give me a grade for my first six months in office. That grade won't be based on anything I've accomplished while serving in Congress. That grade

will be based solely on the contribution report I filed with the Federal Elections Commission June 30."

It may be worse in the Senate. After last November's election more than a few telecommunications executives privately expressed shock at what a legislative lightweight Larry Pressler, the new chairman of the Senate Commerce Committee, was. But that hasn't stopped them from ponying up at fund-raisers for the South Dakota Republican in New York, California and Colorado.

But the king of this racket is New York's inimitable Alfonse D'Amato, parlaying his dual role as Banking Committee chairman and head of the Senate Republican Cam-

tem argue that the influence of money is enormously exaggerated. Yet when the tort reform bill was being thwarted Senate Republican leader Robert Dole charged that "reform won't happen unless the Democrats put the interests of the American people ahead of the interests of the trial lawyers and their huge financial stake in the Democratic Party." He's right about the trial lawyers, but the huge contributions that the drug companies and the big accounting firms, among others, made on the other side of this issue were no more benign.

Those who truly believe there's little connection between contributions and legislation ought to read journalist Martin Schram's "Speaking Freely," which consists of interviews on this subject with former members of Congress—to whom candor comes more naturally than it does to incumbents. "People who contribute get the ear of the member and the ear of the staff," says Ron Mazzoli, who was a moderate Democrat from Kentucky. "They have the access—and access is it. Access is power. Access is clout. That's how this thing works."

There'll be renewed efforts this fall to clear up the mess, led in the Senate, starting today, by Arizona Republican John McCain and Wisconsin Democrat Russ Feingold and in the House by some freshmen Republicans, like Linda Smith of Washington.

But Ms. Miller of the Center for Responsive Politics is skeptical, arguing that piecemeal changes wouldn't alter the basic corrupting system, as incumbents who benefit from it are incapable of undertaking a major overhaul. Instead, she looks more to state actions and to most voters' growing revulsion over the fact that no matter who they send to Washington, the abuses of special influence persist: "The voters are going to demand much more radical change."

September Feſt

Here are the Washington fundraisers of House Republicans this month:

Sept. 6	John Ensign, NV	Sept. 20	Ron Lewis, KY
Sept. 7	John Ensign, NV		Tim Hutchinson, AR
Sept. 11	Jim Nussle, IA		Ray LaHood, IL
	Tom Davis, VA		Bob Livingston, LA
Sept. 12	Dave Weldon, FL	Sept. 21	Greg Ganske, IA
	Buck McKeon, CA		Wayne Allard, CO
	Larry Combest, TX		Ed Royce, CA
	Rick Lazio, NY		John Porter, IL
Sept. 13	Jennifer Dunn, WA	Sept. 22	Deborah Pryce, OH
Sept. 14	Richard Pombo, CA	Sept. 26	Steve Schiff, NM
	Jay Kim, CA	Sept. 27	Peter Blute, MA
	Dick Zimmer, NJ		Tom Petri, WI
Sept. 18	Pat Roberts, KS		Dan Schaefer, CO
Sept. 19	Chris Cox, CA	Sept. 28	Frank Riggs, CA
	Joel Hefley, CO		Susan Molinari, NY
	Joe Barton, TX		Elton Gallegly, CA
	Ilean Ros-Lehtinen, FL		Jim Bunning, KY
	Dave Camp, MI	Sept. 29	Mike Oxley, OH
	Floyd Spence, SC		

paign Committee. Time magazine reported this week that lobbyists say he's delaying action on a banking deregulation bill this year because he wants to "milk it" for more campaign contributions, and the Knight-Ridder newspapers earlier reported that his office makes it clear to some lobbyists that legislative action hinges on campaign contributions.

The current GOP defenders of this sys-

THE PRESIDENT HAS SEEN
9-13-95

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THE REAL CHINESE THREAT



IT'S NOT COMMUNISM
AND IT'S NOT TRADE.
IT'S MILITARY EXPANSION,
FUELED BY GROWING
NATIONALISM—AND
NO ONE IS PAYING
ATTENTION.
BY NICHOLAS D. KRISTOF

ALMOST NO ONE NOTICED, BUT THIS summer the Pentagon drew a line in the sand. Washington committed itself to using American military force, if necessary, to keep international shipping lanes open in the South China Sea.

International, at least, in American eyes. But Beijing's maps put the entire area within China's territorial waters. If a stronger China eventually tries to enforce its national law, which governs shipping in the area, then American forces could be called upon to confront a China that has developed enormously since its troops battled ours to a stalemate in Korea.

The underlying problem is the oldest one in diplomacy: how the international community can manage the ambitions of a rising power — and there has never been a rising power quite like China. It has 1.2 billion people; it has a nuclear arsenal; it has an army of 3.2 million, the world's largest; and now it has what may be the world's fastest-growing military budget.

For now, China's conventional forces are no match for America's. One of my Chinese friends, the son of a general, attended a meeting in which a group of senior Chinese military officials reviewed films of the American air war against Iraq. "They sat around the room, moaning about China's lack of preparation, asking what we could possibly do to modernize," he reported. "I felt like piping up and saying there was one thing we could do: go capitalist."

Yet given the rate at which China is pouring money into its armed forces, the situation may eventually be different. The United States Naval War College conducted computer simulations last year and again this year of battles in Asia between China and the United States in the year 2010. To everyone's surprise, China defeated the United States in both. It is said that the Central Intelligence Agency recently conducted its own simulation of such a battle, set in the year 2005, and China won that, too.

Simulations don't prove anything. Still, China and Vietnam have both showed, in Korea and Vietnam, how much damage even a backward army can do, particularly when fighting on its own turf. And unlike Vietnam, China has nuclear warheads aimed at the United States. (The United States has stopped targeting China with nuclear missiles, but China has refused to stop targeting America.) China is also believed to be developing biological warfare agents.

In Asia, there is now a real fear about what the rise of China will mean. "The immense presence of China is itself a threat — whether the Chinese are conscious of it or not — that certainly

Nicholas D. Kristof is the Tokyo bureau chief for The New York Times and author of "China Wakes: The Struggle for the Soul of a Rising Power."

Japan cannot deal with alone," Morihiro Hosokawa, the former Prime Minister, said recently.

In the United States, the expression "containment" is applied increasingly to China. The Administration's position is that it wants to engage China, rather than contain it, but that if necessary in the future it can switch to a containment policy. "We're not naïve," Winston Lord, the Assistant Secretary of State for East Asian and Pacific Affairs, told a congressional committee in June. "We cannot predict what kind of power China will be in the 21st century. God forbid, we may have to turn with others to a policy of containment. I would hope not."

In the meantime, there is growing alarm in Washington and other capitals at China's military spending and policies. While most countries in the world have been cutting back, China has raised its published military budget by 75 percent since 1988, after adjusting for inflation. And the published budget vastly understates reality. It does not even include weapons procurement. The real figure is probably something like \$20 billion, which, when adjusted for purchasing power, may buy as much as a \$100 billion

defense budget in the West.

Most disturbing, China is pouring money into those activities that allow it to project power beyond its traditional borders. In particular, it is building a blue-water navy and developing an air-to-air refueling capability. China is also becoming more aggressive in the South China Sea and even in the Indian Ocean — far from its traditional sphere of influence.

All of this notwithstanding, it would be a mistake to think that China is somehow a ferocious aggressor. It is not. It shows no interest in seizing areas that it never controlled, like Nepal or Indonesia, and its claims to disputed areas like some islands in the South China Sea do have some merit to them. The risk of conflict arises in part because of stirrings of Chinese nationalism. Nobody believes in Communism anymore, so the Communist Party is trying to use nationalism as the new glue. To some extent, it is working. In five years of living and traveling in China, I met innumerable ordinary people who didn't give two yuan for Communism but who argued passionately that China needed to reclaim its territories.

Just a couple of weeks ago, I was chatting with an elderly woman from Shanghai — not a Communist by any means — and I asked her what she thought of Mao. "You know what his biggest mistake was?" she asked, and I thought of the Great Leap Forward, which led to the deaths of 30 million people. "It was giving up Mongolia. That's our land, that's part of China! And he allowed Stalin to take it. What we need to do is get Mongolia back."

I can't say that this woman is representative, although I have occasionally heard other Chinese say they want to recover Mongolia, which is now an independent country. But I have heard many Chinese say that they want

2/2

135

their navy to control the entire South China Sea, to seize the Diaoyu Islands from Japan, even to reconquer Taiwan.

Moreover, the likely successor to the present regime in Beijing is not a democracy but a military government. President Jiang Zemin is terrified of a coup d'état — he has appeared before military units behind a bulletproof shield. If the generals take over in the years following Deng Xiaoping's death, they may be more aggressive than any Communists.

The placid waters and palm-lined islets of the South China Sea may be the site of Asia's next war. The Government in China refuses to clarify whether it claims the entire South China Sea or just the islands in the sea. But in any case, some of the islands are also claimed by five other countries.

China erected a permanent fortress on a reef near the Philippines earlier this year, leading to a tense confrontation at sea between naval vessels for the two sides. Now Americans are training Philippine naval commandos. And Vietnam and China are jostling each other over rival oil exploration programs, by American oil companies, in the disputed area.

The worst nightmare in Asia is a Chinese invasion of Taiwan. China regards Taiwan as a renegade province, while many Taiwanese now hope for a country of their own. The authorities in Beijing repeatedly warn that they reserve the right to use force to recover Taiwan. China underlined its threats in July when it conducted missile tests in the open sea 80 miles from Taiwan, forcing the closure of fisheries and the diversion of commercial flights. The Taiwan stock market promptly plunged 6.8 percent amid jitters about a Chinese attack.

In any case, the possibility of clashes in the Taiwan Strait may be increasing rather than decreasing. For now, it is not clear that China would win if it attacked Taiwan, but the odds will change as China upgrades its forces. It is impossible to imagine that an island of 20 million could indefinitely defend itself against a country of 1.2 billion. There is, in short, a potential Chinese threat and that drives the question: How should America deal with it?

The first step is simply to acknowledge that threat and to pay far more attention to China. America also needs to expand conversations with Chinese leaders, even if that means boosting their legitimacy at times. President Clinton has been reluctant to meet with President Jiang because of Chinese human rights abuses and other problems. But it



A pilot in the northwest Chinese desert, where missiles grow.

would be more effective to invite Jiang to Washington and have him listen to hundreds of demonstrators screaming outside his hotel all night. This would convey not only America's willingness to discuss problems, but also the seriousness with which Americans take China's misconduct.

Washington's aims in such talks should be to promote American interests, and that is not necessarily the same as creating a good relationship with China. There is no reason to provoke a dispute just for the sake of being surly. But the White House has to be willing to risk a dispute when China tests its resolve. For example, China has repeatedly promised not to sell M-11 missiles, which are capable of carrying nuclear warheads, to Pakistan. Each time China makes such a formal pledge, Washington claims credit for a major breakthrough. And each time, China has apparently gone ahead and sold M-11's to Pakistan anyway.

These days, the Administration is reluctant to acknowledge what appears to be the latest sale — despite satellite evidence and the best judgment of intelligence analysts — because it is reluctant to worsen relations. The lesson Beijing draws from this is that it can continue violating its pledges as long as it acts greatly offended when someone complains. It would be better to risk a deeper chill in relations than to keep on backing down.

America also needs to work with Asian countries to apply joint restraints on China. The Asian group of Southeast Asian countries, for example, has become increasingly effective in pressuring China to go slow in the South China Sea. And whatever the risks of confrontation, I think the United States was right to declare its willingness to use military force to escort shipping in the South China Sea. If China were to interfere with those shipping lanes — blocking the flow of oil to Japan, for example — the global economy would be thrown into crisis.

Americans also need to use the right historical model. China is not bent on international conquest. Beijing may wish to dominate the region, but it does not wish to raise the Chinese flag over Jakarta or Tokyo. Rather, it is like Germany in the run-up to World War I, yearning for greater importance and testing to see what it can get away with. There could be a major war with China, but if so, it will be because of ignorance and miscalculation — in substantial part on the western rim of the Pacific. ■

THE PRESIDENT HAS SEEN
9-13-95

August 28, 1995

1. CC: House of
Executive
2. President

To: President Bill Clinton
From: Garry Mauro and Roy Spence
Subject: Texas and Havoc

Mr. President, we hope that this note finds you and the First Lady well and happy.

We want to talk Texas.

We strongly believe that your campaign should spend primary dollars in our state. Here is why.

There is no question that we are not strong here. But neither are any of the Republicans. For example, in the latest Texas poll the senior Senator from Texas, Phil Gramm, is only ahead of you 43% to 39%—statistically insignificant. Those numbers are not particularly encouraging for anyone. This is an opportunity for us, Mr. President.

We all know that from a national perspective we are starting out with a major electoral vote deficit if history is any indication of the future. We also know that in the end both political parties will be competing for the same states that are up for grabs. We also know that we have to win a lot more of those "up-for-grab" states than they do. A lot more. We also know that if the Republicans don't have to spend any dollars in Texas, they can use all that money in those states we have to win.

Here is the basic plan. Garry Mauro won re-election in the same year that Ann Richards and nearly every other contested Democrat got beaten. Badly beaten. We won because we returned to our roots—the rural areas of this huge state.

We carried the rural areas big, while the rest of the Democrats lost both the urban and rural areas.

We strongly believe that whomever the Republican nominee is will have a serious problem in the rural areas of Texas if the right campaign is waged on a local level. The rural voters are older and much more responsive to a "they are out to hurt you" message than the urban areas. Seniors are scared to death that they will be left out in the cold. So are the farmers and the ordinary citizens. The retired

military folks are outraged at the recent GOP proposal called High One to cut their pensions.

We want the chance to prove to your campaign that a highly focused "local" effort can be immensely effective. This is not glory work. There is no glamour in this. But we are convinced that if we are to win the Presidency again we need to rededicate ourselves to winning back over the rural/populist citizen. And there has not been a better chance in a long, long time. The GOP's "mean, not just lean" attack has opened up a huge window for us to reclaim our rural roots. All across the nation.

In addition with the availability of "cheap" local cable TV, inserts and the low cost of rural newspaper, we can do this effort on a shoestring but with powerful results.

When we are successful, we will force the Republicans to spend large dollars in a huge state that they were hoping to get a free ride in. Plus, if there is a third party candidate, Texas will absolutely be in total play if we do the groundwork now.

The plan will be focused in the rural areas. It will be local and will build you up as the friend of the ordinary citizen and the Republicans as the "mean spirited" messengers of hurt for the average citizen in rural Texas.

Please tell your people to talk to us and listen as well. We have a plan that if successful could be the model for an underground grass-roots plan that could reap huge results across the nation.

We remain loyal and totally committed. We also get a sense from what we see in the "marketplace" that Dick Morris is a plus for your mission. We miss both of you.

Onward.

Garry Mauro and Roy Spence

A C S I M I L E

CONTACT Nancy Hyndricke

FROM Roy Spence

COMPANY Office of The President

JOB NUMBER 9900 AGY

GSD&M

DATE . TIME August 28, 1995 1:45 PM

NUMBER OF PAGES . INCLUDING COVER 3

COMMENTS/MESSAGES Nancy, Enclosed is a memo from Garry and me. Please give it to
the President. Thank you so much. Roy

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THE PRESIDENT HAS SEEN
9/12/95

THE WHITE HOUSE

WASHINGTON

September 9, 1995

MR. PRESIDENT:

Attached are the following weekly
information items:

(A) Weekly Economic Briefing.

(B) Interest rates and stock market.
Week ending September 8.

(C) Cabinet Report. To Eishin

(D) CEO Weekly Report. To Cate

Jim Dorskind

This is an
urgent

THE PRESIDENT HAS SEEN

9.12.95

THE WHITE HOUSE
WASHINGTON

95 SEP 8 P8:58

September 8, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
September 4-9, 1995

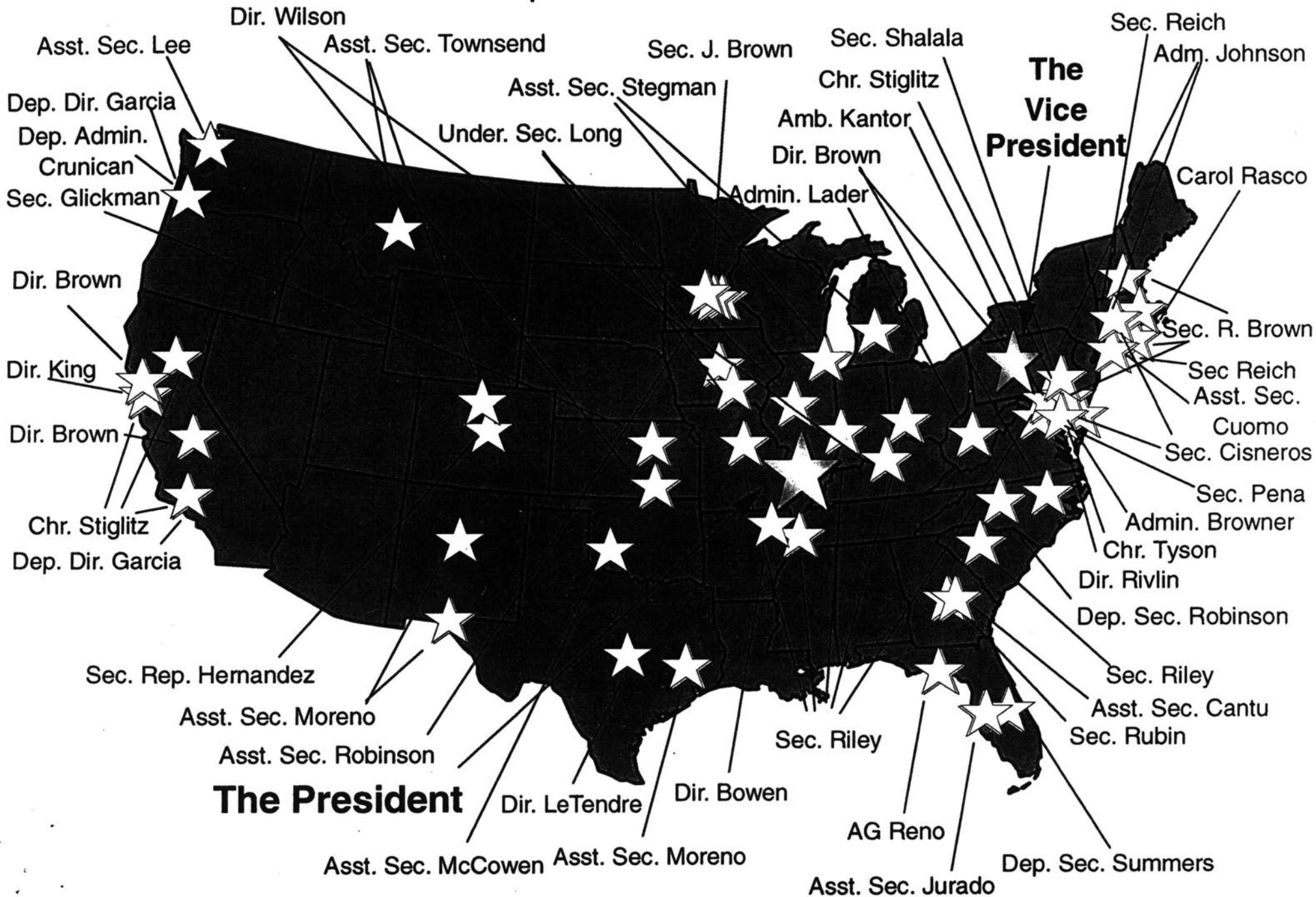
BACK TO SCHOOL WEEK: In preparation for the next week's "Back to School Week" activities, Cabinet Affairs worked closely with the U.S. Department of Education to create "Back to School Week" events for Cabinet and Sub-Cabinet officials in thirty three states. As the attached map indicates, 20 Cabinet and agencies heads are involved in 37 education events in 20 states. Approximately 50 Sub-Cabinet officials in nearly every agency are participating in 71 events in 33 states. All of this activity should help amplify the education events that you will be participating in next week.

DEPARTMENT OF TREASURY

- **Secretary Rubin's Travel:** Secretary Rubin will participate in a back-to-school event at Therrell High School in Atlanta. While in Atlanta, He will meet with the Atlanta Committee for the Olympic Games, participate in a roundtable with reporters and address the employees of the Federal Law Enforcement Training Center (FLETC) on FLETC's 25th anniversary. On Thursday, Secretary Rubin will meet with Chairman Greenspan.
- **Coin Awareness Program:** On September 8, US Mint Director Diehl will attend a reception sponsored by the National Council of Negro Women to launch the Mint's Coin Awareness Program which honors the achievements of members of the minority communities. On September 9, the Director will attend the Black Family Reunion on the Mall. He will conduct interviews with the Mint's booth, and sign purchases of the Mint's African American Heroes Collection, set of Congressional medals honoring African Americans.
- **Budget:** Treasury's Office of Economic Policy is preparing an analysis of the effects of the Congressional budget proposals on State governments.

CLINTON ADMINISTRATION BACK TO SCHOOL TRAVEL

September 11-16, 1995





Taxpayer Bill of Rights: The taxpayer bill of rights markup, originally scheduled for this week in the Ways and Means Subcommittee on Oversight, has been postponed until September 12. Treasury staff is reviewing provisions which expand the authority of the IRS to provide for abatement of interest and limiting its authority to issue retroactive regulations.

- **Law Enforcement Hearings:** The House Judiciary Subcommittee on Crime has announced several hearings which are relevant to Treasury law enforcement. These include: hearings on militias, the reauthorization of federal law enforcement, and reviewing gun laws. These hearings have not been formally scheduled. They are, however, expected to occur sometime in September.
- **Japanese Banking System:** Treasury staff is scheduling briefings for the staff of the House and Senate Banking Committees on the current status of the Japanese banking system. We are also attempting to institutionalize quarterly confidential briefings for the Committees to discuss foreign country financial intelligence. Both of these efforts are an outgrowth of the Mexican peso crisis and are part of our continuing efforts to keep the Congress fully informed with regard to international financial matters.
- **Exchange Stabilization Fund (ESF):** Treasury representatives have met with the staff of the Treasury/Postal appropriations conferees to convey our continuing concerns regarding the ESF limitations language contained in the House (Sanders) and Senate (D'Amato) versions of the legislation. Both the House and Senate conferees seem willing to amend the final language. We expect the conferees will drop the Sanders House language and amend the D'Amato provision.
- **Tax Penalties:** The IRS has published final regulations which will make it harder for taxpayers who have underpaid to avoid penalties. Generally, a taxpayer who has underpaid due to disregard of the rules and regulations or understatement of income is subject to a penalty. However, there are provisions in the tax code which make exceptions for taxpayers who can show that they have acted in good faith. The OBRA 93 and the GATT Act amended the tax code to narrow these exceptions.
- **Announcement of a Specially Designated Terrorist:** OFAC has published a notice announcing the designation of Mousa Mohommad Abu Marzook, a senior leader of Hamas, as a Specially Designated Terrorist. Mr. Abu Marzook was arrested in July at Kennedy Airport in New York, and the Israeli Government is seeking his extradition. The notice will have the effect of freezing his assets in the U.S.
- **Arms Imports:** ATF has published a final rule which would amend the regulation governing arms imports by adding Iran, Iraq, Libya, Mongolia, Sudan and Syria to the list of countries from which such imports are proscribed, and by removing from the list Albania, Bulgaria, Kampuchea and Romania. The final rule would also delete the prohibition on the import of defense articles, and related technical data, from South Africa. The State Department approved the final rule.
- **ATF Activities Highlighted:** Harpo Productions (owned by TV talk show host Oprah Winfrey) will produce a 12 part series on children's rights. The series will be hosted by Ms. Winfrey. The first segment will focus on firearms safety, parental responsibility, and the availability of

firearms to juveniles. ATF's Associate director (Enforcement) will be interviewed inside ATF's firearms vault. ATF is also assisting the producers with background information. The series is expected to air in October.

- **U.S. Customs Service Uncover A Transborder Tunnel:** On Tuesday, U.S. Customs Service investigators uncovered a recently completed tunnel suspected to be the work of drug smugglers. The tunnel linked an abandoned Methodist Church in Nogales, Arizona with sewer lines in Nogales, Mexico. Customs officials stated that the 150-200 yard-long tunnel had not yet been used for smuggling. The tunnel, which passes directly beneath the DeConcini Port of Entry, is the third to be discovered by Customs investigators since 1990.

DEPARTMENT OF COMMERCE

- **Secretarial Events Next Week:** On Monday, September 11, Secretary Brown travels to New York to open the U.S. Export Assistance Center and to address the Ambassadors of the Middle East Tour '95 Luncheon. On Tuesday, September 12, he testifies before the House Science committee, meets with German Minister of Posts and Telecommunications Boetsch and Australian Minister for Communications and the Arts Lee, and hosts a meeting of the Trade Promotion Coordinating Committee (TPCC) principals, focusing on the National Export Strategy roll out at the end of September.
- **Commerce will Release the Following:**

Quarterly Financial Report - Manufacturing, Mining and Wholesale Trade for 2nd Quarter 1995	September 11
U.S. International Transactions for 2nd Quarter 1995	September 12
Advance Retail Sales for August 1995	September 14
Manufacturing and Trade: Inventories and Sales for July 1995	September 18
Housing Starts and building Permits for August 1995	September 19
U.S. International Trade in Goods and Services for July 1995	September 20.
- **Sustainable Development Conference:** The September 13-15 National Teleconference on Sustainable Communities will link over 150 communities for a discussion of future sustainability, reinforcing the Administration's commitment to promote sustainable development as a national goal.
- **Back to School Activities:** On Wednesday, September 13, Secretary Brown will lead a Back to School event at Mount Vernon Elementary School in Alexandria, VA.

DEPARTMENT OF LABOR

- **Massachusetts and Rhode Island Grant Announcements:** On Monday, September 11, Secretary Reich travels to Needham, MA to present a \$4.9 million check to the GTE Government Services Corporation that will assist 1,911 dislocated workers. Senator John Kerry will also participate in this event. Later that day, he travels to Providence, RI, to the Women's and Children's Hospital where he will host a discussion with workers who have benefitted from DBL working re-training

grants. He may be joined by Sens. John Chafee and Claiborne Pell and by Reps. Patrick Kennedy and Jack Reed. While in Rhode Island, he will also meet with local labor leaders and attend fundraising receptions for the Democratic Senatorial Campaign Committee and for Rep. Reed.

Summit Run up

● **Garment Retailers Summit:** Secretary Reich will be joined by 26 retailers at Garment Retailers Summit on Tuesday, September 12 at New York's Fashion Institute of Technology. This summit is a follow-up to the well-publicized August 2 raid conducted by federal and state investigators in El Monte, California. During this raid officials discovered more than 70 workers forced to work up to 16 hours a day for as little as 70 cents per hour. This summit is an important opportunity for DBL to work together with the retailers to find ways to protect workers and consumers from the abusive practices of production contractors in the garment industry.

✓ ● **Minimum Wage Event:** This week, Secretary Reich travelled to Buffalo, NY and participated in an event in a grocery store with a family earning surviving on near-minimum wage salaries. The event highlighted the need for the proposed increase in the minimum wage and resulted in a favorable editorial in the *Buffalo News*.

✓ ● **BLS will Release the Following Data:**

Producer Price Index for August 1995
Consumer Price Index for August 1995

September 12
September 13

- **Ryder Systems Drivers Strike:** Some 4,000 drivers and support workers employed by Ryder Systems struck the company's carhaul operations on September 7. Ryder accounts for about 40 percent of the unionized transportation of new vehicles at some point from an assembly plant, rail siding, or port, to auto dealers. The strike followed a breakdown in negotiations between the Teamsters and the National Automobile Transporters Labor Division, which represents major carhaul companies employing more than 12,000 IBT members. The union has characterized the stoppage as an unfair labor practices strike, alleging that the employers have refused to provide information necessary for collective bargaining to continue. The national carhaul agreement expired May 21, 1995.
- **NBA Union Vote:** NBA players completed the union representation vote on September 7; the NLRB will count the ballots on September 12.
- **Teamsters Election:** James P. Hoffa has announced that he will challenge Ron Carey for the presidency of the Teamsters in 1996.
- **Upcoming Secretarial Events:** On September 14 and 19, respectively, Secretary Reich will deliver remarks via satellite to the Massachusetts and the Oregon State AFL-CIO Conventions. On September 20: Secretary Reich will deliver a speech to the American Business Council in Washington, D.C.

DEPARTMENT OF TRANSPORTATION

- **Response to Bomb Threats:** Following bogus bomb threat calls to the New York and Oakland air traffic control facilities, the FAA is developing guidelines to help facility managers evaluate calls and avoid unnecessary interruption of operations.
- **Safety Analysis System:** The FAA announced its new Safety Performance Analysis System (SPAS) on September 7. As part of its Zero Accidents initiative to enhance air safety, the agency has developed SPAS to better and more cost effectively translate and compare information from the nearly 900,000 airline inspection activities done each year. The first of these computerized work-stations will be installed on September 25, and will be available to more than 180 inspectors at 56 FAA offices by February 1996.
- **Open Skies Agreement Reached with Belgium:** The open skies aviation agreement with Belgium was formalized by an exchange of notes on September 5 in Washington, D.C. Belgium is the last of the nine European countries to complete our open-skies initiative.
- **U.S. - U.K. Talks:** Talks on the second-phase United Kingdom-liberalization issues (limited Heathrow/Gatwick access, cargo, charters, pricing liberalization and Fly-America) will resume in London on September 11.
- **U.S. - India:** The United States and India are holding consultations in Washington, D.C. this week. The Indian government is concerned by a large prospective increase in U.S. capacity and are seeking new U.S. rights, including U.K.-Chicago fifth-freedom rights.
- **U.S.- Hong Kong:** In response to a Hong Kong route proposal accepting continuation of the round-the-world route and some flexibility on all-cargo fifth-freedom opportunities, U.S. authorities have confirmed to Hong Kong that we are prepared to try to close on a new agreement on U.S.-Hong Kong services, separate from the U.S.-U.K. Air Services Agreement. Talks are scheduled for the week of September 25, in Hong Kong.
- **U.S.- Japan Cargo Talks:** The first round of broad-scale cargo talks are scheduled to take place in Tokyo September 26-28, 1995. The two countries agreed to enter into cargo talks following the resolution in July of the Federal Express issue, which involved FedEx's request to operate several new routes via Japan to Subic Bay, Philippines. The two sides intend to complete the cargo talks by March.
- **Back to School Event:** On September 14, Secretary Pena will attend a Back-to-School event at the Cora Kelly Magnet School in Alexandria, VA, where his daughter is a kindergarten student. He will discuss "Moving Kids Safely," DOT's child safety initiative.
- **Transit Cuts:** On September 13, Secretary Pena travels to New York City to discuss pending budget cuts on mass transit.
- **NAFTA:** On September 5, Secretary Pena travelled to Montreal, Canada and attended a one-day trilateral ministers meeting with Canadian Minister Douglas Young and Mexican Secretary of Transportation and Communications Carlos Ruiz Sacristan. This meeting was held in preparation

for the December 17, 1995 opening of the U.S. -Mexican border to Canadian, Mexican and American trucking under NAFTA.

- **The National Highway System (NHS):** The House Committee on Transportation and Infrastructure will mark up its draft NHS bill this week. Unless the NHS is approved by Congress by September 30, 1995, States will lose \$5.6 billion in highway funding. Because of that deadline, the Senate included a provision to designate the NHS in the DOT appropriations bill.
- **Red Light Running Campaign:** On August 29, DOT awarded more than \$600,000 in grants to 32 communities to establish local prevention programs nationwide. This is part of the Federal Highway Administration's public education campaign to stop drivers from running red lights.
- **Arkansas SR540 Opened; Replaces "Deadly" U.S. Highway 71:** Federal Highway Administrator Slater participated in a ribbon-cutting ceremony for the ten-mile section of the new SR540, replacing a stretch of U.S. 71, which was cited by Reader's Digest as one of the 10 deadliest highways in the country.

DEPARTMENT OF JUSTICE

- **Crime Act Anniversary Events:** September 13 marks the one-year anniversary of the signing of the Crime Act. To commemorate this occasion, DOJ has scheduled a series of events which highlight the most important elements of the Crime Act, and the impact these programs are having on local communities. On Friday, Attorney General Reno announced a new COPS/Violence Against Women grant program to address the problem of domestic violence. On Monday, the Attorney General travels to Delaware where she, joined by Sen. Biden, will announce \$10 million in drug court grants in . On Tuesday, September 12, the Attorney General will announce the latest round of community policing grants, bringing the total number of new police officers funded under the President's "100,000 cops initiative" to more than 25,000. On Wednesday, September 13, the you and Attorney General Reno will announce grants to ten police departments to help them address the problem of juvenile handgun violence.
- **Appeal Of FACE Act Decision:** On September 14, 1995, the U.S. will file its reply brief in *United States v. Wilson*, No. 95-1871, (7th Cir.) a case arising under the Freedom of Access to Clinic Entrances Act (FACE). On March 16, 1995, the district court dismissed charges against six defendants for physically obstructing the entrances of a reproductive health services clinic in Milwaukee, holding that Congress lacked the authority to enact FACE and that it is "unconstitutional and void." The U.S. will contend that Congress acted within its authority granted by the Commerce Clause and Section 5 of the Fourteenth Amendment to the Constitution.
- **Administrative Claims Filed By Oklahoma City Bombing Survivor:** The first administrative tort claims by a survivor of the Oklahoma City bombing were received last week by GSA, the FBI, and U.S. Attorney for the Western District of Oklahoma. The claims were filed on behalf of P.J. Allen, an infant who was injured in the blast.

- **Upcoming Senate Waco Hearings.** On September 26 and 27, the Senate Judiciary Committee has tentatively scheduled hearings on the actions of the federal agencies involved in the raid on the Branch Davidian compound in Waco, Texas.
- **House Judiciary Subcommittee Markup Of Legal Services Corporation Reauthorization Legislation:** The House Judiciary Subcommittee on Commercial and Administrative Law has begun to markup legislation to reauthorize the Legal Services Corporation. This legislation would change LSC into a block grant program to be administered by the Department.
- **House Judiciary Subcommittee Schedules Markup Of McCollum Bill:** The House Judiciary Subcommittee on Crime has scheduled a markup of a bill introduced by Rep. McCollum, rejecting all of the Sentencing Commission guideline amendments regarding the crack/powder cocaine ratio, including the proposal to equalize the possession ratios (a provision not included in our bill).
- **Legal Immigration Legislation:** This week, Senator Alan Simpson, introduced his bill on legal immigration and on September 19, the Senate Judiciary Subcommittee on Immigration will hold a hearing on this bill. Representatives from the INS, and the Departments of Labor and State will be invited to testify.
- **Legal Immigration Reform Hearing Scheduled:** On Wednesday, September 13, the Senate Judiciary Committee's Subcommittee on Immigration and Refugee Affairs has scheduled a hearing on legal immigration reform. Commissioner Meissner has been invited to testify.
- **Largest Settlement Ever For Federal Housing Bias Case.:** On August 29, 1995, the Court entered a consent decree resolving *United States v. Milton*, (S.D. Fla.), a case brought under the Fair Housing Act alleging rental discrimination against African-Americans. The consent order provides for monetary relief of \$1.2 million, the largest monetary settlement that the Department has ever obtained in a Fair Housing Act case alleging race discrimination in the sale or rental of housing.
- **Federal Extradition Statute Declared Unconstitutional:** On August 31, the U.S. District Court for the District of Columbia declared that the federal extradition statute is unconstitutional. In *Anthony Lobue and Thomas Kulekowskis v. Warren N. Christopher*, the court found that the statute confers on the Secretary of State the power to review the legal decisions of federal extradition judges and magistrates, and that it accordingly violates the constitutional principle of separation of powers. A notice of appeal was filed on September 1.
- **DOJ Review of Shannon Faulkner Decision:** By September 11, the U.S. will file a response to plaintiff Shannon Faulkner's petition for a writ of certiorari in *Faulkner v. Jones*. Faulkner seeks review of the appellate court's decision giving defendants the remedial option of creating a separate program for women. Subsequent to the filing of her petition, Faulkner entered the Corps of Cadets and then withdrew. The U.S. will now argue that Faulkner's petition should be denied because the district court has yet to review or approve the proposed program at Converse College (although now moot as to Faulkner, counsel seek intervention for a new individual plaintiff). The United States will also note that the same issue is presented in *United States v.*

Commonwealth of Virginia (VMI), and that, alternatively, Faulkner's petition should be held pending a decision in the VMI case. By September 13, 1995, the U.S. will file its opposition to The Citadel's petition for a writ of certiorari concerning the appellate court's liability determination.

- **DOI's Regulatory Scheme For Applicant Violator Systems Under The Surface Mining Control And Reclamation Act is Upheld:** On August 31, the court issued a sweeping decision in three significant coal mining regulation cases, *National Wildlife Federation v. Babbitt*, upholding DOI's regulatory scheme for applicant violator systems under the Surface Mining Control And Reclamation Act.
- **Decision Issued in *Winstar Corp. v. U.S.*:** On August 30, Court of Appeals for the Federal Circuit reversed the lower court ruling in *Winstar Corp. v. United States*. The Court found that Congress breached contracts with various thrift institutions when it passed thrift reform legislation in 1989 that would more strictly regulate the use of intangible assets to meet regulatory capital demands. In the 1970s and 1980s, savings and loan regulators had permitted thrifts to use accounting gimmickry in order to avoid insolvency. In a number of instances, the regulators approved thrift transactions that included this type of loose regulatory treatment. When Congress passed thrift reform legislation in 1989, one of the changes it mandated was to end this type of regulatory practice. Various thrifts brought suit claiming that they had contracts for favorable regulatory treatment of intangible assets.
- **NRA's Challenge To 1994 Assault Weapons Ban is Dismissed:** On August 21, 1995, the court dismissed *NRA, et al. v. Magaw, et al.* (E.D. MI), the National Rifle Association's constitutional challenge to the 1994 assault weapons ban legislation, for lack of case or controversy. The court found that the challenge is premature -- both because no plaintiff has been prosecuted or threatened with prosecution under the new provisions, and also because, outside the First Amendment context, facial vagueness challenges are disfavored.
- **BCCI Seized Assets to be Turned Over to the U.S. And The BCCI Worldwide Victims Fund:** On August 29, a U.S. District Court judge in D.C. issued an order turning over more than \$393 million seized from the Bank of Credit and Commerce International (BCCI) to the United States and the fiduciaries of the BCCI Worldwide Victims Fund.
- **INS And California Join Forces To Round Up 116 Criminal Aliens:** Officers from INS and the State of California Department of Corrections jointly conducted a statewide enforcement initiative on August 28-31 and arrested 116 previously deported criminal aliens whom the state had identified as parolees. More than a third of those arrested have been accepted for prosecution by U.S. Attorneys; the remainder will be placed in deportation proceedings.

U.S. TRADE REPRESENTATIVE

- **US Japan Automotive Agreement:** Ambassador Kantor, along with Secretary Brown, Dr. Tyson, and Ambassador Modale, announced that the U.S. Government, in unprecedented cooperation with the U.S. automotive sector, will commit significant resources to monitoring the

U.S. -Japan Automotive Agreement, and the related private sector undertakings, to ensure that a significant increase in sale of competitive U.S. autos and auto parts takes place. A representative of Tenneco announced that Tenneco already has received a contract as a result of this Agreement.

- **Kantor Meeting with Kodak CEO:** Ambassador Kantor met with George Fisher, CEO of Kodak, to discuss the status of Kodak's Section 301 petition against Fuji Film for access to the Japanese film and photographic paper market. USTR has received a commitment from MITI to begin consultations in Tokyo late this month. USTR has made it clear that the section 301 investigation will continue during the consultative process.
- **Kantor Meeting with President of Proctor & Gamble:** Ambassador Kantor met with John Pepper, President of Proctor and Gamble, to discuss U.S.-Latin American trade relations, fast track, Chile's accession to NAFTA, the FTAA process, and Pepper's possible service on the Advisory committee on Trade Policy and Negotiations and the Trade Environment Policy Advisory Committee.

GENERAL SERVICES ADMINISTRATION

- **Secretarial Back to School Activities:** Administrator Johnson will return to William Hall High School in West Hartford, CT on Monday, September 11 to speak to students, emphasizing the Administration's commitment to education and the nation's children. You will deliver a live address via satellite at this event.

OFFICE OF PERSONNEL MANAGEMENT

- **Downsizing Issues:** In response to questions from the departments and agencies regarding downsizing issues, OPM has prepared and is distributing a handbook containing guidance and information on furloughs and reductions-in-force (RIFs).

SMALL BUSINESS ADMINISTRATION

- **SBA National Advisory Council Meeting:** The SBA National Advisory Council will hold its annual meeting September 11 and 12 in Washington, D.C. The Administrator, Deputy, and George Stephanopoulos will address the group.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HHS to Release 1994 Household Drug Survey:** On Tuesday, September 12, in conjunction with National Education Week, Secretary Shalala will release the 1994 Household Drug Survey at an event at Wilson Senior High School. The survey analyzes the drug-use patterns of all Americans, with special attention paid to the use patterns of 12-17 year-olds. After a decade of decline, the survey found slight, but continued increase in marijuana use among people in the 12-17 year age

range. However, no other category of drug use is increasing, and occasional use of cocaine continues to decline.

- **FDA to Announce Informed Consent Proposals for Experimental Therapies:** The FDA is proposing an amendment to its current informed consent regulations to make it easier for patients who are in life-threatening situations -- and unable to give informed consent -- to get the experimental help that could save their lives. The proposals are designed both to clarify the rules for the use of unapproved but potentially life-saving drugs and devices, and also provide safeguards for patients.
- **FDA Allows Expanded Thalidomide Use for AIDS-Related Weight Loss:** FDA has given Celgene Corporation approval for an expanded access program to determine if the drug is effective for AIDS-related wasting and weight loss. To address the possible risk of birth defects, women participating in the program will be required to sign a consent agreement to use both a barrier and a hormonal type of contraceptive.
- **Medicare Broadens Coverage Of Investigational Devices:** The Health Care Financing Administration (HCFA) will announce shortly that Medicare will begin paying for certain investigational medical devices that have not yet received marketing clearance from the Food and Drug Administration (FDA). These devices are typically newer generations of existing technologies already covered by Medicare.
- **Secretarial Event Highlights for Next Week:** On September 15, Secretary Shalala will attend the official dedication ceremony of HCFA's new headquarters in Woodlawn, MD. On Monday, September 18, she delivers remarks on Medicare to the Group Health Association of America.
- **"Drive-Through" Deliveries:** On September 12, the Senate Labor and Human Resources Committee will hold hearings on "The New Borns' and Mothers' Health Protection Act" (S. 969, Bradley, co-sponsored by Senators Kassebaum and Rockefeller), legislation would require health plans to provide coverage for a minimum hospital stay for a mother and child following the birth of the child. It is intended to prevent the increasingly common practice of "drive through" deliveries -- in which insurance companies only cover 24 hours (or less) of hospitalization following deliveries. A number of states have already passed laws requiring insurance companies to cover at least 48 hours of in-patient care for deliveries.
- **DHHS Approves Welfare Waivers for Florida, Ohio, and Mississippi:** DHHS approved three welfare waivers, including the first to be reviewed within the "fast track" 30-day period announced by the you just over a month ago. On September 6, Florida's *Family Transition Program Expansion*, became the first waiver to be approved under the new expedited procedure. The Ohio demonstration, also approved on September 6, expands the State's *Learning, Earning, and Parenting Program (LEAP)*. The modification allows LEAP participants to meet school requirements through approved training or work activities if educational activities are not appropriate. On September 1, the Department also approved an amendment to Mississippi's *New Direction Demonstration Project* to establish a family cap.

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• **Department May Approve North Dakota Welfare Waiver:** In order to promote responsibility, North Dakota's proposal, the *Training, Education, Employment and Management Project*, would require families in nine pilot counties to develop a social contract specifying time-limits for becoming self-sufficient and require a minimum of 32 hours of paid employment and non-paid work. The project aims to promote child support enforcement and parental responsibility by imposing a progressive sanction for non-cooperation in JOBS or with child support and requiring participation in Early and Periodic Screening and Diagnostic Techniques.

- **Researchers Find Drug Combination Efficient as Abortifacient:** An August 31, New England Journal of Medicine article described the use of two FDA-approved drugs, methotrexate (used for cancer and arthritis) and misoprostol (an ulcer drug), as effective in the termination of pregnancy. The drug combination was studied in 178 women, and was effective in 171. Individual physicians may prescribe these two approved drugs for unapproved ("off-label") uses. FDA regards this as a "practice of medicine" matter, and the agency will not interfere with the use of these drugs for pregnancy termination, but the agency also believes that 178 women is too small a sample population to provide a basis for sound therapeutic recommendations about these drugs as a medical alternative to surgical abortions. Therefore, FDA is urging physicians to use this combination of drugs only under the auspices of an approved clinical trial.
- **HCFA Opens First Health Care Fraud Satellite Office:** On September 5, the HCFA opened its first satellite office in Miami, Florida, targeted to fighting Medicare and Medicaid fraud and abuse in South Florida. This effort is part of an ongoing partnership effort between federal, state and private agencies, to fight fraud and abuse.
- **Media Stories on Medicare Fraud:** *The New York Times* and two television news magazines, NBC's "Dateline" and CBS's "48 Hours," are researching Medicare fraud. DHHS is providing all three with materials, including information about "Operation Restore Trust" -- the Department's comprehensive attack on fraud and abuse in particularly vulnerable aspects of the Medicare and Medicaid programs. June Gibbs Brown, Inspector General, has also submitted a guest editorial on "Operation Restore Trust" to the *Home Health Care Dealer* magazine, which reaches 12,000 suppliers of home medical equipment and services.

DEPARTMENT OF VETERANS AFFAIRS

- **1995 POW-MIA Recognition Day:** The VA will observe the 17th Annual National POW-MIA Recognition Day on September 15 in ceremonies and special observances in remembrance of Americans imprisoned during war and those still missing in action. VA will participate in many jointly conducted ceremonies with DoD installations, local governments, and veterans service organizations.
- **VA Simplifies Medical Care Application:** The VA is reducing the paperwork required for veterans applying for VA medical care. The four page application is reduced to one. This streamlined process is expected to save veterans time and aggravation by requiring only basic information. The replacement of the lengthy form and its components with the new Form 10-10T is part of VA's reinvention initiatives.

- **Persian Gulf Syndrome Article in Life Magazine:** The October issue of *Life* magazine is expected to carry a feature article on Persian Gulf veterans' health problems as well as the incidence of birth defects among children of Persian Gulf veterans.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Budget Mobilization Campaign:** Over the August recess, HUD, in partnership with the House and other federal agencies compiled an analysis of the impact of proposed Congressional budget cuts on 50 metropolitan areas. On August 27, mayors and county officials from around the country met to discuss the impact of the budget cuts on their cities. They kicked off their "Budget Mobilization" Campaign on September 7 with regional events in nearly 20 metropolitan communities. An event was held in Boston on September 8 and other regional events are scheduled for New York (September 11), Chicago (September 12) and Atlanta (September 14).
- **Secretarial Back to School Events:** Secretary Cisneros will be in Hartford, CT on Thursday, September 14 to address participants of the TCI Education Project Seminar held at a local high school. Representatives from the Disney Channel, Nickelodeon, CNN, MTV, ESPN and others will demonstrate the powers of interactive television to thousands of teachers, principals and community leaders.
- **Senate Appropriation and Authorization Subcommittees Take Action:** On September 11-12, the Senate Appropriations Subcommittee will mark-up the HUD-VA appropriations bill. Current indications show that the Senate will propose to fund HUD at \$600 million higher than the House Appropriations level, restoring funds in homeless and some public housing programs but cutting CDBG deeper. Overall, the Senate's proposed FY 1996 appropriations levels for HUD will leave the agency with less than the post-rescission levels.
- **Chicago Housing Authority:** Two high-rise development at Chicago's Henry Horner Homes were demolished on August 11 and will be replaced by new housing. Secretary Cisneros held a press conference on August 29 to discuss HUD's progress in improving Chicago public housing. On September 5, Secretary Cisneros testified before the House Government Reform and Oversight Committee's field hearing on the CHA.
- **Public Housing Demolitions:** In addition to Henry Horner, four other public housing developments underwent demolition during the month of August in Milwaukee, Baltimore, Tulsa and New Orleans.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Back-to-School Anti-Drug Event:** On Monday, September 11, there will be a back-to-school event with an anti-drug message in the Indian treaty Room. This event will bring together a large group of celebrities (Lynda Carter, Scottie Pippin, Juwan Howard, Dominique Dawes). During the day, each celebrity will tape an anti-drug public service announcement at ONDCP for later national broadcast.

*I wish
we had done this
on a day I could
participate*

- **Secretarial Event Highlights Next Week:** On Wednesday, September 13, Secretary Brown will participate in a Red Ribbon kick-off event with you and Attorney General Reno. You will make a crime and drug statement and major press coverage is expected. On Thursday, Secretary Brown addresses an Ethics in Policing conference sponsored by the International Association of Chiefs of Police.

- **Peru Counternarcotics Initiatives:** A-37 aircraft used in counternarcotics efforts are in need of parts and there have been blockages in getting those parts to Peru. The NSC is working with ONDCP to resolve issues preventing freeing of needed parts for distribution to Peru. The President of Peru is threatening to stop aircraft deployment because of US inaction.

DEPARTMENT OF EDUCATION

- **Guidance on Religion in Schools:** Next week, Secretary Riley will send a letter to superintendents providing guidance on religious expression in schools.
- **Back to School:** On September 7, Secretary Riley delivered a speech at the National Press Club to highlight family involvement in education and the importance of families going "back to school." During the week of September 11, Cabinet members and celebrities will 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, Indiana, South Carolina, and Illinois later this month and throughout September.
- **Upcoming Floor Action:** In September, the House may consider the CAREERS job training bill as well as H.R. 1720 which would privatize Sallie Mae and Connie Lee.

- **School Superintendent for Boston:** Tom Payzant, Assistant Secretary for Elementary and Secondary Education, has been selected school superintendent for Boston. Dr. Payzant is expected to assume his new duties this fall.

DEPARTMENT OF INTERIOR

- **The Mining Law of 1872:** On Wednesday, September 6, Secretary Babbitt held a press conference in which he signed over title to 108.8 acres of Federal land containing more than \$1 billion in minerals to a Danish mining company for \$275. Under the current law, mining companies receive title to the surface land and minerals rights for \$2.50 to \$5 an acres and pay no royalties on any hardrock minerals they find. The House has approved the continuation of the current moratorium on the patenting of Federal lands but the Senate has not included an extension in its spending legislation for DOI. There is a Senate proposal that would require DOI to speed up the approval of mining claims already in the pipeline. Secretary Babbitt emphasized the Administration's support for genuine reform of the Mining Law which brings this 1872 law into line with present-day fiscal, environmental and technological reality.

- What about S 309*
- **Hearing on National Park Service Bills:** On Thursday, September 14, the Senate Energy and Natural Resources Committee holds a hearing on a number of bills which affect the National Park Service (NPS), including the National Park Service Enhancement Act (S.1144), the Bennett/Bumpers concessions reform bill (S.309), and the Johnston National Park Renewal Fund Act (S.964). Roger Kennedy, Director of the National Park Service, will testify for the Department. DOI will support S. 1144 only if amended.
 - **Grazing Update:** DOI has approved nominees to all of the 24 citizen Resource Advisory Councils (RACs), authorized under the Bureau of Land Management's new public rangeland management regulations finalized on August 21. The Councils are intended to provide a collaborative process for ranchers, environmentalists, and local government officials to advise the BLM on how best to manage the 170 million acres of western public rangelands under BLM jurisdiction to insure healthy rangelands and a sustainable livestock industry. The first meeting of the Councils will be on September 21-22 in Phoenix, AZ.
 - **Meetings with Tribal Leaders:** A number of Tribal leaders are in Washington D.C. this week to meet with Congressional leaders on the proposed cuts to the budget of the Bureau of Indian Affairs. Secretary Babbitt has scheduled several meetings with various Tribal leaders to hear their concerns.
 - **Upcoming Travel:** On Saturday, September 9, Secretary Babbitt travels to Des Moines, Iowa, to address the newly created Iowa Environmental Council. Next week, the seventh National Heritage Tour will include the states of Pennsylvania, Ohio, Kentucky and Tennessee. The tours will continue to emphasize the environmental consequences of the proposed Congressional budget cuts.
- What about S 309*

ENVIRONMENTAL PROTECTION AGENCY

- **Flexible Funding for States and Tribes:** As part of EPA's commitment to building a new partnership with state and tribal governments, the agency is giving states and tribes more flexibility to use grant money to protect their environment in the ways that work best for them. Beginning in fiscal year 1996, states and tribes will have the option of receiving funding from EPA in the form of combined grants called Performance Partnerships -- money states and tribes can use to meet their environmental needs as they see fit.
 - **Project XL:** EPA has selected its first XL pilot project, submitted by the South Coast Air Quality Management District (SCAQMD) in California. Under the pilot, SCAQMD will implement an alternative to the commuter trip reduction plans required by Clean Air Act regulations in order to achieve better environmental results at less cost. EPA expects to announce this Project XL pilot project along with several others in mid-September. EPA has received over a dozen proposals for approval of XL projects so far. The Vice President's office has expressed interest in having the Vice President announce these Project XL pilots.
 - **Toxics Release Inventory:** This week EPA will publish a notice denying an industry petition to remove manganese compounds that are released from iron and steel-making operations from the Toxics Release Inventory (TRI), a database documenting the over 600 toxic chemicals that
- again*

industries have released into the environment. EPA has found evidence that the manganese can leach from the slag into the environment, resulting in potential damages, and has decided not to remove manganese compounds from these operations from the list of TRI chemicals.

DEPARTMENT OF AGRICULTURE

- **USDA Back-To-School Events:** USDA will participate in the White House observance of Back-to-School Week, September 11-15. On September 8, Secretary Glickman delivered an address at the Landon Lecture Series at Kansas State University in Manhattan. On September 14, he addresses the USDA Graduate School faculty.
- ✓ ● **Korean Rice Imports Expected Soon:** The Republic of Korea (ROK) is expected to announce terms for the ROK's first imports of rice under its Uruguay Round (UR) minimum access commitment. The ROK, which has not imported significant quantities of rice since 1982, is required to import 51,000 tons of rice during the first year of UR implementation. ROK indicate that all imported rice will be channelled to the food processing industry as opposed to being made available for household consumption.
- **Fire Suppression Costs On Large Fires Report To Be Released:** The Fire Suppression Costs on Large Fires Report prepared by the USDA Forest Service is scheduled to be published on September 15. The report contains recommendations in the areas of fuels treatment, analysis of costs and risk, protection of private property, and availability of fire personnel. The report will be distributed to regional offices and national forests. The 1994 emergency fire suppression costs were the highest in the history of the Forest Service.
- ✓ ● **Food Stamps Participation Rate Drops:** On September 1, USDA announced that the number of people receiving food stamps dropped in June to 26.3 million, the lowest participation since October 1992. Falling participation has resulted in cumulative savings of \$481.5 million since August 1994.
- ✓ ● **U.S. Agricultural Exports Continue To Surge:** On August 31, USDA announced that FY95 U.S. agricultural exports are forecast at a record high \$53 billion. The latest USDA forecast reflects an upward revision of \$1.5 billion since the last forecast in May. This year's export level would break the previous record of \$43.8 set in FY81.
- **Wisconsin's Tuberculosis-Free Status Jeopardized:** The USDA Animal and Plant Health Inspection Service has suspended Wisconsin's Accredited-Free state status for bovine tuberculosis (TB) after bovine TB was confirmed in a small dairy herd in Wittenburg, Wisconsin. The Wisconsin herd is the first TB-infected herd detected in the United States during FY95.
- **Long Island Fire Aerial Support Review Underway:** The USDA Forest Service has initiated a review of the aerial support for the Sunrise and Rocky Point Fires in Long Island, New York. The task force convened on September 6 in Washington, D.C. The review will address the actions taken during the Sunrise Fire as they relate to the Forest Service role in assisting state and local agencies during fire suppression emergencies. The final report will include recommendations for improving the process as well as strengthening the partnership between the

Forest Service and state and local agencies.

- **Three Suits Filed Challenging Timber Salvage Provisions of Rescission Act:** You signed the Rescission Act, which includes provisions that waive certain environmental laws applicable to timber salvage and other timber sales, was signed by on July 27. Since that time, several lawsuits challenging various provisions of the Act have been filed: *Northwest Forest Resource Council v. Glickman & Babbitt* (D. Ore.) was filed by a timber group seeking a mandatory injunction requiring the release of a broader group of timber sales than the agencies believe is required; *Scott Timber Co. v. Glickman & Babbitt* (D. Ore.) was filed by a timber company to compel release of certain units despite findings that marbled murrelets are nesting in the area; and *Pilchuk Audobon Society v. Glickman* (W.D. Wa.) was filed by an environmental group seeking to prohibit certain sales found to be occupied by marbled murrelets as determined by the Pacific Seabird Group Survey Protocol. In addition, several U.S. environmental groups have challenged the sales in a complaint filed with the NAFTA Commission on Environmental Cooperation.

DEPARTMENT OF ENERGY

✓ **Development of World's Most Powerful Computer:** DOE announced a \$45 million joint development contract with its Sandia National Laboratories and Intel Corporation to build the world's most powerful computer by the end of 1996. The computer, ten times more powerful than the fastest machines today, will be run by DOE's three nuclear weapons laboratories- Sandia National Laboratories, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory. This is an essential component of the Administration's stockpile stewardship program.

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true
- **Agreements Reached During South African Trip:** Several agreements were reached during Secretary O'Leary's trip to South Africa. The most important agreement will expand our cooperation in the nuclear arena. We also agreed to coordinate and assist in the development of their energy policy. One major goal on this trip was to reach agreements on several projects to highlight that South Africa is a viable place for United States firms to invest. A major project announced is a factory, a joint venture between a Black-owned South African holding company and Spire Corporation of Massachusetts. This project will eventually employ 250 South Africans and 50 people in the United States. DOE also committed to provide seed money to determine the viability to develop an industrial park in the Township of Gugulethu.
 - **Global Energy and Environmental Goals in Prague:** On September 14-16, Secretary O'Leary travels to Prague to help advance the U.S.'s global energy and environmental goals. She will meet with Czech officials and seek U.S.-Czech cooperation in energy ventures, e.g., coal-to-gas conversions, U.S. investment in the Czech Republic's energy and environmental sectors; and meeting air quality goals through international Joint Implementation projects.
 - **International Atomic Energy Agency:** Secretary O'Leary travels to Vienna from September 16 through 20 to attend the 39th Regular Session of the General Conference of the International Atomic Energy Agency (IAEA). She will deliver remarks at the conference on "Keeping Commitments: Meeting the Challenges of the New Nuclear Era" and will also participate in bilateral meetings with the energy ministers from ten countries.

UNITED STATES INFORMATION AGENCY

- **Mayors to Visit South Africa:** Nine U.S. Mayors will participate in a USIA-funded, Sister Cities International-organized economic development and cultural exchange to South Africa next week. The cities represented include: Albuquerque, NM; North Little Rock, AR; East Orange, NJ; Toledo, OH; Winston-Salem, NC; Rochester, NY; Newark, NJ; Galveston, TX; and Rockford, IL. The mayors will be accompanied by corporate community leaders, as well as chamber of commerce and economic development representatives. Meetings and briefings are planned in Johannesburg, Cape Town, and Durban.

UNITED NATIONS

- **UN Fourth World Conference on Women:** The First Lady and Ambassador Albright attended the World Conference on Women in China from September 5-7. On Tuesday, the First Lady addressed some 1,500 delegates and observers at a Conference plenary session on the subject of human rights for women. Her speech was very well received by both the audience and the world press, although the Chinese obviously sought to downplay what they (correctly) judged as an attack on their human rights record. Ambassador Albright plans to remain in Beijing until today when she leaves for Bangkok, Rangoon, Jakarta and Manila. She will be back in New York by September 12.
- **UN50:** Plans for the 50th UN General Assembly and commemoration of the 50th anniversary of the UN are proceeding. The Secretary's schedule of bilateral meetings is filling in quickly and the Mayor's office has indicated that the city of New York is enthusiastic about its role in the festivities. The Mayor will likely address the opening of the General Assembly and the city will sponsor a laser show on the night of September 19 as a kick-off event. One potential concern is that the protocol office at State is close to deciding that the United Nations will no longer greet arriving Heads-of-State at the airport. There will be a command post at the airport staffed by protocol officers but the potential for miscues and miscommunication looms large.
- **Iraq:** The 60-day period since the last Iraq sanctions review is up on Saturday, September 9. The Security Council is scheduled to review the issue on Friday.
- **Bosnia/Croatia:** The Security Council is poised to adopt presidential statements, (1) demanding greater access for international relief agencies and the War Crimes Tribunal to look into human rights issues relating to Srebrenica and Zepa and (2) espousing, at Russian insistence, a separate concern about Croatian abuses in the Krajina.

DEPARTMENT OF DEFENSE

- **Haiti:** If the U.N. mission is to terminate by February, significant progress has to be made on key program areas (police, justice, economic reform, etc), which would permit the Haitian Government to stand on its own feet. The effort to bring the opposing sides together so that the elections process can move forward, remains halted. DoD feels it is important that the USG adopt a more assertive stance toward Aristide and members of his government.



Gibbons memo on Alzheimer's gene announcement. Jack attaches an article from *Science* magazine that reports a potential breakthrough in the understanding of Alzheimer's. The discovery was made by a team of scientists made up of Federal researchers at a VA hospital in Seattle, scientists from Massachusetts General and a private lab. Jack notes that we should applaud this discovery as an example of Federal dollars and research expertise working together with industry and academia -- the very sort of partnership that the current Congress is looking to cut.

UD

THE WHITE HOUSE
WASHINGTON

95 AUG 22 P 6 : 58

August 22, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: JACK GIBBONS 
SUBJECT: ALZHEIMER'S GENE ANNOUNCEMENT

This week's issue of *Science* magazine reports a potential breakthrough in the understanding of Alzheimer's disease. As reported in the magazine, a team of scientists — a partnership between Federal researchers at the Seattle Veteran's Affairs Medical Center, scientists at Darwin Molecular Corporation, and Massachusetts General Hospital — has identified a new gene that causes an inherited form of Alzheimer's disease.

The work also builds on discoveries and funding from the National Institute on Aging of the National Institutes of Health. It is important to note, however, that while this finding alone will not "cure" Alzheimer's -- it will lead to a much better understanding of who gets it and why.

The Administration should be prepared to applaud this discovery as a great example of Federal dollars and research expertise working with industry and academia for the good of the American people. Like the Bose-Einstein Condensate discovery a few weeks ago, the Alzheimer's disease finding is a textbook case of science and technology partnerships of the kind the current Congress would cut or severely cripple.



Missing Alzheimer's Gene Found

Researchers find the gene that causes Alzheimer's disease in "Volga German" families. It shows a remarkable similarity to another recently discovered Alzheimer's gene

This summer, research on Alzheimer's disease, the memory-loss disorder that affects 17 million to 20 million people worldwide, has sizzled as much as the weather. Less than 2 months ago, researchers reported the discovery of a gene on chromosome 14 that is responsible for 80% of the cases of familial Alzheimer's disease, a particularly virulent form of the disorder that can strike as early as age 40.

Now, a collaborative team led by molecular geneticists Gerard Schellenberg of the Veterans Affairs Medical Center and the University of Washington, Seattle, and Rudolph Tanzi of Massachusetts General Hospital in Boston reports on pages 970 and 973 the discovery of a gene on chromosome 1 that may account for most of the remaining familial Alzheimer's cases. Even more remarkable, the new gene is closely related to the chromosome 14 gene, known as *S182*.

"It's ... a striking development coming so close on the heels of the chromosome 14 gene discovery," says Alzheimer's researcher Dennis Selkoe of Harvard Medical School. "It is very important that the new gene on chromosome 1 has high homology to *S182*," he adds. The similarity between the two genes may mean that the proteins they encode have similar functions. According to Selkoe, the resemblance "suggests that something about this type of ... protein is very important for the biology of Alzheimer's disease."

Just what that something is will take time to figure out, as researchers know little about the functions of the genes. But Alzheimer's researchers agree that these back-to-back discoveries will fuel basic research that is bound to produce a better understanding of the causes of Alzheimer's disease, including not only the early onset form, but also the much more common sporadic form that strikes people over age 65. "You cannot over-emphasize how seminal these discoveries are," says Alzheimer's researcher Steven Younkin of the Mayo Clinic in Jacksonville, Florida. "They will enable all kinds of work."

The Schellenberg team has been on the trail of the new gene since 1987, a time when no Alzheimer's-causing genes had yet been identified. The first of those wasn't found until 1991, when John Hardy, then at St. Mary's Hospital Medical School in London, and his colleagues showed that mutations in the gene for the amyloid precursor protein (APP), located on chromosome 21, cause Alzheimer's disease in some families. That

discovery was provocative because it provided a direct link to a characteristic feature of Alzheimer's pathology: APP is the source of a peptide called β -amyloid that is found in the abnormal "senile plaques" that stud Alzheimer's patients' brains. But mutant APP genes turned out to account for only 2% to 3% of familial Alzheimer's cases.

About a year later, several teams, including Schellenberg's, showed that many more cases of familial Alzheimer's are caused by an unknown defective gene on chromosome 14. That gene was identified earlier this year by a team led by Peter St. George-Hyslop of the University of Toronto; the results were reported in the 29 June issue of *Nature*.

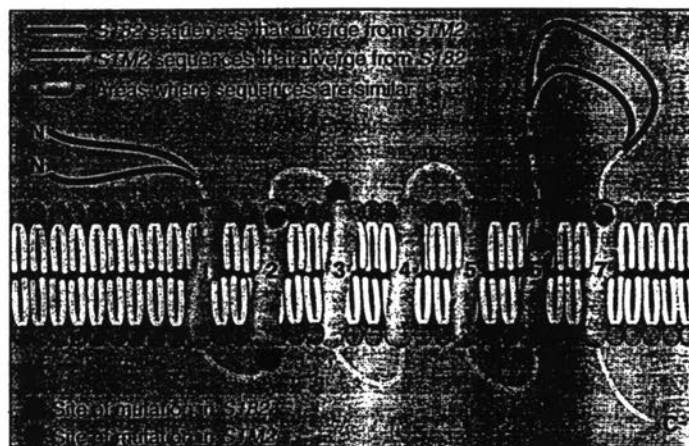
Intriguing as these discoveries were, they left untouched one handful of Alzheimer's-carrying families, which had been identified by Thomas Bird at the Veterans Affairs Medical Center in Seattle: the so-called Volga Germans, who were all descended from a colony of ethnic Germans living in the Volga valley of Russia in the 18th and 19th centuries.

Schellenberg's group had shown that the mutation in these families (which are a very small subset of those who trace their ancestry to the Volga Germans) was on neither chromosome 14 nor chromosome 21. That meant there was at least one other Alzheimer's gene. The Schellenberg group's efforts to pinpoint that gene initially met with failure, but earlier this year, with the help of better genetic markers and more sophisticated statistical analysis methods developed by team member Ellen Wijsman, the researchers finally localized the gene to chromosome 1 and submitted a paper describing their finding to *Science* in early June.

At the time, the team hadn't found the gene itself, but the discovery of *S182* provided an unexpected clue that led them right to it. Wilma Wasco of Massachusetts General Hospital and Tanzi, both of whom were part of the team that found *S182*, compared the *S182* sequence to a collection of expressed

sequence tagged (EST) sequences, short DNA sequences known to come from active genes. Wasco found an EST with a sequence similar to *S182*, Tanzi recalls, and said, "maybe this is the Volga German gene."

After the *S182* sequence was published, Tanzi and Wasco told Schellenberg about Wasco's idea. "Having seen a zillion candidates [for the Volga German gene] come and go, I wasn't excited," Schellenberg recalls. But Ephrat Levy-Lahad, in his lab group, went ahead and checked. She found that the new gene was not only on chromosome 1, but was in the very stretch of DNA that she had



Family resemblance. Mutations in the similar proteins made by the genes *S182* and *STM2* cluster around the membrane-spanning regions.

pinpointed as the likely site of the Alzheimer's gene. "That was a real challenge to the forehead," says Schellenberg. "It went from being a no-hitter to a home run on my God this is the gene."

Within a few days, the team sequenced the gene from Volga German family members, with help from David Galas and his colleagues at Darwin Molecular, a biotech firm in Bothell, Washington. They found that family members with Alzheimer's all had the very same mutation in the gene, while unaffected family members did not. Finding just one mutation makes sense, says Schellenberg. The families trace their ancestry to two neighboring villages in Russia; the mutation probably originated in a common ancestor.

Because of their years of collecting and studying Volga German families with Alzheimer's, the Schellenberg group was perfectly positioned to link the new gene to the Volga Germans. But multiple other groups were hot on their trail, having also found the

gene by scanning the EST database. The findings of these other groups, which include the teams of Samuel Sisodia at Johns Hopkins University Medical School; Hardy, now at the University of South Florida, Tampa; Alison Goate at Washington University in St. Louis; and Hyslop, are still unpublished.

As these groups focus their attention on the new gene, it is likely to emerge as the cause of Alzheimer's in other families besides the Volga Germans. Some Alzheimer's families have as-yet-unidentified mutations, and researchers can now test these families to find out whether they have defects in the chromosome 1 gene. That will indicate whether the three known genes are responsible for all familial Alzheimer's cases, or whether other genes are still at large.

The sequence of the new gene is useful not only for screening families, but also for comparing the gene to *S182*. The two genes' sequences reveal that both of their protein

products contain roughly 450 amino acids and weave through the cell membrane, apparently crossing it seven times. That led the Tanzi-Schellenberg team to name the new gene *STM2* (for the second seven-transmembrane gene associated with Alzheimer's). Overall, the protein sequences are 67% identical, with the membrane segments showing the greatest similarities. This pattern suggests the proteins have similar, although not identical, functions.

But the proteins have provided very few hints about what their normal functions might be, or how their mutant forms cause Alzheimer's. Perhaps the most promising clue so far is the observation by Younkin and Selkoe that cells from patients with a defect in the *S182* gene make abnormally high amounts of β -amyloid. That finding suggests that the mutation in *S182* increases β -amyloid production, which may in turn trigger the disease. Based on the similarity of *STM2*

to *S182*, Younkin suspects mutations in the new gene may also elevate β -amyloid. "It makes sense that a similar protein would wind up causing a similar effect," says Younkin. He and Selkoe, Tanzi's group, and likely others as well are testing that hypothesis.

That experiment is only one of the many that will soon be under way. Researchers in many labs will be putting the new genes into cultured cells in an attempt to understand their cellular effects that may lead to the disease. The mutant genes will also be introduced into mice in hopes of creating new animal models of Alzheimer's. Such models could be used to explore how Alzheimer's develops and to test therapies. "You can expect to see a real flurry of activity in the Alzheimer's disease [research] community," says Younkin. And that activity promises to heat up Alzheimer's research long after the hot summer of '95 has passed.

—Marcia Barinaga

HUMAN ORIGINS

New Hominid Crowds the Field

The base of the hominid family tree is getting crowded. For 2 decades, a 3.5-million-year-old creature nicknamed Lucy and her kin were its sole occupants, but Lucy's solitary reign ended last year, with the discovery of a primitive, 4.4-million-year-old hominid called *Ardipithecus ramidus*. This week a third ancient hominid entered the picture, with the announcement by Meave Leakey and her colleagues of a new species, perhaps Lucy's direct ancestor, that walked the forests of Kenya 4 million years ago.

The new species, *Australopithecus anamensis*, is an anthropologist's delight because its age and features make it an excellent intermediate between *ramidus* and the younger *Australopithecus afarensis*—Lucy's species. "This is what creationists don't want to hear," says Tim White of the University of California, Berkeley, who described *Ardipithecus* last year. But anthropologists aren't certain yet whether these three species represent a single line of descent. Says Alan Walker of Pennsylvania State University, who helped lead the work on the new fossils, "Now you could connect the dots, from *ramidus* to *anamensis* to *afarensis*. But my opinion is that... we'll soon have too many dots to connect in a simple way."

Leakey, Walker, and their colleagues—Craig Feibel of the National Museums of Kenya and Ian McDougall of the Australian National University in Canberra—identified the new species on the basis of fossils collected over a period of years from two sites called Kanapoi and Allia Bay. Because both sites are located near Kenya's Lake Turkana, they named the new species *anamensis*, after *anam*, the word for lake in the Turkana language. At Allia Bay the fossils were mostly isolated

teeth. But they could be dated precisely to 3.9 million years ago, because they were embedded in or beneath volcanic tuff, which is ideal for argon dating.

At Kanapoi the fossils are more complete, including a humerus found back in 1965 and a shinbone found last year. Two new-found jaws clinched the fact that these fossils belong to a new species, says Leakey. But at Kanapoi, some fossils were not embedded in datable rocks, so the researchers had to rely on the ages of nearby tuffs and other rocks to arrive at an estimate of 3.9 million to 4.2 million years.



Long in the tooth. Jaws of the ancient hominid have primitive features, including large canines.

As the researchers report in this week's issue of *Nature*, these fossils create a picture of a creature that weighed perhaps 55 kilograms and displayed a mixture of primitive and advanced features. *Australopithecus anamensis* has a primitive jaw with a shallow palate and large canines. It also has small ear openings like today's African apes and *Ardipithecus*. But the new species' shinbone and arm bones resemble those of the younger species, *A. afarensis*—and even of early *Homo*.

Details such as the shape of the shinbone where it articulates with the knee show that *A. anamensis* walked upright, although it may also have foraged in the trees, says Walker. "This is just what the lower part of a bipedal knee joint ought to look like," agrees Bernard Wood of the University of Liverpool. Until now the oldest direct evidence of upright walking has been 3.6- to 3.7-million-year-old footprints at Laetoli in Tanzania, presumably left by *A. afarensis*, so the telltale shinbone may be the oldest evidence of bipedalism.

White, for one, thinks *A. anamensis* is so nicely poised between *Ardipithecus* and *afarensis* that all three must lie on the same lineage. "I think there's little doubt that *anamensis* arose from *ramidus*," he says. "This is very strong confirmation of what seems to be a [single] rapidly evolving lineage."

But Leakey and colleagues believe that about 4 million years ago, a novel adaptation of bipedalism in hominids to radiate into several different species—and only one led to humans. The anatomical similarities between the new species and fossils of *A. afarensis* at Laetoli suggest that *A. anamensis* may have led to *A. afarensis*, Leakey says. But she doesn't rule out the possibility that *Ardipithecus* may be a closely related dead end rather than a direct human ancestor. And to Peter Andrews of the Natural History Museum in London, the human-like shinbone and humerus raise a heretical notion: Perhaps *A. anamensis*, not Lucy, lies closest to the lineage leading to *Homo*.

It will take more early hominid fossils before researchers can begin to choose among these theories. For now, paleoanthropologists can take pleasure in a new glimpse of Lucy's heritage—and our own.

—Elizabeth Culotta

We have also received the following information items:

 **Ickes response re suggestion from Rabbi Menachem Genack.** Harold recommends that you meet with the Chief Rabbi of Israel and some Sefardi leaders prior to the Jewish High Holy days. If you agree, Harold will submit a scheduling request for a meeting to occur before Rosh Hashana (September 24)

VP
THE WHITE HOUSE
WASHINGTON

95 AUG 17 P3:39

16 August 1995

MEMORANDUM TO THE PRESIDENT
FROM HAROLD ICKES 
RE Rabbi Menachem Genack, Orthodox Union

This is in response to your note to me regarding the 7 July 1995 letter to you from Rabbi Menachem Genack suggesting a meeting, prior to the Jewish High Holy days, among the Chief Rabbi of Israel, Rabbi Eliyahu Baksi-Doran and some Sefardi community leaders. The purpose of the meeting is for the Chief Rabbi to thank you for all the efforts of your Administration on behalf of the Syrian Jews.

Your note indicated that Rabbi Menachem Genack had told you about this. I have had several members of our staff, who focus on Jewish affairs, look into this and it has been suggested that we schedule a brief meeting as suggested by Rabbi Menachem Genack.

If you agree, I will put in the scheduling request for this meeting to take place prior to 24 September 1995, Rosh Hashana.

Orthodox Union

333 SEVENTH AVENUE • NEW YORK, NY 10001-5072

THE PRESIDENT HAS
7/13/95

Leber/Smiler

See Mr. Clinton
He's a big supporter
& told me something
about this B.

See me - re
this - he's a big and
supported
he told me
something
about this

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



THE PRESIDENT HAS SEEN
7/13/95

Orthodox Union

UNION OF
ORTHODOX
JEWISH
CONGREGATIONS
OF AMERICA

איחוד
קהילות
האורתודוקסים
באמריקה

333 SEVENTH AVENUE • NEW YORK, NY 10001 • (212) 563-4000 • FAX (212) 564-9058

ב"ה

KASHRUTH DIVISION

July 7, 1995

President

MANDELL I. GANCHROW, M.D.

Chairman

PROF. SHIMON KWESTEL

Vice Chairman

DAVID FUND

Rabbinic Administrator

RABBI MENACHEM GENACK

Rabbinic Administrator (1950-1972)

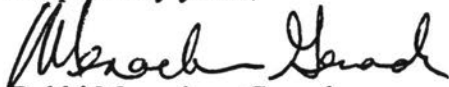
RABBI ALEXANDER S. ROSENBERG

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

Dear Mr. President:

I have been requested by the Chief Rabbi of Israel, Rabbi Eliyahu Baksi-Doron, to attempt to set up a meeting with the President, at which time he would like to thank the President for all the efforts of the Administration on behalf of Syrian Jews. Present at the meeting will also be some prominent leaders in the Sefardi community, amongst them, Mr. Edmond Safra. I would suggest that a meeting some time before the Jewish High Holy Days would be especially meaningful.

Respectfully yours,


Rabbi Menachem Genack

MG:sg

THE PRESIDENT HAS SEEN
9-13-95

DRAFT

August 23, 1995

Dear Mr. Lear:

Thank you for your letter regarding the move in the Congress toward allowing greater concentration of ownership in the media. I certainly share your concerns about this issue.

My Administration has vigorously opposed the provisions in the bills recently passed by both the Senate and the House which would eliminate national and local ownership limits on mass media. The result of lifting such restrictions would be a dramatic consolidation of ownership in media outlets at the national level and a shift in local media markets from a situation with multiple owners and multiple voices to one in which a single entity could own a large share of the mass media outlets in a community. An increase in media concentration could also limit opportunities for minorities to become owners of mass media facilities, which would in turn undermine the important goal of encouraging diversity of viewpoints.

S. 652 would increase from 25 to 35 percent the national audience one broadcast owner can reach and would remove the broadcast-cable cross-ownership ban. Such changes should be considered by the FCC in the context of the coming expansion of broadcast capacity through digital television. The uncertain impact of the move to digital compression and other technological advances argue for delaying any changes in the multiple or local ownership rules pending further study.

My Administration is particularly concerned with proposals in H.R. 1555 that would reduce the number of independent voices in local markets. The repercussions to businesses operating in local markets dominated by a few media owners could be severe. Reduced competition for the advertising dollar could increase the prices local businesses pay for access to television and radio commercial air time as well as space in print media. These smaller firms would find themselves at a competitive disadvantage to larger, national firms better positioned to pay these higher rates. Concentration of national power in the television marketplace would also affect the program production industry. Local broadcasters affiliated with networks now provide their communities with a mix of locally produced, syndicated, and network programming. By strengthening the networks and increasing their leverage with affiliates, the bill could lead to a decrease in locally-produced and independently-produced programming.

We will continue to work closely with the Congress during conference to prevent such dramatic concentration within the broadcast industry. I have stated that if a bill similar to H.R. 1555 is sent to me without deletion or revision of a significant number of these provisions, I will be compelled to veto it in the best interests of the public and our national economic well-being. The diversity of news and information available to the public is, I believe, an essential ingredient in our democracy. I appreciate your letting me know your views on this important issue.

Sincerely,
BC

*original sent to
Jim Dorskind*

NORMAN LEAR

6/28/95

July 31, 1995

Dear Mr. President,

Last week the Gannett Company, which already owned 82 dailies, bought another eleven in its \$1.7 billion purchase of Multimedia. Today we learn that Disney is purchasing or merging with Capital Cities-ABC. Please consider my letter to you of June 28th, attached.

Sincerely,

Norman

NL/la

(Enclosure/ltr., June 28, 1995)

(Dictated from Vermont, but not read)

VIA FAX: 202/456-6424
President Bill Clinton
The White House

NORMAN LEAR

June 28, 1995

Dear Mr. President,

As the Congress begins to dismantle all regulation over television, cable and the new technologies, I find myself thinking about Dwight Eisenhower's warning to the American people about the build-up of the military-industrial complex.

The world can no more afford a handful of Rupert Murdochs controlling the hardware through which every bit of news, information and entertainment will be funneled worldwide, anymore than it could afford the unholy alliance between the military and government.

Think about this, Mr. President.

With every good wish,

A handwritten signature in black ink, appearing to read "Norman", with a long horizontal flourish extending to the right.

NL/la

President Bill Clinton
The White House
1600 Pennsylvania Avenue
West Wing
Washington, D.C. 20500-2000

PR
WVP-

July 31, 1995

Dear Mr. President,

Further to my earlier fax:

Media businesses need not be castigated for the unhealthy situation that is developing as they swallow one another. The media barons are in the same trap all business leaders find themselves in today. To compete globally they believe they must gobble and expand beyond all reason; except what they believe to be the bottom line.

It is time to reconsider that bottom line philosophy, the notion that each quarterly profit statement must be greater than the preceding and that global competition demands the gobbling.

There are other values that involve and affect the human family. And they get short-shrift when one considers a future where all news information and entertainment may come to that human family via only three or four global outlets.

This country and the world needs to be warned and, at the risk of repeating, this can be done without pointing to villains. There are no villains. We have to question ourselves and you, sir, are the one to start that questioning.

Sincerely,

Norman

NL/la

(Dictated from Vermont, but not read.)

VIA FAX: 202/456-6703
President Bill Clinton
The White House

Mark Miller
11/1/95

124
asks YOU "What's the answer to this?" referring to a Norman Lear letter on Rupert Murdoch.

NORMAN LEAR

June 28, 1995

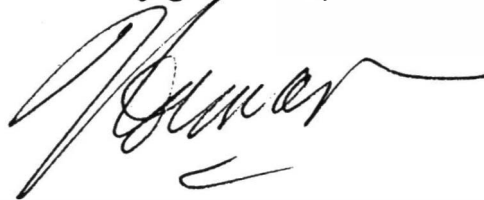
Dear Mr. President,

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The world can no more afford a handful of Rupert Murdochs controlling the hardware through which every bit of news, information and entertainment will be funneled worldwide, anymore than it could afford the unholy alliance between the military and government.

Think about this, Mr. President.

With every good wish,



NL/la

President Bill Clinton
The White House
1600 Pennsylvania Avenue
West Wing
Washington, D.C. 20500-2000

-Greg suggested

THE PRESIDENT HAS SEEN
9/12/95

September 5, 1995

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

CC:

LEON PANETTA
MAGGIE WILLIAMS
JACK QUINN
DOUG SOSNIK

Dorskind -
please coordinate
reply if
necessary.

95 SEP 5 P 1:35

FROM:

Harold Ickes (HI)

SUBJECT:

Bi-weekly report of the Democratic National Committee, dated 30
August 1995

Attached is a memorandum for the President from Chairman Fowler and Chairman Dodd,
dated 30 August 1995 which constitutes the bi-weekly report of the Democratic National
Committee.

Speaker Newt Gingrich held a book signing event in Boston on August 19th. The event was scheduled to begin at 6:00 p.m., when protestors gathered. The Speaker did not arrive until 6:30 p.m.; thus the protestors received substantial TV coverage.

*Sumner
Cholera
Fowler*
Minnesota - On August 26, the Minnesota Democratic Party elected Mark Andrew, by unanimous vote, as the new State Party Chairman. Andrew is an active member of the Democratic Farmer Labor Party as well as a member of the Democratic Leadership Council.

The Base Vote Desks are continuing to actively participate in large forums to reach out, reconnect and recommit our base voters, and to influence public opinion favorably towards the President and negatively towards the Republicans. Some of those recent events included:

- 75th Anniversary of Women's Suffrage in Washington, D.C., August 25-28
- Southwest Voter Registration Training Conference in San Antonio, August 24-28
- Asian Pacific American Labor Alliance in New York, August 4-6
- Asian Pacific Journalists Association, August 24 in Hawaii
- Chairman Fowler's Hawaiian Swing, August 23-24
- The National Association of Black Journalists in Philadelphia, PA., August 16-20

COMMUNICATIONS

The DNC recently hired David Eichenbaum as our new Communications Director. David will begin in September.

Our press office arranged media opportunities for Chairman Fowler, State Chairs and elected officials in New Orleans.

Press who attended the New Orleans meeting were: *ABC, CNN, C-SPAN, THE WASHINGTON POST, THE CHICAGO TRIBUNE, USA TODAY, THE HOUSTON CHRONICLE, THE ASSOCIATED PRESS, THE NEW ORLEANS TIMES-PICAYUNE, and TV NATION.*

In their speeches, Mayors Marc Morial and Dennis Archer stood firmly behind your Administration and vowed to deliver their cities and their states for the Clinton/Gore ticket in 1996.

In addition to the summer meeting, the press operation spent considerable time on the release of our Medicare spots. In conjunction with state parties, we launched a \$850,000 buy in 12 media markets nationwide. We held a press conference to unveil the ads and defended them against RNC attacks.

Copies of related articles are attached.

THE PRESIDENT HAS SEEN
9.12.95

THE WHITE HOUSE

WASHINGTON

September 9, 1995

95 SEP 9 P2:21

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Washington Post Op-Ed on Demining Concept

You had asked me about a Washington Post op-ed by a retired Navy officer in which the author argues that his explosive-net concept can and should be used for humanitarian demining operations.

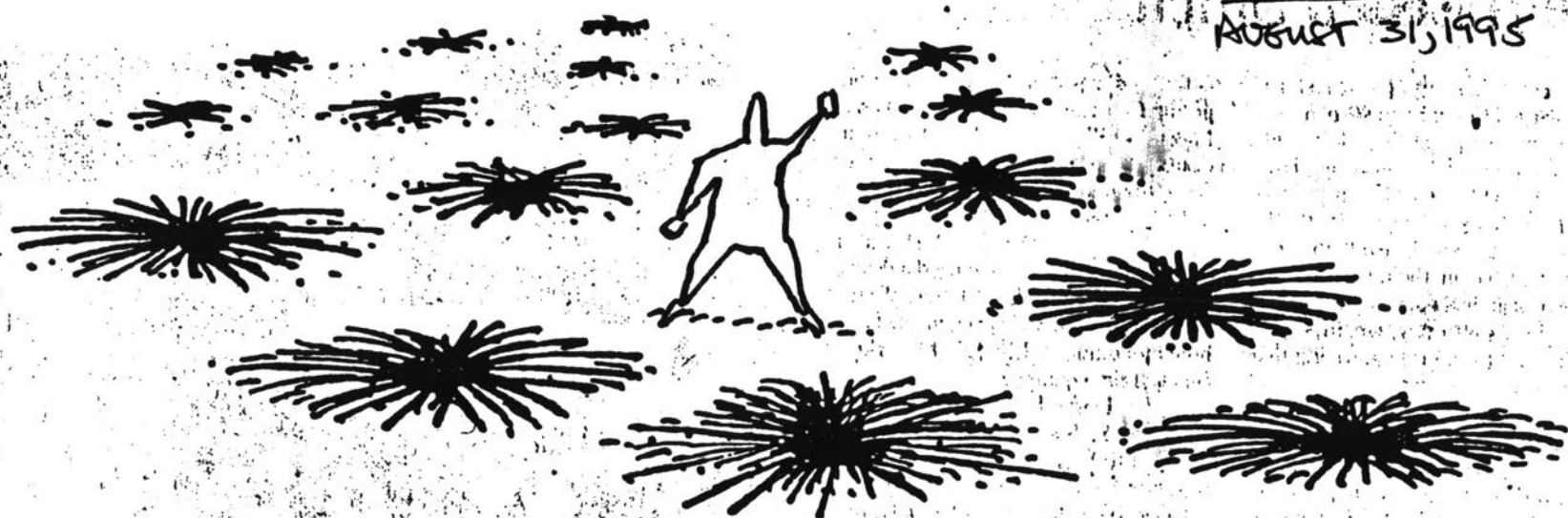
The author's patented concept consists of a net of nylon and detonator cord that ignites on contact. He intended the net to have multiple uses, at sea against ships and torpedoes, primarily as an improvement over existing metallic nets, and also on land, against ground equipment and infantry. A new variant of this net idea (not precisely that on which the author holds his patent) is now under development for an Army/Marine mine clearance system, but it is still in the testing phase. The system is being developed for the purpose of countermine operations in war.

In the same Army command late last year, DOD began a separate, \$10 million effort to research and develop equipment that would assist in humanitarian demining operations. These differ in a number of ways from countermine operations, because they require a much higher rate of mine clearance reliability -- close to 100% vice 80%. The DOD program is primarily examining equipment that uses existing technologies, so that it can be fielded early, and is low tech, so it can be left behind in mine-afflicted countries. Testing has begun and will continue through the fall. The equipment under development as part of this effort includes systems with flails, rakes and rollers to conduct wide-area mine clearance. In theory, these systems will be able to accomplish what a yet-to-be-tested explosive net could achieve but on more varied terrain (the net is designed primarily for smooth terrain, such as beaches) and with a higher degree of reliability.

Attachment
Tab A Op-Ed

cc: Vice President
Chief of Staff

WASHINGTON POST
August 31, 1995



BY DOUG HALL

James E. Wright

Land Mines: Destroy Now or Pay Later

Two recent articles on the problems of land mines miss a central point. The July 9 op-ed by Anne Goldfeld and Holly Myers, "Killers in the Earth," summarizes the efforts of Rep. Lane Evans to establish a year-long moratorium on the use of land mines. And the Aug. 18 column by Jack Anderson and Michael Binstein addresses the dangers of land mines to civilians. Both articles are based on information from the United Nations and the State Department, but neither offers any new help in the most immediate problem: how to eliminate existing mines that threaten people all over the world.

What is amazing to me is that the only mine-clearing procedures discussed by the United Nations and the State Department involve personnel using metal detectors or, in some cases, simply long sticks. There are several unclassified Department of Defense documents that address more advanced procedures for clearing both in-water and land mines. Unfortunately, the Defense Department is stalling the development and production of one such procedure that could eliminate at least 80 percent of the mines currently in place.

In 1985 the Army and Navy started development of an explosive-net mine-clearing concept and conducted full-scale testing of the concept in

1985, 1990, 1991 and 1994. These tests confirmed that the explosive-net concept would clear almost all mines that are in the field today.

Why hasn't the concept been produced and used to reduce the number of civilians killed or maimed by mines? The problem is threefold:

The defense program for producing the explosive-net system is currently classified. This is done to protect against mine producers' modifying their designs to evade the system.

In addition, mine-clearing systems developed by the military are designed for removal of mines that affect the military. Clearing war zones after completion of military actions has never been considered a Defense Department requirement.

Finally, the salaries of the scientists in Defense Department laboratories are paid by research, development, test and evaluation (RDT&E) funds. Once a program is tested and evaluated and goes into production, the scientists must have new projects (approved and funded by Congress) or face layoff. RDT&E funding has been in a downward spiral for the last five years, with very few new projects being authorized by Congress, and this tempts the laboratories to "stretch out" their efforts for approved research programs.

In February 1991, the defense laboratories

were willing to conduct an explosive-net 90-day "develop to produce" program in support of Desert Storm. When that plan was not implemented, the labs in March 1991 revised the projection to require a minimum of three years to conduct the same explosive-net "develop to produce" program. As of July 1995, the Army, Navy and Marine Corps projections for "initial operational capability" for the explosive-net system are beyond the year 2000.

The current U.S. efforts to establish a moratorium on the production and use of land mines throughout the world are laudable and, with hope, achievable. But the moratorium must be coupled with an effort to clear the land mines that have been laid throughout the world in the last 30 years. The explosive-net mine-clearing system is the most cost-effective way to achieve this goal in a short time (five to 10 years).

Congress must authorize Defense Department production of the explosive-net system so that it is available to the United Nations for mine-clearing operations throughout the world. Otherwise, the funding bureaucracy will keep the program in development and classified.

The writer is a retired Navy lieutenant commander and weapons specialist. He holds a patent on an explosive-net concept.

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THE PRESIDENT HAS SEEN
9-13-95

DRAFT

August 23, 1995

Dear Mr. Lear:

Thank you for your letter regarding the move in the Congress toward allowing greater concentration of ownership in the media. I certainly share your concerns about this issue.

My Administration has vigorously opposed the provisions in the bills recently passed by both the Senate and the House which would eliminate national and local ownership limits on mass media. The result of lifting such restrictions would be a dramatic consolidation of ownership in media outlets at the national level and a shift in local media markets from a situation with multiple owners and multiple voices to one in which a single entity could own a large share of the mass media outlets in a community. An increase in media concentration could also limit opportunities for minorities to become owners of mass media facilities, which would in turn undermine the important goal of encouraging diversity of viewpoints.

S. 652 would increase from 25 to 35 percent the national audience one broadcast owner can reach and would remove the broadcast-cable cross-ownership ban. Such changes should be considered by the FCC in the context of the coming expansion of broadcast capacity through digital television. The uncertain impact of the move to digital compression and other technological advances argue for delaying any changes in the multiple or local ownership rules pending further study.

My Administration is particularly concerned with proposals in H.R. 1555 that would reduce the number of independent voices in local markets. The repercussions to businesses operating in local markets dominated by a few media owners could be severe. Reduced competition for the advertising dollar could increase the prices local businesses pay for access to television and radio commercial air time as well as space in print media. These smaller firms would find themselves at a competitive disadvantage to larger, national firms better positioned to pay these higher rates. Concentration of national power in the television marketplace would also affect the program production industry. Local broadcasters affiliated with networks now provide their communities with a mix of locally produced, syndicated, and network programming. By strengthening the networks and increasing their leverage with affiliates, the bill could lead to a decrease in locally-produced and independently-produced programming.

We will continue to work closely with the Congress during conference to prevent such dramatic concentration within the broadcast industry. I have stated that if a bill similar to H.R. 1555 is sent to me without deletion or revision of a significant number of these provisions, I will be compelled to veto it in the best interests of the public and our national economic well-being. The diversity of news and information available to the public is, I believe, an essential ingredient in our democracy. I appreciate your letting me know your views on this important issue.

Sincerely,
BC

Original to J. Dorskind

NORMAN LEAR

6/28/95

July 31, 1995

Dear Mr. President,

Last week the Gannett Company, which already owned 82 dailies, bought another eleven in its \$1.7 billion purchase of Multimedia. Today we learn that Disney is purchasing or merging with Capital Cities-ABC. Please consider my letter to you of June 28th, attached.

Sincerely,

Norman

NL/la

(Enclosure/ltr., June 28, 1995)

(Dictated from Vermont, but not read)

VIA FAX: 202/456-6424
President Bill Clinton
The White House

NORMAN LEAR

June 28, 1995

Dear Mr. President,

As the Congress begins to dismantle all regulation over television, cable and the new technologies, I find myself thinking about Dwight Eisenhower's warning to the American people about the build-up of the military-industrial complex.

The world can no more afford a handful of Rupert Murdochs controlling the hardware through which every bit of news, information and entertainment will be funneled worldwide, anymore than it could afford the unholy alliance between the military and government.

Think about this, Mr. President.

With every good wish,

A handwritten signature in black ink, appearing to read "Norman", with a long horizontal flourish extending to the right.

NL/la

President Bill Clinton
The White House
1600 Pennsylvania Avenue
West Wing
Washington, D.C. 20500-2000

PR
WVP-

July 31, 1995

Dear Mr. President,

Further to my earlier fax:

Media businesses need not be castigated for the unhealthy situation that is developing as they swallow one another. The media barons are in the same trap all business leaders find themselves in today. To compete globally they believe they must gobble and expand beyond all reason; except what they believe to be the bottom line.

It is time to reconsider that bottom line philosophy, the notion that each quarterly profit statement must be greater than the preceding and that global competition demands the gobbling.

There are other values that involve and affect the human family. And they get short-shrift when one considers a future where all news information and entertainment may come to that human family via only three or four global outlets.

This country and the world needs to be warned and, at the risk of repeating, this can be done without pointing to villains. There are no villains. We have to question ourselves and you, sir, are the one to start that questioning.

Sincerely,

Norman

NL/la

(Dictated from Vermont, but not read.)

VIA FAX: 202/456-6703
President Bill Clinton
The White House

Mark Miller

134
YOU ASKS YOU "What's the answer to this?" referring to a Norman Lear letter on Rupert Murdoch.

NORMAN LEAR

June 28, 1995

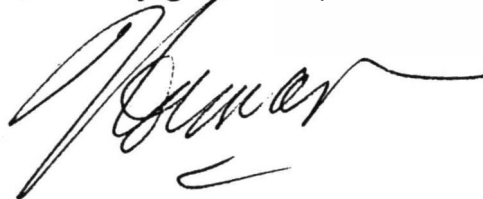
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Think about this, Mr. President.

With every good wish,



NL/la

President Bill Clinton
The White House
1600 Pennsylvania Avenue
West Wing
Washington, D.C. 20500-2000

-Greg-suggested

tates Senate

N, DC 20510-2003

AL BUSINESS

THE PRESIDENT HAS SEEN

9-12-95

[Handwritten signature]

The President
The White House
Washington, D.C.

Barbara A Mikulski
U.S.S.

09/12/95
Original letter to
Jocelyn Jolley for
reply.

9.12.95

United States Senate

WASHINGTON, DC 20510

September 12, 1995

The President
The White House
Washington DC

Dear Mr. President:

We want you to do all that you can to avoid a government shutdown.

A shutdown of the government, no matter how short, will disrupt the lives of thousands of federal employees and their families. Our federal employees should not be used as pawns in a game of high stakes political brinkmanship. We urge you in the strongest terms to support efforts to ensure that full pay and benefits are guaranteed to all federal workers and their families in the event of a government shutdown.

Over the past nine months, federal employees have had to withstand the likelihood of reduced retirement and health benefits as well as the downsizing of the federal workforce. This continued assault on federal workers and their families must stop.

The problem is especially serious for Maryland. Over 280,000 Marylanders work for the federal government. For many families, both spouses are federal employees. Any furlough would create tremendous hardship for these families through lost wages. This would have a devastating impact on Maryland's economy and the morale of the federal workforce which is already low.

To the workers who have devoted their lives to serving their country, we owe nothing less than the responsibility to live up to our promises. A promise made must be a promise kept.

We urge you to make our federal employees a top priority and ensure the protection of their earned pay and benefits. We must keep faith with our federal employees. The commitment to federal employees and their families must be honored.

Sincerely,



Barbara A. Mikulski
United States Senator



Paul S. Sarbanes
United States Senator