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Clinton Library

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001. memo	From Craig Smith re: Arkansas State Democratic Party (2 pages)	09/09/1995	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

Chron Files September 24-30, 1995 [2]

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rs3296

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

9/26/95

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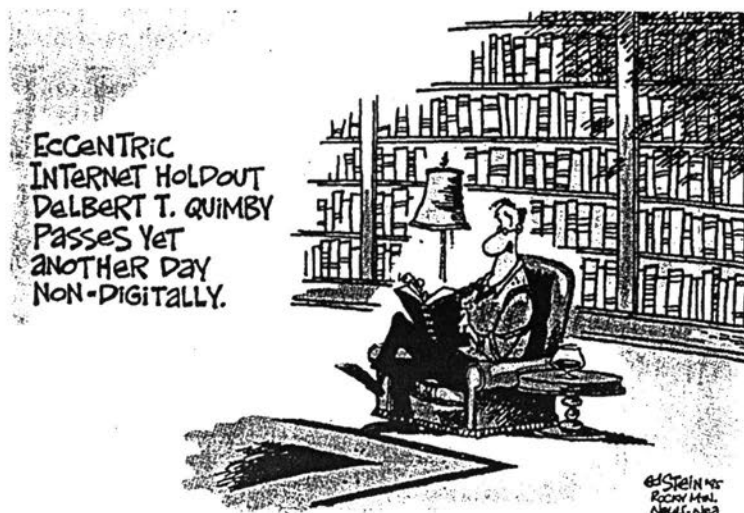
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THE PRESIDENT HAS SEEN
9/26/95

Gazette

46 PAGES

6 SECTIONS

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LE ROCK, JUNE 6, 1995

Police arrest 3 in 'execution' of LR children

BY OLIVIER UYTTEBROUCK
Democrat-Gazette Police Reporter

A killer ordered three children to lie on their living room floor and then shot each in the head in revenge for a slaying nine days earlier, Little Rock police said Monday.

Their mother struggled with another gunman as her children died, apparently in a crime of retaliation against an absent sister.

Police arrested three people — including the brother of slaying victim Cornelius "Skeeter" Ganaway, 20 — Monday in the execution-style deaths Sunday.

A day after killers barged into her home, Mary Hussian, mother of slain children Marcell Young, 17, Mustafa Hussian, 12, and Malak Hussian, 10, pleaded Monday for an end to the city's violence.

"I stand here with the blood of my children still under my fingernails," Mary Hussian said at a news conference.

"My kids were all I had," she said. "I plead with the youth, don't send another woman to bed crying the way I'm going to cry tonight."

Little Rock police alleged Monday that Riley Noel III, 23, shot the children with a .45-caliber pistol in the belief that Mary Hussian's surviving child, Yashica Young, 19, helped in the May 26 drive-by killing of Noel's brother, Ganaway.



Arkansas Democrat-Gazette/STEPHEN B. THORNTON
TEARS FOR SIBLINGS — Yashica Young, 19, weeps at a news conference Monday, a day after her younger brother and sisters were shot to death in their house.

tention both police and Mary Hussian rejected Monday. "Because of rumor, I have lost three children," Hussian said.

Police had made no arrest in Ganaway's death as of Monday.

Mary Hussian described her slain 17-year-old daughter as a straight-A student at Hall High School who spoke to youths about the dangers of drugs and gangs and who had plans to enter the armed services.

"They kissed me goodbye every morning, and if I forgot,



Malak Hussian

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Elementary officials
Missa Avant.

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Mustafa Hussian



Arkansas Democrat-Gazette/KIRK MONTGOMERY

crying going on'

s weep for a slain friend

Monday wish list school assignment, she hoped her generation would be able to "save the world" and wished everyone would just "get along for once." But she also was realistic. "My parents hope that I live a long time," Malak wrote. That wish was shattered Sunday night.

There were many tears and questions Monday, as teachers and students learned of the

See CHILD, Page 3A

Witnesses told police they heard the killers ask for Young after they charged into Hussian's home at 5005 Mabelvale Pike about 11:15 p.m. Sunday. Young is the mother of Ganaway's child, police said, and was in Ganaway's car when he was fatally shot.

Ganaway's mother told the Arkansas Democrat-Gazette last week that Yashica Young "set up" her son's killing — a con-

every morning, and if I forgot they flagged me down," Hussian said.

Several times, Hussian and her daughter broke into sobs during the half-hour news conference at the Southwest Community Center, next to the Little Rock police southwest precinct on Base Line Road. Hussian's sister sat beside her and comforted her throughout

See SHOOTINGS, Page 3A



WATCHING OUT — U.N. peacekeepers from France scan the hills Monday around Sarajevo, Bosnia-Herzegovina, for redeployed heavy weapons seized by Serbs at U.N. depots two weeks ago.

Associated Press

Serbia twists arms to free hostages as 'signals' suggest U.S. pilot is alive

BY JULIJANA MOJSILOVIC
Associated Press Writer

PALÉ, Bosnia-Herzegovina — The president of Serbia announced Monday he had persuaded fellow Serbs in Bosnia to release the more than 250 U.N. peacekeepers they are holding hostage.

Slobodan Milosevic, in a statement from his Belgrade of-

• Transmission could be coming from downed pilot **5A**

fice, said his chief of security reported that Bosnian Serb leaders had "responded positively" to his demands to free the hostages soon.

U.S. officials in Washington, meanwhile, said they have been

See BOSNIA, Page 5A

BY ELIZABETH CALDWELL
Democrat-Gazette Capitol Bureau

A constitutional convention will be held only if a majority of Arkansans vote for one, several legislators promised Monday.

To do anything else would be a "political blunder," Sen. Bill Walters, R-Greenwood, said after a public hearing at the Capitol.

Previously, key legislators had said a constitutional convention might be called without voter approval in a special election. But at Monday's hearing, members of the Joint Interim Committee on State Agencies and Governmental Affairs were told that public opposition is brewing to a convoluted plan the Legislature approved earlier this year for revising the 1874 Arkansas Constitution.

Little Rock lawyer Scott Trotter, director of the watchdog group Common Cause of Arkansas, said legislators must be "sensitive to public opinion."

Trotter said voters fear legislators will assemble a hand-picked group of convention delegates simply to rubber-stamp a

See CONSTITUTION, Page 8A

t leaves a warm cup and a cold trail

The Park Plaza branch teller placed an unspecified amount of cash into an envelope.

The man took the money and ran across Markham to a Total station and convenience store. Witnesses couldn't tell what direction the robber fled from the store.

At 10 a.m., about 45 minutes after the robbery, police crime scene technicians, dressed in white lab coats, could be seen dusting the door for fingerprints and taking a Total coffee cup into evidence.

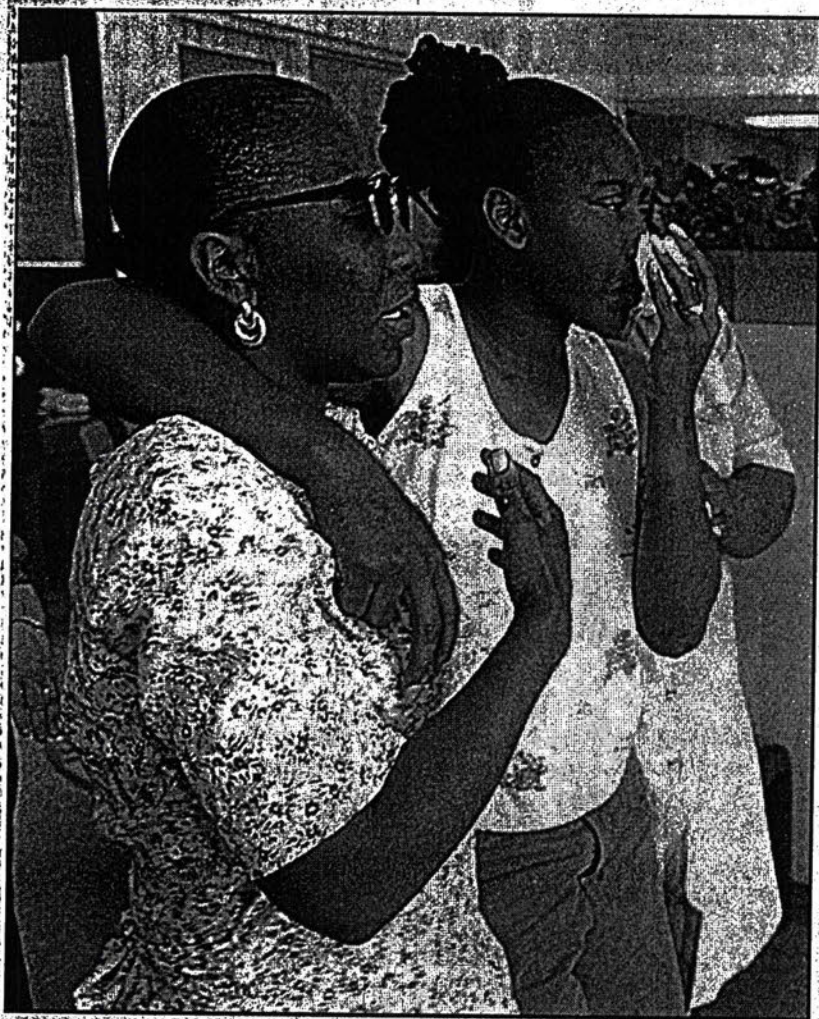
The coffee was still warm, and detectives went to the To-

tal store to investigate.

"He came in first and had some coffee," the store's clerk told a stream of customers who asked about the police cars parked across the street.

In the back of the convenience store, Little Rock police

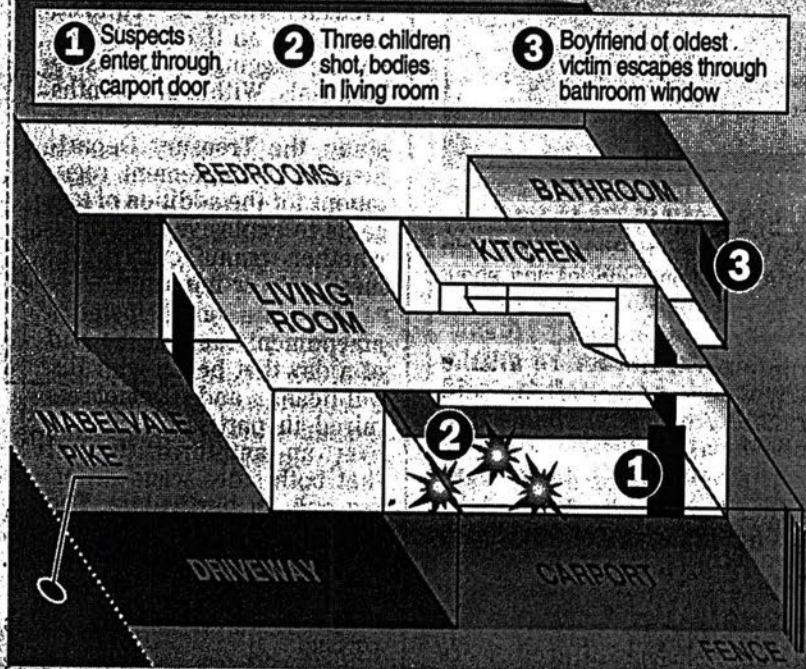
See BANK, Page 8A



BLOOD OF HER CHILDREN — Mary Hussian (left) consoles her daughter, Yashica Young, Monday after calling for an end to the violence that left three of her children dead at the family's Little Rock home.

Site of multiple homicide

Three children killed at 5005 Mabelvale Pike.



Arkansas Democrat-Gazette/MATT JONES

Shootings

Continued from Page 1A
the event.

Hussian and her daughter declined further comment after Hussian, Mayor Jim Dailey and others spoke at the podium.

Police made the three arrests within 10 hours of the killings.

"I don't know nothing," Noel told reporters Monday morning as police led him to the Pulaski County jail on three counts of capital murder. A reporter had asked whether Noel killed the children in retribution for his brother's death.

Police filed identical charges against Curtis Lee Cochran, 19, of 724 Corning St. and Terry Lynn Carroll, 16, of 2 Hollingsworth Court, in the killings.

All three were scheduled for arraignment today in Little Rock Municipal Court.

Police also searched Monday for a woman who accompanied Noel, Cochran and Carroll. Police hadn't arrested her and didn't release her name late Monday.

The killings occurred just moments after the eldest victim, Marcell Young, returned home with her 18-year-old boyfriend about 11:15 p.m. Sunday.

The 18-year-old ran from the house during the attack by crashing through a bathroom window and running away through the back yard.

At least two neighbors reported Monday that someone banged on their doors or rang their doorbells about the time of the shootings.

The killers barged into the living room through the carport door immediately after the couple entered, detective Sgt. Clyde Steelman said Monday. Police found no evidence of forcible entry.

The two younger children heard the commotion and came into the living room, Steelman said.

"He made the kids lie down on the floor and shot them all there," he said. Police found each shot in the head, lying oldest to youngest.

Mary Hussian told officers that she fought with a shotgun-wielding man who attacked her, police wrote.

The shotgun fired once during the struggle, but no one was

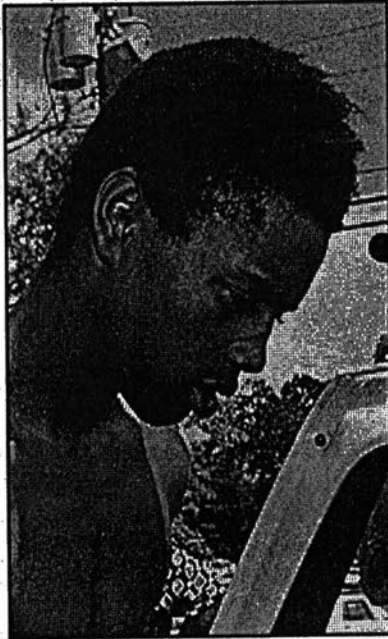


Arkansas Democrat-Gazette/STEVE KEESEE

A HOUSE IN SHOCK — Gunmen barged into this house at 5005 Mabelvale Pike in Little Rock, where three children were shot and killed Sunday night. "My kids were all I had," said their mother, Mary Hussian. "I plead with the youth, don't send another woman to bed crying the way I'm going to cry tonight."



Riley Noel III



Terry Lynn Carroll



Curtis Lee Cochran

struck by the blast.

Mary Hussian's was treated for a minor head wound at University Hospital and released early Monday.

When an officer arrived at the murder scene, he found

Cochran — one of the three charged — standing on Mabelvale Pike in front of the house. The officer put the teen-ager in his police car, then found a screaming and hysterical Mary Hussian behind the house.

HOUSE WASHING DECK SEALING
free estimates CALL MICHAEL 223-9114

THE PRESIDENT HAS BEEN
9/26/95

Gay and In the G.O.P.

By Richard Tafel

WASHINGTON
Last month, the Presidential campaign of Senator Bob Dole returned a \$1,000 contribution to my group after months of a frank, high-level dialogue on how we could work together. Mr. Dole's campaign spokesman, Nelson Warfield, said our agenda was "100 percent at odds with Senator Dole's." Unfortunately, we must use the Senator's own words in response: Stop lying about our record.

Log Cabin Republicans is the nation's largest partisan organization representing gay people, with 43 chapters in 35 states and more than 10,000 members. We are Republicans who believe in limited government, a strong defense and in equal treatment and equal opportunity under the law. Last year, our members raised more than \$200,000 for Republicans nationwide, all of which was greatly appreciated.

We enthusiastically endorsed the Contract With America in 1994, and we were the only gay organization to do so. In contrast to the 1992 Republican platform, the contract sharply focused on the most critical issues facing our country and offered solid Republican solutions, avoiding divisive issues like abortion and anti-gay rhetoric that needlessly drive wedges between the many parts of the majority coalition. It is no wonder that, according to a poll in The New York Times, one in three gay voters cast their ballots for Republicans last year.

We have never asked for "special rights," only equal treatment under the law. We adamantly oppose pref-

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'special rights.'

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Just ask Democratic Representative Barney Frank of Massachusetts, our number one critic. We are not liberals by any measure.

Log Cabin is a leading voice on reforming the Food and Drug Administration. Working closely with two Republican Senators, Nancy Landon Kassebaum of Kansas and Judd Gregg of New Hampshire, and with members of the House Commerce Committee, we are pushing a conservative plan to roll back the bureaucratic nightmare that blocks access to lifesaving and life-extending treatments for AIDS and cancer. We are not aware of Senator Dole being "100 percent" against F.D.A. reform.

Our top Congressional priority has been the reauthorization of the Ryan White Care Act, which is the Government's care and treatment program for people living with H.I.V. and AIDS. I met with the chairman of the Dole for President finance committee, members of his campaign and his Senate office to discuss the importance of the majority leader's support.

On this issue, Senator Dole kept his word by signing on as a co-sponsor and scheduling floor time for the bill just before the August recess. On July 27, it passed by a vote of 97 to 3, with Senator Dole voting in favor. Hardly 100 percent disagreement on this either.

It is true that our group supports equal opportunity for gay men and women in the military. We have never tried to hide our position on this issue, either in public or in conversation with the Dole campaign.

But there was never an indication from the campaign staff that our disagreement would bring such consequences later on. In fact, many of the Senator's chief supporters, like Senator Alfonse D'Amato of New York, are among the most vocal advocates for lifting the ban on gays in the military. Why haven't these supporters failed the purity test?

In his letter this week to Senator Dole, Republican Representative Steve Gunderson of Wisconsin pointed out the hypocrisy of the Dole campaign. On one hand, Mr. Dole is willing to solicit gay financial support and employ gay people on his campaign staff. On the other hand, by returning our contribution, his actions worsened the lies spread by the far right about gay America.

Ultimately, the explanations for this rejection of support from Mr. Warfield and Mr. Dole's campaign manager, Scott Reed, have bewildered not only us, but many other Americans.

If Republicans don't learn the lessons of Houston in 1992, we will forfeit our opportunity to lead the nation into the 21st century.

Richard Tafel, a Baptist minister, is the executive director of Log Cabin Republicans.

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We should keep up
our other jobs and
keep encouraging
them —

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24
Ricia McMahon- Sends some responses from a column that Frank MacConnell is writing for the Newport, New Hampshire, Argus-Champion Newspaper. One man suggests that after you read the column you should forward it to the Speaker. *man nile*

Washington, D.C. 20500

August 11, 1995

MEMORANDUM TO THE PRESIDENT

FROM:

RICIA MCMAHON *RM*

SUBJECT:

Correspondence from Claremont, N.H. Event

The Argus-Champion which is published in Newport, New Hampshire is now carrying a Guest Column by Frank MacConnell, Jr. As you know, Frank asked you the question regarding campaign finance reform at the Claremont Senior Citizen Picnic at the Earl Bourdon Center.

Frank's first of his weekly columns focused on the event and the historic handshake between you and Speaker Gingrich that showed agreement on creating a bipartisan commission to address campaign finance laws. Since then each of his columns has reported on the progress of the commission and/or your statements.

Every week there is a photo of you and Gingrich in the now famous grasp. In addition, at the close of each column Frank asks readers who agree with him to cut out the article, write their name and address, and send it to you in care of me at the Office of National Drug Control Policy. I was quite surprised and delighted when I read of my role as intermediary!

The first column published on Wednesday, July 19, 1995 had five correspondents. The second column was printed on July 26 and five responses were forwarded. The third column was printed on August 2, and one letter has been sent, so far.

Attached is a list of the correspondents who have mailed their columns to me. In addition I have also included the actual clippings. I thought you would like to see the remarks for yourself.

I am especially amused by the writer, Loui Bonaccorsi, who wants you to mail the column from the 19th to the Speaker when you finish reading it. I understand that he is an ardent Republican.

Also one of the other correspondents, Henry Fitts, I believe, is a writer for the Argus-Champion.

Not only has the Argus-Champion carried the column, but I am now getting similar columns of the COMMENTARY section of another local Claremont paper that is called the ? ? ? Record.

I should have entitled this memo "NOTES FROM THE NORTH"!

*Page 5.
of one copy of
each weekly
column*

My very best to you and Hillary. Both of your events with the children regarding smoking tobacco and using drugs have been a success. Keep on sending a strong message.

Have a wonderful and much deserved vacation. I will spend a little time in New Hampshire and on the Vineyard.

My oldest son, Mike, is in Hawaii. He is the top Triathlete in the Islands. He is a true Ironman. Maybe you can have a jog with him!

Take care.

WEEK OF JULY 19

COMMENTS

Raymond and Martha Frappier
85 Penacock Path
Newport, N.H. 03773-3771

Louise Koory
100 Lakeside Road #9
New London, N.H. 03257

Nellie Netolicky
37 Luxury Drive
Newport, N.H. 03773

"Don't Let Us Down!
It Was A Promise"

Loui F. Bonaccorsi
10 Severance St.
Claremont, N.H. 03743

"Syr President
Please forward to "Newt" when you
have finished with this Loui"

Peter Miller
45 Green St.
Lebanon, N.H. 03766

"I'm glad that the President called
Mr. MacConnell this weekend. We in
N.H. haven't forgotten about this
issue - let's keep the pressure on
Mr. Gingrich!"

WEEK OF JULY 26

Albert C. Blake & Betty Blake
P.O. Box 2038
Mt. Sunapee, N.H. 03255

Mr. and Mrs. James B. Collins
P.O. Box 154
Newport, N.H. 03773

Mr. and Mrs Henry K. Fitts
135 Trow Hill Rd.
Sunapee, N.H. 03782

Commentary From Another Paper
Joan Coolidge
RFD #1 Box 357
Claremont, N.H. 03743

Marion E. Davis
67 Maple Ave. Apt. 22
Claremont, N.H. 03743

WEEK OF AUGUST 2

Virginia O'Brien Irwin
97 Pollards Mills Road
Newport, N.H. 03773

"I Agree With Frank"



FIRST STEP - This handshake between President Bill Clinton and House Speaker Newt Gingrich was supposed to be the

beginning of real campaign financing reform. So far little has been done.

Historic handshake?

Or broken promise?

By **ALLAN STEIN**
Assistant Editor

NEWPORT - Last June Newport resident Frank MacConnell Jr. became the focus of national attention when he posed a question to President Clinton and House Speaker Newt Gingrich during a public discussion in Claremont.

Would the president and House speaker agree to forming a blue ribbon committee to study campaign finance reform?

See column on page 7

Both politicians stood up, shook hands and pledged to the American people that MacConnell not only had a great idea, but that they would make serious efforts to build such a committee and have new laws in place by February 1996.

In the weeks to follow, MacConnell has received phone calls from all over the country, including one from President Clinton's chief of staff, Leon Panetta, outlining a "plan of action."

Gingrich, however, has since doomed the committee to failure, and MacConnell is now wondering if the president is going to make good on his word.

"I don't see Clinton hedging, I see him going about business as usual," says MacConnell from his home on Friday. "I definitely see Gingrich saying he's positive it's going to fail."

Starting this week MacConnell, a conservative Democrat, began publishing a weekly column in the *Argus-Champion*.

◆ See **MACCONNELL** page 16

COMMENTARY

Reform needed: Let's hold president, speaker

Editor's Note: We, at the Argus-Champion, feel strongly that what was done and said by President Clinton and House Speaker Newt Gingrich on June 11 in Claremont was indeed historic. We also feel there is a great need for campaign financing reform. We feel this is an important issue and one that deserves the support of all Americans.

On Sunday, June 11, 1995, something very special happened to a lot of people in Sullivan County. President Clinton and Speaker of the House Newt Gingrich came to Claremont to talk and answer our questions. Maybe I am a little star struck, but boy was that exciting. Jean and I had the same feeling watching these two men as we did standing at Mount Rushmore in South Dakota, listening to the National Anthem and looking at the great faces of the past presidents. They have made history, president Clinton and Speaker Gingrich are in the process of making history.

The meeting was held at the Earl M. Bourdon Centre, a senior housing complex in Claremont. After waiting several hours in line, and being pushed and shoved by the national media, we were allowed in. Even that was exciting, to be searched and seeing all the Secret Service men walking the roofs. They all seemed to be talking into their coat sleeves. Being a little bit slow I finally figured out why, that's where they had their communication system. All we kept thinking was wouldn't Earl Bourdon have been proud and not help but feel he was there enjoying himself.

Finally the big moment arrived, Speaker Gingrich and President Clinton arrived. They both made a few

Guest Column

Frank MacConnell Jr.

short comments and then opened the forum up for questions. While sitting and waiting for the festivities to start I decided if there was an opportunity I wanted to ask a question. And it had to do with the lack of health care for our citizens, young and old. We had so much hope in President Clinton's ideas for overhauling health care. At one time during the campaign almost all citizens wanted health care, and as we now know that is not what the special interest groups necessarily wanted. We then sat and watched the destruction of any overhauling of the health care system.

Our politicians talked about everything other than health care. Why should they worry? Health care groups were taking care of their needs and what they did not take care of, the politicians themselves took care of. Wouldn't you like the benefits they have?

My question to Clinton and Gingrich was, would they support a non-partisan, blue-ribbon commission to address the issues of lobbying and campaign finance reform, such as we now have for our military bases.

Gingrich said he thought campaign finance laws, regulations on gift giving to legislators, needed reform. Clinton said he would agree in a heartbeat. Then and there the two men shook hands on the



Historic handshake or broken promise?

idea of setting up a bipartisan commission to make recommendations of the issue. That is the picture you see in this column. Promises made; now we need to see if promises will be kept.

On June 16, I received a phone call from the White House. A young lady who identified herself as secretary to Chief of Staff Leon Panetta came on the phone and said that President Clinton wanted him to inform me that he had sent a letter to Speaker Gingrich discussing setting up a commission for lobbying reform and campaign finance reform and had directed his staff to work with the Gingrich staff

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COMMENTARY

president, speaker accountable



Historic handshake or broken promise?

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On June 16, I received a phone call from the White House. A young lady who identified herself as secretary to Chief of Staff Leon Panetta came on the phone and said that President Clinton wanted him to inform me that he had sent a letter to Speaker Gingrich discussing setting up a commission for lobbying reform and campaign finance reform and had directed his staff to work with the Gingrich staff

on this matter.

The president even set a possible date of Feb. 1, 1996, as a deadline for the commission's deliberations. Gingrich indicated that this was a political move and was upset because the president had made the first move.

I have received many phone calls asking me how we can keep the parties heading in the right direction on election reform. Maybe what is needed is for all citizens to start informing our politicians just how dissatisfied we are with their performance and reaction to our plan of having a non-partisan commission to address the issues of lobbying reform and campaign finance reform.

If you agree with this column please cut it out and write your name and address and send it to President Bill Clinton, C/O Ricia McMahon, Office of National Drug Control Policy, Executive Office of the President, Washington, D.C., 20500, and to House Speaker Newt Gingrich, Office of the Speaker, Capitol Building, Washington, D.C., 20015.

This is a small commitment of your time to do the above. It is time we made a difference. Wouldn't we be much better off if the special interest groups had not stopped health care reform? How would you feel today if you knew your health care needs were all being met? It can happen.

Remember, President Clinton and Speaker Gingrich were the ones who shook hands and made a pledge to us. Let's hold them to their promise.

Frank MacConnell Jr. is a Sullivan County Commissioner and Newport activist.

THE PRESIDENT HAS SEEN
9-26-95

*Shed cover
this*

Ann Lewis

made sure she met her this too

B.C.

Candidate Dole preaches to the cho

Darlington takes to Kansan's 'baccy' talk

By GARY KARR
The Associated Press

DARLINGTON — Senate Majority Leader Bob Dole won easy applause Sunday from a stock car racing crowd with criticism of President Clinton's tobacco policies.

Dole, R-Kan., got a big round of cheers at the Southern 500 here by holding up a T-shirt with the words, "Let NASCAR make the rules, not the FDA."

NASCAR is the sport's governing organization. Tobacco giant R.J. Reynolds sponsors the sport's championship — the Winston Cup — and other tobacco companies sponsor race car teams.

The Southern 500 is a popular stopping point for national campaigns, but Clinton was booed in 1992 when he visited. South Carolina was one of Clinton's worst states then and few Democrats expect him to be competitive here



Bob Dole and Sen. Strom Thurmond, R-S.C., check out the track before Sunday's race.

next year.

Clinton wants the Food and Drug Administration to ban cigarette companies from advertising at sporting events and require the companies to pay for anti-tobacco education campaigns.

"I certainly agree with the T-shirts I see being worn around

here," Dole told drivers before the race. "We've got all the government we need."

Dole got a plug from driver Darrell Waltrip. "Every man and woman in this garage area today thinks like you do," Waltrip said. "We want to see you in the White House. We like visiting people

like you."

Dole told reporters was against teen-age the problem Clinton is combat. "I think there ways to approach the said. "My view is yo through education ... don't get the heavy hand-erment in."

Darlington Raceway the Southern 500 is run. heart of South Carolina country. Tobacco is the most valuable cash crop

Dole toured the gara and attended a religious near pit road before the wife, Elizabeth, accom him.

Gov. David Beasley, supporter, described the can presidential candic "pro-tobacco" and "pro He'll do well with evi ing fan across the United

Beasley, who grew up miles from the Darlington way, acquired Dole around rage area and introduced the race crowd.

THE PRESIDENT HAS SEEN
9-26-95

65-Sub

G.O.P. Revises A Budget Rule To Help Banks

Cuts Their Competition For Loans to Students

By ADAM CLYMER

WASHINGTON, Aug. 19 — After complaints from banks that have seen their share of student loans drop sharply, Republicans have changed the accounting rules to make it easier for Congress to kill off the direct loan program — a federal program that makes direct loans from the Treasury.

The Republican-led House of Representatives has also voted to reduce the amount the Department of Education can spend supervising the system of federal guarantees for banks that make student loans — a program that has frequently had management problems. The Senate has yet to act on the House proposal.

Under current law, the direct-loan program is expected to provide \$11.8 billion in student loans in the year beginning Oct. 1, while federally guaranteed bank loans will provide \$15.3 billion. In 1993, the year before the direct program was created with strong support from President Clinton, bank loans made up all \$19.2 billion in Federal student loans.

The direct loans have proved popular with students because the money comes through faster, and with university administrators, who have found them to be simpler to administer. Banks, however, have long transferred the guaranteed loan program, which offers profits without much less risk than they have on other loans.

A big boost for the direct loan program, enacted in the 1993 budget reconciliation bill, was an accounting rule that required the Congressional Budget Office and the Office of Management and Budget to exclude Federal administrative expenses when calculating the effects of loan programs on the Federal budget.

Both sides agree this gave direct loans an unfair advantage in any budget-making comparison, since more Federal money is spent on administering the direct-loan program than on the guaranteed program.

Seizing on that, Republican opponents of the direct-loan program put a very unusual directive into this year's budget resolution. It ordered the Congressional Budget Office to

Continued From Page 1

include administrative expenses of the direct-loan program, which are estimated at \$41 million for next year, in its budget calculations — but not the Government's outlays to administer the guaranteed loan program, which are estimated at \$276 million next year.

When the Budget Office followed orders last month the Republicans called the figures as a reason for "scrapping the direct-lending program," in the words of Representative Howard P. McKeon, the California Republican who heads the subcommittee dealing with higher education.

But the Clinton Administration, Senate Democrats and many supporters of direct loans cry foul. Senator Edward M. Kennedy, Democrat of Massachusetts, accused Republicans of "cooking the books." Marshall Smith, Under Secretary of Education, accused them of "a venal assault on student aid" and "cutting bankers first."

Mr. Kennedy and White House officials said if the administrative costs of both programs were counted, the direct loans in total would again prove to be cheaper for the government.

Even one supporter of the changes, John E. Dean, a consultant to the Consumer Bankers Association, agreed that \$169 million in Federal payments to assist the 40 agencies around the country that administer the guaranteed loan program must be included, although he argued that the other \$110 million in supervisory costs should not be counted because much of it was unnecessary. These agencies have often been criticized in the past, and in 1994, one of the largest, the Higher Education Assistance Foundation, went broke while carrying \$9 billion in loans.

And a conservative Republican economist now serving on the Federal Reserve Board has sought to halt the changes for the loan program. The Fed governor, Lawrence H. White, criticized the step as "making the change the industry proposes without looking at other changes."

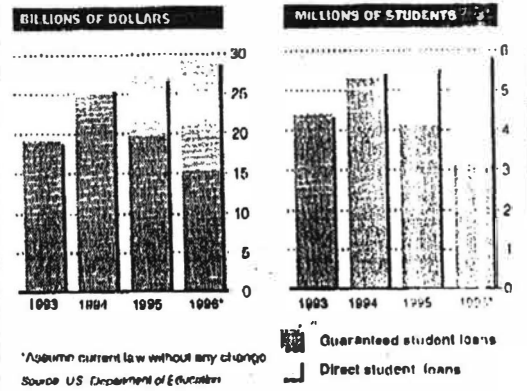
In a letter to Senator Spencer Abraham, a Michigan Republican, Mr. Lindsey wrote that "As long as it is necessary to provide a profit to induce lenders in guaranteed student loans, direct lending will be cheaper." Mr. Lindsey is in charge of consumer finance at the Fed, and in an interview on Wednesday, he said bankers had "selected the change that makes them look good."

He also said the argument that university officials make about the direct system as simpler for them was "a compelling argument for the advantage of direct loans to the economy."

In Seattle, for example, Eric Godfrey, assistant vice president of the University of Washington and director of financial aid, said the univer-

ADDING IT UP

Student Loans Before G.O.P. Rule Changes



ty was very pleased with the direct-loan program. "We would characterize our first year in the program as being very close to an unqualified success," he said.

The debate over the systems does not involve interest rates, which are set by the Federal Government for both programs.

But Mr. Godfrey said the direct-loan program was simple for students to understand and much easier for the university to deal with than the 700 banks and 40 or so State guarantee agencies it used to work with. Students had \$73 million in their hands in the first week of school last year, compared with \$3 million in the first week of the 1993-1994 school year, when the university last used the guarantee program.

Just as Mr. McKeon would like to see the direct program abolished, the Clinton Administration urged Congress to move quickly to eliminate the guarantee program entirely, saying the direct program was cheaper and better.

But others argue students are best served by the competition. That has been, for example, a strongly held view of Senator Nancy Landon Kassebaum, the Kansas Republican who heads the Senate Committee on Labor and Human Resources. Even one guarantee agency official, Sheryl Hagemoir, vice president of the American Student Loan Association, said, "We welcome the competition," and said universities that wanted the direct loan program should be allowed to join it, but not required to as they could be under existing law.

Terry Hartle, vice president for government relations of the American Council on Education, said eliminating either program would be worse for students because competition had forced the banks to do a better job of providing services, and continuing the guarantee program would keep the direct program on its toes. He also said the House Appropriations Committee's proposal to eliminate most of the \$110 million spent on supervision of guaranteed agencies was "a very risky thing to do."

One past director of the Congress-

ional Budget Office, Robert Reischauer, said the sort of instruction the Republicans had issued to the Budget Office about accounting for administrative costs was very unusual. He found it comparable to a Congressional habit of preferring the lower estimates of politically popular loans to Israel from the White House over the more expensive estimates of the less-political Congressional Budget Office. But Mr. Reischauer said the change made sense, even though it should have gone further and included the costs on guaranteed loans. "If you are going to do it, do it right," he said.

Mr. Reischauer, who left the job at the beginning of this year, was preceded by Rudolph Penner, who has recently worked as consultant to the student-loan industry. He agreed Friday that it was very unusual for the Budget Office to be ordered how to make its calculations of a program. But in this case, he said, "It has put the whole thing on a better basis." He also said it was very difficult to decide just which administrative costs should be included in estimates for the guarantee program.

One argument House Republicans make for killing the direct program is that doing so would enable them to make less severe cuts in other student loan programs, like interest subsidies.

Another clear Republican motive is to attack a popular program created by President Clinton. A July 27 "Dear Colleague" letter from Mr. McKeon and Representative Bill Goodling of Pennsylvania, chairman of the House Committee on Economic and Educational Opportunities, began by denouncing "the President's fundamental belief that the Federal Government can run the student loan program better than the private sector."

And they complained of the Department of Education's use of its funds to advertise direct loans as "President Clinton's New Direct Student Loan Program." That proven, they said, that "The President has chosen to make the program an important component of his re-election campaign."

SUMMER IS FOR CHILDREN:
GIVE TO THE FRESH AIR FUND

Continued on Page 22, Column 1

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From Craig Smith re: Arkansas State Democratic Party (2 pages)	09/09/1995	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

Chron Files September 24-30, 1995 [2]

2019-0774-S
rs3296

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

ALSO IN WASHINGTON

Senator revives ill man



USA TODAY
FRIST: Is also a heart surgeon

and inserted a tube so rescuers could get him breathing. Sieber was listed in critical condition late Thursday at George Washington Hospital Center in Wash-

ington. Frist left town shortly after the incident for a fund-raiser in Nashville and couldn't be reached.

PACKWOOD DIARIES: The Senate ethics committee will not pursue an entry in Sen. Bob Packwood's diaries, in which he asserted that Sen. Phil Gramm intended to send GOP money to Packwood in violation of contribution limits. "The committee has reviewed this matter and has concluded that no further action will be taken by the committee," concluded a letter to Gramm, R-Texas, on Thursday from Chairman Mitch McConnell, R-Ky. and Vice Chairman Richard Bryan, D-Nev. Packwood, R-Ore., resigned last week after the ethics panel voted to expel him for sexual and official misconduct.

FBI CRIME LAB: Attorney General Janet Reno said Thursday she has ordered the Justice Department's inspector general to investigate allegations that FBI testimony on crime lab evidence, in some cases, is slanted to help the prosecution. Special Agent Frederic Whitehurst's charges came to public attention after O.J. Simpson's defense lawyers wanted him to testify against another FBI analyst. Whitehurst has accused analyst Roger Martz, who testified in the Simpson case, of slanting lab findings in other cases. A review of 250 cases has found no problems, the FBI said.

In N.C., 'Baby Love' program gives Medicaid a good name

By Richard Wolf
USA TODAY

MOUNT AIRY, N.C. — If Brittany Semones gives birth to a healthy baby next month, she will have Medicaid to thank.

With one miscarriage behind her and considered a risk for another, Semones quit her job in this rural community after becoming pregnant and opted for bed rest. Husband Marty's job as a machine operator comes with health insurance — but not nearly enough.

So the couple, who earn about \$15,000 a year, applied for Medicaid coverage under North Carolina's "Baby Love" program. Already, it's paid for surgery, two hospital visits, check-ups and medicines. "Without Medicaid, our doctor bills would be just outstanding," says the expectant mother. "It does a great job."

But programs like Baby Love could lose funding if Congress follows through on plans to cut \$182 billion — 30% of projected spending — from the federal-state health-care program by 2002.

Unlike Medicare, which is guaranteed to everyone in old age, the Medicaid program is designed for the poor and disabled of any age, and consists of a variety of separate programs such as Baby Love.

This month, GOP senators and House members hope to come up with a new formula for Medicaid that sends less money to the states with fewer strings attached. Such a "block grant" approach faces stiff opposition from Democrats and some GOP moderates.

But even if the structure of Medicaid is retained, big cuts are likely: Unlike Medicare, which is staunchly defended by the powerful senior citizens' lobby, Medicaid is politically vulnerable as well as financially unsustainable.

► Among its 36 million recipients, nearly three-fourths are mothers and children who qualify by meeting income and eligibility standards made more generous in the past decade. Unlike the elderly and disabled who complete the Medicaid clientele, many feel this group lacks clout.

"The conventional wisdom is that nursing homes and seniors will have

"We can't continue to let the program grow as it has been growing."

— Thomas Bliley,
House Commerce chairman

more political clout to protect themselves at the state level," says Judy Waxman of Families USA, a group seeking expanded health insurance coverage.

► Medical inflation, a burgeoning caseload and more generous benefits have combined to keep Medicaid growing at more than 10% annually. Critics say states need more freedom to run the program, which gobbles up 20% of most state budgets.

Most of that goes to the elderly and disabled, particularly for nursing-home and institutional care. The average annual cost for a senior citizen under Medicaid is more than \$8,000; for a child, \$1,000.

Budget-cutters in Congress say the cuts can be made without jeopardizing health care for the poor, but they would leave details to the states.

"We can't continue to let the program grow as it has been growing," says House Commerce Committee Chairman Thomas Bliley, R-Va., who wants to trim Medicaid inflation to 4% annually by 2002.

Medicaid now pays to deliver one in three babies in the USA and covers the infant for at least a year — at an average cost of \$7,000 per child. In most states, pregnant women and children are covered up to 185% of the federal poverty level, far beyond federal requirements. Most also offer enhanced maternity packages, including education and home visits.

If the GOP succeeds in sending Medicaid to the states as a block grant, it will be left to people like Barbara Matula, North Carolina's director of medical assistance, to find the savings. And there are only so many places to look:

► Moving more Medicaid recipients into managed-care insurance plans could save money, although

most studies predict only modest savings. In North Carolina, a state program that matches beneficiaries to primary-care doctors already has cut hospital costs.

► Reducing the income thresholds under which families and children qualify for Medicaid could trim the caseload, but some of their health-care costs might be shifted to paying customers.

► Reversing some of the expansions of recent years could remove groups of recipients. A prime target could be poor children ages 12-18, all of whom are scheduled for coverage by 2002. North Carolina already covers children up to 18.

Nothing makes Matula happier than Baby Love, which began in 1987 and covers 50,000 pregnant women. "In the absence of health-care reform, cutting back this program will not cut back on the needs of the uninsured," she says.

One example of a success story is Allyssa Gwyn, who was born nearly one year ago to Suzanna Nichols, then 16. Because pre-natal costs for a dependent child weren't covered under her parents' private insurance, Nichols qualified for the Baby Love program. She has split from Allyssa's father and works part time: without Medicaid, she would "probably go on welfare."

But if Medicaid funding is capped, most state officials agree, something will have to give.

In North Carolina, Medicaid inflation hit double digits in 1988, as did caseload expansion. Since then, costs have risen at least 14% annually, to \$3.5 billion; the caseload grew at least 13% annually until 1994. As a result, Medicaid rolls have more than doubled in six years, to 1 million people.

The population boom has been felt most by those who treat pregnant women and children. About 42% of all births in North Carolina are covered by Medicaid.

At Northern Pediatrics in Mount Airy, 40% of Roland Boyd's practice is paid by Medicaid.

"Probably most of mine are working poor, and they're trying. I like that," Boyd says. "For the kids, it's good, because they can't decide who they're born to."

Gwen/Ann Boer

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THE PRESIDENT HAS SEEN

9-26-95

THE PRESIDENT HAS SEEN

9-26-95

This needs to be
more explicit put in
message + detail - P&

Immigrants With Skills

THERE ARE TWO ways to view the impact on the national interest of allowing skilled workers and professionals to come to the United States as immigrants. One camp has it that welcoming these foreigners is an unmixed blessing. They are highly trained, either at the professional level or with skills acquired over a number of years. They are eminently employable, will be no drain on the welfare system and will make a real contribution to the country. All of this is true. Others reply that there are plenty of highly trained Americans—many of them college graduates—who could and should be filling those job slots. They point out that without foreign competition, Americans would compete for and perform well in these jobs. This is also true. In the coming months, Congress will try to find some middle ground.

The total number of immigrants and refugees admitted into this country (now 800,000 a year) will almost certainly be reduced by Congress. The final figure will be somewhere between 400,000 and 550,000 a year. The mix will also shift, with peripheral relatives such as married siblings excluded and the percentage of available places allotted to skilled workers rising. But because the total will be smaller, the actual number of spots for skilled workers will go down

from the present 140,000 a year to something in the 75,000 to 100,000 range.

American manufacturers are complaining. They like the system as it is: fairly simple to get a temporary visa for a worker (permission from the Labor Department is not needed) and five years later to get a permanent visa. The system works so well for them, in fact, that there is no backlog of visa applicants in this category, and the authorized 140,000 places are not filled.

Immigration of those with skills should be encouraged, and the restructuring now being considered gives added weight to this priority. But it is also important to put the needs of American workers first. The Commission on Immigration Reform, chaired by former representative Barbara Jordan, has recommended, for example, that employers bringing in foreign skilled workers be required to pay a substantial fee—perhaps one-third of the first year's salary—to a designated private-sector initiative dedicated to developing a well-trained American work force. More to the point, they should also be required to conduct a nationwide search for workers here, offering 105 percent of the prevailing wage, before being allowed to hire foreigners. These suggestions are worth exploring.

SATURDAY, SEPTEMBER 16, 1995

THE WASHINGTON POST

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1 New Senator, Special Del...

THE PRESIDENT HAS SEEN
9-26-95

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Mr. President

THE WHITE HOUSE

WASHINGTON

Max Baer

strongly endorses

Frank Guarini
for Amb. to
Rome —

He (Guarini) is
Pres of Italian
American Foundation
36 million (?)

Charlie DeLo

Robert D. Novak

The Counterrevolutionary Candidate

"So, that's pro-choice," Colin Powell concluded in summarizing his views on abortion for interviewer Barbara Walters. When ABC News distributed a transcript in advance of last Friday's "20/20" broadcast, it became clear in political circles that if the retired general enters the race for the Republican presidential nomination, it will be as the counterrevolutionary candidate.

Serious Republican politicians abjure the "pro-choice" label even if it accurately describes their views. Gen. Powell, long active in Washington's corridors of power, is not naive. His self-description on abortion and his newly stated positions on affirmative action, gun control and school prayer appear to be conscious efforts to separate himself from the Republican revolution to change government in America.

Powell effectively declared war on elements of the coalition that last year won control of Congress for the Republicans—from the Christian Coalition to the National Rifle Association. The general has heard more from upper-income Republicans who abhor the party's 15-year stance against abortion than from grass-roots activists.

That is bad news for those Republicans who ever since Powell's retirement on Sept. 30, 1993, have viewed him as the next Eisenhower. But it also explains the feverish excitement in the capital this past week in the bipartisan establishment. Powell is the best hope—far better than President Bill

Clinton—for keeping things as they are in Washington.

The publication party for Powell's "My American Journey" last Tuesday night did not attract many Republican members of the 104th Congress, hard at work on Capitol Hill. But hundreds of lobbyists, journalists and government officials past and present attended—contradicting any popular image of Powell as a nonpolitical outsider. The very people who cringed in fear four years ago when Ross Perot burst upon the presidential scene now welcome the general as their savior.

The rationale for Powell as Republican nominee is the decline of Sen. Robert J. Dole as front-runner, with nobody filling the vacuum. That was enhanced by two peculiar developments recently. A remarkable essay by editor William Kristol in the inaugural edition of the new Weekly Standard magazine shocked Washington by predicting Powell will be the Republican nominee if he runs. House Speaker Newt Gingrich, in an even more remarkable statement, said he would not run for president if Powell did. But the impact of those statements has been undercut by Powell's political debut.

The reaction from the Republican revolutionaries has been swift. Sen. Jesse Helms said Powell's nomination "would be a mistake, because I think it would split the party." Rep. John Kasich, less stereotyped than Helms as a warrior of the right, told me: "You can't lead the party or the United States without a philosophy. Common sense is not a philosophy." To Kasich, no pro-choice Republican can be nominated for president.

Powell's early political comments have been so dismissive of basic Republican ideology that they prompt Kristol to question his forecast. As for Gingrich's implication that he and the general share the same posture, he told reporters Friday morning he was merely saying that Powell as a candidate would "fill up the space" and so preclude his own candidacy. In fact the speaker feels Powell is the last hope of the failed philosophy of big government.

The same Washington establishmentarians who rejoice over Powell are contemptuous of publisher Malcolm S. (Steve) Forbes Jr., whose announcement as a candidate is expected this week. Unlike Powell, Forbes believes the present crop of Republican candidates is not revolutionary enough and has attacked Dole on tax policy. Forbes, reflecting country-club views, also has trouble handling abortion, but he is careful not to label himself as "pro-choice." He is not firing on the foot soldiers of the Republican Party, and that in itself is an auspicious beginning.

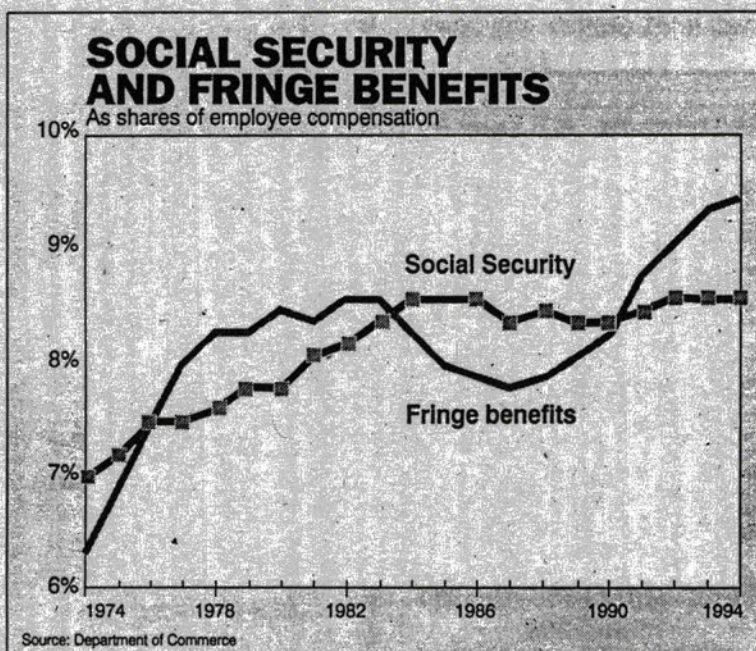
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THE WASHINGTON POST
MONDAY, SEPTEMBER 18, 1995

Chrom

BRUCE BARTLETT

THE PRESIDENT HAS SEEN
9-26-95



The Washington Times

Reich's lament and the wages of reality

Labor Secretary Robert Reich continues to make much of the purported decline in wages. Workers, he says, are being squeezed by greedy corporations that are failing to pass on productivity gains in the form of higher wages. Instead, corporate profits are rising.

In an earlier column, I pointed out that employee compensation as a share of national income was not falling and that corporate profits were not rising. However, it is worth looking at the issue of wages more carefully.

The Commerce Department divides total employee compensation into three major categories: wages and salaries, employer contributions for social insurance (i.e., Social Security), and other labor income, which consists mainly of fringe benefits. The latter includes such things as pensions, health and life insurance, and workers compensation.

As the figure indicates, both of the non-wage portions of compensation have risen sharply over the last 20 years. In 1974, employer contributions for social insurance took just 7 percent of total compensation. By 1994, it had risen to 8.6 percent, the result of numerous increases in Social Security tax rates and the taxable wage base.

The percentage of compensation going to fringe benefits has risen even more. In 1974, fringe benefits accounted for 6.3 percent of employee compensation. By 1994, they had risen to 9.5 percent of compensation.

In short, the decision by workers to take more of their compen-

sation in the form of benefits, rather than wages, explains all of the apparent decline in wages. And the reason is not surprising. Benefits are tax-free, whereas wages are taxable.

That workers will substitute tax-free benefits for taxable wages when tax rates rise is a phenomenon well documented in the economic literature. For example, a recent paper by Professors William Gentry and Eric Peress of Duke University found that for blue collar workers a 1 percentage tax increase raises the percentage of workers offered employer-financed life insurance and pensions by between 1.21 percent and 1.33 percent.

Thus we see that the steepest rise in benefits came during the 1970s, when inflation was pushing workers into higher and higher tax brackets. In the early 1980s, after President Reagan got inflation under control, indexed tax brackets to inflation, and cut tax rates, workers shifted out of benefits and took more of their income in the form of wages.

Since 1990, tax rates have been rising again. As a result, workers have responded by increasing the share of their compensation from tax-free benefits. Thus President Clinton's 1993 tax increase was a major contributor to the relative decline in wages that his labor secretary so decries.

Bruce Bartlett is a senior fellow with the National Center for Policy Analysis and a contributing writer for The Washington Times.

Lawyer

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THE WHITE HOUSE
WASHINGTON

September 25, 1995

9/26/95
original gone
to Jim Donskind
(Phil had reviewed)

The Honorable Rudolph W. Giuliani
Mayor of New York
New York, New York 10007

Dear Rudy:

Thanks so much for your warm invitation to speak at the opening dinner of the United Nations 50th Anniversary Gala in New York City next month. While I would love to join you, I am already committed to attend the Italian-American Dinner in Washington that same evening.

As you know, I've taken great personal interest in the UN anniversary celebration, and I appreciate the time and effort that the New York Host Committee has devoted to these events. It is fitting that we pay tribute to the visionaries who joined to create the UN Charter fifty years ago. Now we must turn our attention to the future, charting a course for the next fifty years and beyond.

I look forward to joining you later that week and send best wishes for a wonderful dinner.

Sincerely,

Bill Clinton



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

September 13, 1995

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

Dear Mr. President:

I would like to reiterate my invitation for you to participate as Special Guest of Honor and keynote speaker at the opening dinner of New York City's United Nations 50th Anniversary Gala on Saturday, October 21, 1995. As you may recall, we discussed this dinner when we were together at the White House in June.

I know that you and your office have had this request under consideration for some time and have been exploring the possibility of your participation. You apparently will be in New York City early the next day to begin your own involvement with different United Nations events.

We are expecting over 140 heads of state for the October 21st dinner which the New York Host Committee has been planning over the last nine months. The program is scheduled to begin at 8:00 p.m. If it would be more convenient, we could arrange for you to speak later in the evening, enabling you to attend other scheduled events in Washington.

It indeed would be an honor to have you join us that evening. As you clearly stated in San Francisco, the United Nations has so much to give to the world and this dinner would be another special opportunity to communicate to world leaders all that is to be accomplished over the next 50 years.

If there is any way you could possibly be with us even for a short time, everyone involved in this effort and all world leaders who will be guests would be most grateful.

Sincerely,

Rudolph W. Giuliani
Mayor

EXECUTIVE OFFICE OF THE PRESIDENT

14-Sep-1995 10:03am

TO: Julia F. Bator
FROM: R. Lawton Jordan III
Intergovernmental Affairs
SUBJECT: Giuliani No

Julia-

Thanks for your help on this. Per our conversation, we would like to draft a nice, personal reply to Mayor Giuliani regretting this event. The letter should say he can't come b/c he has to attend the Italian / American Dinner in Washington that evening. The letter should also have something nice to say about this event. We want the mayor to know that the President is aware of this event.

Please return this to us and we will get a BC SIG.

I will red dot you. Thanks.

Lawton

Does scheduling have a copy?

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

14-Sep-1995 03:14pm

TO: Jack R. Shock

FROM: R. Lawton Jordan III
 Intergovernmental Affairs

SUBJECT: RE: Giuliani turndown

This has been regretted once by scheduling. They appealed this, asked us to push it, and this is our answer, we want to convey to them that POTUS knows about it. Thanks

Dear President Clinton,

I would like to send money to
OKC scholarship fund. I felt terrible for
all the kids that lost their parents or any
of their family members. I took this 10 dollars
out of my own money but I had my mom
write a check for it. I wish all of the victims
of the OKC bombing and their families the
best,

♡, Eve Torres 11 years old
5221 S. Geneva St.
Englewood CO 80111

9/26

This came from the OVAL.

TO Dorskind

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S.

THE PRESIDENT HAS SEEN
9.20.95

THE WHITE HOUSE
WASHINGTON

September 18, 1995

95 SEP 21 P12 : 58

MEMORANDUM FOR THE PRESIDENT

THROUGH: ERSKINE BOWLES
DEPUTY CHIEF OF STAFF
FOR WHITE HOUSE OPERATIONS

FROM: JODIE R. TORKELSON
ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

SUBJECT: Presidential Trinkets

You saw a recent article in the Washington Times (attached) which mentioned the alleged sale of Presidential trinkets by White House staff and the Secret Service. The following discusses the current policies on Presidential trinkets.

White House Distributed Trinkets

My office has been responsible since the beginning of your administration for obtaining the trinkets you personally hand out and those handed out by staff on your behalf. During the past year, we have worked closely with Nancy Hernreich to limit the number of White House staff who have the authority to distribute trinkets and to ensure that the trinkets are used appropriately. Attached is a chart showing who can request trinkets, what the trinkets are used for, and the types of trinkets available.

In addition to the trinkets distributed by the White House, there are three other known sources for Presidential trinkets: 1) DNC staff and volunteers; 2) State Department staff and volunteers; and 3) vendors illegally producing and selling trinkets.

DNC Distributed Trinkets

It is traditional for the national party of the incumbent President to have their own trinkets available for distribution to major donors and other party faithful. The DNC generally only distributes their trinkets to donors at fund-raising or servicing events you attend.

State Department Distributed Trinkets

The State Department protocol office maintains its own Presidential trinkets which are to be used on your behalf while preparations are being made for your overseas visits. This has been the practice since the Nixon administration. The trinkets are given to the lead advance person from each organization (staff, press, Secret Service, military). These trinkets can only be given to non-U.S. Government employees since the funds come from taxpayer money.

Illegally Produced Trinkets

When my office comes across a vendor illegally selling Presidential trinkets, we immediately inform the Counsel's office. Letters are sent to the known vendors informing them that it is illegal to sell Presidential items and that further action will be taken if they do not cease. We believe that these warning letters have been effective in stopping vendors from illegal sales.

The Presidential blue leather luggage specifically mentioned in the article may have come from Dr. Bruce Foley of Malibu, California. Dr. Foley was a vendor that the White House used at the beginning of the administration. In 1994 my office discovered that Dr. Foley was selling Presidential items, including the blue leather luggage, to Capitol Coin & Stamp Co. Counsel's office was informed and took immediate action. We do not believe that Dr. Foley has produced or sold such items since receipt of Counsel's warning letter. However, he had produced and sold great quantities of Presidential items before the White House was made aware of his activities and therefore it would not be surprising to find that many of his items are still available.

Please be assured that we are very careful about who has the authority to hand out trinkets on your behalf and we do our best to ensure that they are used properly.

Current Trinkets

Distributed by Staff

gold & blue seal cufflinks in small box

multi-color seal cufflinks in small box

gold & blue seal tie bars w/ engraved
BC signature in small box

multi-color seal tie bars w/ engraved
BC signature in small box

gold key chain w/ multi-color seal &
BC signature in small box

brass coin key chain w/ seal &
BC signature

blue & black pens w/ WJC signature

blue coffee mugs w/ seal & BC signature

gold playing cards w/ seal & BC signature

small blue duffle bags w/ seal

Distributed Only by the President (or by approval of Nancy Hernreich)

premium gold & blue seal cufflinks in
large box

gold double ring key chain w/ engraved
seal and BC signature in small box

silver frames w/ seal (8x10 & 5x7)

signing pens w/ WJC signature in black &
gold box

blue hats w/ seal

boxed golf balls w/ seal & BC signature

small pewter mirror w/ seal & BC
signature

small pewter box w/ seal & BC signature

gold broach w/ seal in burgundy & gold
box

Distribution of Trinkets

Approved Offices	Approved Staff	Reasons	Items & Amounts
President's Office	Nancy Hernreich Betty Currie Debi Schiff Stephen Goodin Rebecca Cameron Carolyn Huber Glen Maes	Travelling with the President Supply for the President to distribute For house guests of the President Send as gifts from the President	All items as needed
Management & Administration	Lorraine Donovan	Requests for trinkets for departing staff (tie bars, cufflinks, key chains) Other requests approved by Nancy Hernreich	All items as needed
Military Office	Sgt. Turner	For military personnel to distribute when travelling with the President Military Aides keep a supply of trinkets for the President to distribute	36 trinkets per stop per trip (3 cufflinks, 3 tie bars, 7 key chains, 8 pens, 10 lapel pins, 5 playing cards) 5 hats, 6 golf balls, 5 key chains to be distributed only by the President
Legislative Affairs	Tim Keating	Distribute on the Hill to members of Congress	15 trinkets per month (brass key chains, cufflinks, tie bars, mugs)
Scheduling & Advance	David Beaubaire	Advance lead distribute while travelling	30 trinkets per trip (10 brass key chains, 10 lapel pins, 10 pens)

INSIDE THE
BELTWAY

Swapping Bill for Ron

Walk into the Capitol Coin & Stamp Co. on L Street NW and you'll stumble upon merchandise bearing the presidential seal — some of it supposedly obtained from White House staffers.

For \$850, for instance, you can buy a full set of blue leather luggage, complete with the coveted seal, which store owner Nelson Whitman insists in an interview that he obtained, in a trade, with a Secret Service agent.

If you can't afford the full set, Mr. Whitman will sell individual pieces at prices ranging from \$150 to \$300.

Mr. Whitman said he was told that President Clinton gives away this luggage to heads of state and the Secret Service agent who swapped it "wanted older political memorabilia from Reagan and Bush" in return.

Asked how a Secret Service agent came to have the special luggage in his possession, Mr. Whitman said he didn't bother to ask him.

Lt. Marty Ratchford, spokesman for the Secret Service, told us he knows that White House staffers sometimes peddle cuff links, tie tacks, pens and other "trinkets" bearing the presidential seal at Capitol Coin & Stamp. But he said he's "never heard of anything of the magnitude" of the luggage Mr. Whitman possesses.

Lt. Ratchford said he also questions whether it was actually a Secret Service agent who traded the luggage.

"How does he [Mr. Whitman] know it was a Secret Service agent?" the lieutenant asked. "It could have been a staffer from some other [White House] office who said he was from the Secret Service."

There was skepticism of another sort at the executive mansion. "There is no missing luggage at the White House," spokesman Neel Lattimore said.

Mr. Lattimore also said he's "not aware" of Mr. Clinton ever giving luggage to a foreign dignitary. "The traditional gift is a piece of crystal."

Worse than we thought

Let's hope our nation isn't liter-

UNITED STATES GOVERNMENT
MEMORANDUM

THE LIBRARY OF CONGRESS

DATE:

TO :

FROM :

SUBJECT :

Are they trying to tell us something over at the Library of Congress?

ally coming apart, as the memorandum we obtained from the Library of Congress would have us believe.

The memo reads: "Untied States Government."

Planning ahead

We're told of a strategy meeting held on Capitol Hill this week to be certain this time around that conservatives are placed in key positions in the next Republican administration — assuming President Clinton loses his re-election bid.

Among those attending the session, organized by conservative Leadership Institute founder Morton Blackwell, were several former Reagan administration appointees, as well as current and former staff of key conservative House and Senate members.

"We discussed how to target the most significant positions in a way that conservatives will occupy these posts no matter which Republican is elected president," one Reagan appointee at the meeting told us yesterday.

Hung out to dry

President Clinton might have given Larry Forgy, who hopes to become Kentucky's first GOP governor in 28 years, the boost he needs to defeat Lt. Gov. Paul Patton, who beat four other Democrats in the primary.

This column obtained a transcript of remarks made by Mr. Patton last week, in which he disclosed that on the previous evening he had talked with Mr. Clinton for 20 minutes about the president's intention to regulate tobacco as a drug.

"To call tobacco a drug is a slap in the face to every tobacco

farmer in Kentucky," Mr. Patton said in his later remarks. "This is just the first step in the anti-tobacco lobby's effort to outlaw tobacco."

Then, Mr. Patton went so far as to pledge: "If this proposed regulation becomes law, I cannot support the president for re-election."

Have to do something

While the administration continues weighing what action, if any, it will take with regard to the continuing crisis in the Balkans, the Voice of America this week went ahead and hooked up a hot line to enable refugees in the war-torn former Yugoslavia to send messages to relatives.

"With so many people uprooted from their homes and dislocated, we want to do something to help them keep in touch with loved ones," explained VOA Director Geoffrey Cowan.

A recent survey ranked the VOA, the international radio service of the U.S. Information Agency, as No. 1 in Sarajevo, with 32 percent of the listening audience. To be sure it reaches all sides, VOA beams one hour of Croatian, two hours and 45 minutes of Serbian, and 40 minutes of Slovenian to the region each day.

Common occurrence

An envelope that arrived in our mailbox this week — 11 days after being dropped in the mail by Freddie Mac in McLean — had this explanation stamped (we must not be the first) over it by the U.S. Postal Service: "Found In Supposedly Empty Equipment At The Mailbag Depository Landover, MD."

Endline
Full look
into
BC

Toddy
Please
advise
Lm

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

9.26.95

September 12, 1995 95 SEP 13 P12:07

MEMORANDUM FOR THE PRESIDENT

FROM:

LEON E. PANETTA
Chief of Staff

SUBJECT:

Request for Autograph of Speech in Monterey

Attached for your signature are two copies of the speech you delivered to California State University at Monterey Bay.

The Chancellor of the California State University, Dr. Barry Munitz, has contacted me to request an autographed copy of the speech you delivered for the University's archives.

In addition, I would appreciate your signing the second copy of the speech for Col. Hank Hendrickson. As you will recall, your speech in Monterey included a quote from Col. Hank Hendrickson, a former Fort Ord commander who is now employed by the University.

Please autograph for: California State University at Monterey Bay (copy 1)

Col. Hank Hendrickson (copy 2)

Thank you.

*Showered do
one for Peter to*

So much
to win this
we would have
to carry this area
Big — Pls check
this out —

Bz
THE PRESIDENT HAS SEEN
9/26/95

Mr. President,
As a State Representative
from N.E. Ohio, please don't forget the
Mahoning Valley. Work with ^{me} on the
new Science & Technology & Technical
Training Center at Kent State. Federal partici-
pation can make it even better. The Youngs-
town Warren Area needs to see your efforts.
God Bless you M. Verich

1460 Central Parkway SE
Warren, OH 44484

Office: (216) 369-2537
(614) 466-5358



MICHAEL G. VERICH

Member
Ohio House of Representatives
66th House District
Trumbull County



Riffe Center
77 S. High Street
Columbus, OH 43266-0603

THE WHITE HOUSE
WASHINGTON

95 SEP 22 P 8:07

SEPTEMBER 22, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
SEPTEMBER 17-23, 1995

DEPARTMENT OF TREASURY

- **EITC Activity:** On Monday, September 18, Treasury provided each Senate office with the Department's most recent analysis of the Roth/Nickles proposal (S.899) to cut the EITC. This analysis included separate summary pages for each state and shows that the major components of the proposal would increase taxes by an average of \$655 in the year 2002 (measured at 1996 income levels) on 18.4 million working taxpayers and their families. It also shows that the proposal would raise taxes on working families with two or more children by an average of \$959 in 2002.
- **Olympic Coin Update:** On September 21, U.S. Treasurer Mary Ellen Withrow travelled to Finland to help launch the 1995/1996 Olympic Program. She presented an Olympic coin to the President of Finland and to the King of Norway in honor of the official launch of the Olympic Program in Oslo.
- **North American Development (NAD) Bank:** The best prospect for securing funding for the NADBank on the floor is an amendment that would reallocate \$25 million from the Multilateral Investment Fund (MIF) and ask the State Department to find another \$25 million. Treasury is actively engaged with staffs to Senators Hatfield, McConnell and Domenici to ensure that the Department receives funding for the NADBank on the floor which would better position it for further negotiations in conference.
- **Hearing Scheduled re. Status of Japanese Banking System:** House Banking Committee Chairman Leach is requesting Treasury testimony at an open hearing before the Committee on the current status of the Japanese banking system. The hearing is scheduled for October 16.

DEPARTMENT OF COMMERCE

- **Secretarial Events:** On Monday, September 25, Secretary Brown kicks off Minority Enterprise Development (MED) Week, an annual event sponsored by Commerce's Minority Business Development Administration (MBDA). On Thursday, October 5, he will address the U.S. Hispanic Chamber of Commerce in Miami.
- **Commerce will Release the Following Economic Data:**

Advance Report on Durable Goods, Manufacturers' Shipments and Orders for August 1995	September 27
Gross Domestic Product for 2nd Quarter 1995 (final)	September 29
Corporate Profits for 2nd Quarter 1995 (revised)	September 29
New One-Family Houses Sold and for Sale for August 1995	September 29
Personal Income and Outlays for August 1995	October 2
Value of New Construction Put in Place for August 1995	October 2
- **Atlantic Salmon Endangered Species Listing:** Within the next few weeks, Commerce expects to clear a proposed rule to list Atlantic salmon populations in the Sheepscot, Ducktrap, Narraguagus, Pleasant, Machias, East Machias and Dennys Rivers in Maine as a threatened distinct population segments under the Endangered Species Act.
- **National Medal of Technology Winners to be Announced:** On Wednesday, September 27, Secretary Brown will announce the winners of the National Medal of Technology at a breakfast followed by a press conference. He will emphasize the effectiveness of the Administration's technology programs in helping U.S. industry remain competitive.
- **National Export Strategy Announcement & Events:** At the end of September, Secretary Brown will release the Third Annual Report to Congress on the National Export Strategy. Commerce is planning a press event, Congressional hearings and a possible Presidential release to highlight the coordinated efforts of the Administration to increase exports and create jobs.

DEPARTMENT OF LABOR

- **United Mine Workers Speech:** On Wednesday, September 27, Secretary Reich will deliver a speech at the United Mine Workers Convention in Miami, Florida. While in Miami, he will also take part in a low wage worker event to highlight the need for an increase in the minimum wage.
- **AFL-CIO Transportation Trades Convention Speech:** On Thursday, September 28, Secretary Reich will speak at the AFL-CIO's Transportation Trades convention in Washington, D.C.
- **Reinvention Event with Vice President:** On Tuesday, September 26, Assistant Secretary Joseph Dear of DOL's Occupational Safety & Health Administration (OSHA) will make remarks and introduce Vice President Gore at the Voluntary Protection Programs Participants' Association 11th Annual National Conference in Washington D.C.

- **Labor Ministers Conference in Argentina:** Secretary Reich will be in Buenos Aires, Argentina on October 1-2 to attend and make remarks at the 10th Inter American Conference of Ministers of Labor.
- **Boeing-Machinists Negotiations Continue:** Negotiations between the Boeing Co. and the Machinists are continuing in Seattle, WA. The current agreement, scheduled to expire October 3, has been extended to October 5 to allow union members time to consider a contract offer. The Machinists represent some 32,800 hourly employees at Boeing facilities in Seattle and Spokane, Washington, Wichita, Kansas, and Portland, Oregon.
- **No Progress in CWA-Bell Atlantic Talks:** No progress has been reported in informal talks between the CWA and Bell Atlantic. The union is continuing a media campaign critical of the company's bargaining position, and expects to brief members of congress sometime next week.
- **Teamsters President Announces He Will Seek Second Term:** On September 17, Teamsters President Ron Carey announced his intention to seek a second term as IBT chief. Speaking before his home local in Long Island City, NY, Carey cited his accomplishments in reforming the union and eliminating corrupt influences. James P Hoffa, son of former IBT president Jimmy Hoffa, announced his candidacy at a Labor Day rally in Detroit.
- **Preliminary Results of LA Garment Shops Enforcement Initiative Announced:** On September 15, the DOL's Employment Standards Administration announced preliminary results of a recent enforcement initiative that targeted garment shops in the Los Angeles area. This joint effort was conducted with the State of California under the Targeted Industries Partnership Program during the week of September 11. Approximately 50 garment shops in the Los Angeles area were found to be producing goods for more than 80 manufacturers. Preliminary back wage liability is approximately \$570,000 for 600 workers.
- **School-to-Work Grant Announcements:** The second year of state School-to-Work grants was announced on Tuesday, September 19. Nineteen states were awarded a total of \$74 million. Secretaries Reich and Riley joined newly-crowned Miss America Shawntel Smith in a press conference in New York City to discuss the School to Work program. Also this week, an additional \$87 million in eight second-year School to Work grants were awarded to Kentucky, Maine, Massachusetts, Michigan, New Jersey, New York, Oregon and Wisconsin.
- **Garment Summit Follow-Up:** On Thursday, September 21, Secretary Reich taped *The Phil Donahue Show*, which will air on October 2. He discussed the working conditions in the garment industry and how the government, retailers, manufacturers and consumers can all work together to eradicate abusive conditions in the garment industry. That evening, he also had a press dinner and briefing with editors of major fashion publications.
- **\$8 Million OSHA Citation Issued Against Samsung Guam, Inc.:** On September 22, OSHA issued citations to Samsung Guam, Inc. (SGI) with a total penalty of \$8,260,000. SGI was the steel erection contractor on a large expansion project at the Guam International Air Terminal. The Samsung Group is the largest South Korean general trading company. This inspection was initiated March 28, 1995, as the result of a fatal accident at the airport site.

- **Operation SouthPAW:** This week, staff of DOL's Dallas Wage and Hour Division participated in the INS' "Operation Southpaw" initiative which targeted food processing plants in Arkansas. This multi-agency initiative, which includes staff of OIG's Office of Racketeering, U.S. Border Patrol, U.S. Public Health Service and various local law enforcement agencies, has thus far involved 11 food processing plants in nine cities. Operation SouthPAW's objectives are to ensure employer compliance with federal immigration hiring laws and wage and hour provisions. Wage & Hour's role is to ensure that undocumented workers receive their final paychecks and that employers do not receive a financial windfall by failing to pay the final paychecks before the undocumented workers are deported.

DEPARTMENT OF TRANSPORTATION

- **Air Transportation Safety:** On September 19, Secretary Pena and FAA Administrator Hinson met with Leon Panetta to discuss various FAA issues. Agreement was reached on an aggressive communication strategy to respond to the increasing concerns in the media about the safety of the U.S. air transportation system. Secretary Pena and FAA officials held a press conference on September 21, to outline the DOT initiatives adopted to ensure the safety and efficiency of the nation's air transportation system.
- **Heightened Airport Security:** On August 9, the FAA directed airlines and airports to raise security to Level II and to prepare for a further elevation to Level III. It is highly likely that FAA will direct implementation of Level III measures in late September or early October. Airlines and airports have implemented the Level II measures without difficulty, and most are prepared to implement the more stringent and costly Level III measures. If an airport does not comply with the security requirements, the FAA's recourse will be to order suspension of flights. The Tampa and Detroit airports may challenge the FAA's authority to restrict parking of uninspected vehicles within short distances of terminals. DOT officials have previously briefed the National Security Council's Coordinating Sub Group which concurred that the threat level justified the increased security measures being implemented. In order to improve the screening of carry-on luggage, on September 15 the FAA amended the airlines' security directive to require additional testing and (in the event of repeated failures) additional training of x-ray screeners at security checkpoints.
- **U.S. Airlines Report Profits:** On September 19, DOT announced that all major U.S. airlines reported operating and net profits during the second quarter of 1995, some of them reporting record profits. The eleven major U.S. airlines reported a combined operating profit of over \$2 billion and net profits exceeding \$1 billion. In January 1993, the airline industry was undergoing its worst financial crisis ever. As evidenced by these reported profits, the economic and aviation policies of this Administration have created an environment in which the airline industry can and does operate profitably.
- **NAFTA:** DOT staff met with small package industry officials to discuss the next steps in efforts to secure Mexican national treatment for U.S. operators in this sector. Industry efforts to craft mutually acceptable regulations with Mexican transport officials have stalled. DOT is asking that the issue be placed on the agenda for your October 10 meeting with Mexican President Zedillo. If acceptable regulations are not forthcoming from Mexico by October 10, USTR will ask for an arbitral panel to hear the case under NAFTA's dispute resolution provisions. Secretary Pena has scheduled a meeting

with senior officials from United Parcel Service to discuss this issue further on September 28.

- **The National Highway System (NHS) Legislation:** The House passed the NHS legislation on September 20. This bill eliminates the National Maximum Speed Limit, imposes a "zero tolerance" alcohol limit on teenagers, eliminates the requirement for states to use a certain amount of old tire rubber in asphalt for highway construction, bars DOT from enforcing federal safety standards on small trucks (less than 26,000 pounds) and exempts truck drivers in the agriculture industry from maximum hours-of-service laws within 50 miles of distribution points during the planting and harvesting seasons. The bill now goes to a House-Senate conference.

DEPARTMENT OF JUSTICE

- **Virgin Islands Hurricane Assistance:** As many as 150 deputy U.S. marshals were on site in St. Thomas to assist court personnel, remove prisoners, secure the U.S. Courthouse, and support FEMA.
- **New Branch Davidian Suit Filed:** On September 5, a new suit was filed seeking damages arising out of federal law enforcement involvement with the Branch Davidians in Waco, TX in 1993. In *Helen Martin, et al., v. United States* (S.D. Texas), the estates of twenty-five deceased Branch Davidians and seventy of their relatives filed suit seeking \$585 million in damages from the United States under the Federal Tort Claims Act.
- ✓ **Possible Repeal of Crime Bill Provisions in Appropriations Debate:** The full Senate floor debate on the Commerce, State, Justice appropriations measure is scheduled to begin within the next week. This bill would repeal most of the crime bill programs and substitute block grants.
- **More Border Patrol Agents:** 47 new Border Patrol agents will graduate on Sept. 26 and be sent to assignments in the San Diego and McAllen, TX Sectors.
- **Joint Hearing On Affirmative Action:** On September 22, the Senate and House Judiciary Subcommittees on the Constitution, chaired by Rep. Canady and Sen. Brown, held a joint hearing on affirmative action after the *Adarand* decision. The Subcommittees requested all documents relating to the review. ASG John Schmidt testified on behalf of the Department.
- **Court Enjoins United States Air Force Discharge Pursuant To New Homosexual Conduct Policy:** On September 8, 1995, the court in *Richenberg v. Perry* (D. NE), issued a temporary restraining order enjoining the Air Force from completing its discharge of plaintiff pursuant to the military's new policy concerning homosexual conduct.
- **Defendants Sentenced In Cross Burning Case:** On September 11, 1995, the defendants were sentenced in *United States v. Sharp* and *United States v. Ducharme*, (D.N.H.). The defendants pled guilty to various charges stemming from their involvement in a 1991 cross burning on the lawn of an African American family in Litchfield, New Hampshire.
- **First Conviction Under The Violence Against Women Act:** Christopher J. Bailey was sentenced in the Southern District of West Virginia to life imprisonment for kidnapping and 20 years for interstate domestic violence.

- **Abortion Clinic Violence:** Rachelle Ranae "Shelley" Shannon was sentenced to 20 years incarceration in the District of Oregon for six arsons and two butyric acid attacks at abortion clinics in Oregon, Northern California, and Nevada in 1992.
- **D.C. Circuit To Hear Arguments In Estate Tax Case:** On September 28, 1995, the court will hear arguments in *National Taxpayers Union, Inc. v. United States*, (D.C. Circuit). The plaintiff, an organization of taxpayers, brought this action challenging the constitutionality of a provision of the Omnibus Budget Reconciliation Act of 1993 which retroactively increased the tax rate on estates.
- **CBS News Reporter Files Freedom Of Information Act ("FOIA") Suit For White House Helicopter Records:** On August 23, 1995, Eric Engberg, a reporter for CBS News, filed an action under FOIA seeking, *inter alia*, records relating to a helicopter trip made by David Watkins to the golf course at the Holly Hills Country Club in Maryland. *Engberg v. United States Department of Navy* (D.D.C.). Mr. Engberg also seeks passenger lists for all HMX-1 helicopter flights taken between May 1, 1993 to May 1, 1994. Plaintiff's administrative requests were denied on the grounds that the requested documents were White House records and thus not subject to FOIA.
- **Operation South PAW:** On September 15, INS agents from the Atlanta, GA, District completed the Tennessee phase of the regional enforcement initiative called Operation SouthPAW (Protecting America's Workers), arresting some 587 illegal workers over a 2-week period.
- **Favorable Settlement Reached In Nazi Case:** On September 14 the Office of Special Investigations (OSI) in the Northern District of Illinois entered into a pre-filing settlement agreement with Wasyl Lytwyn of Chicago, a former SS officer who took part in the Warsaw Massacre. The agreement provides that Lytwyn will leave the United States by December 15 and will assent to the entry of a court order of denaturalization. Lytwyn admits that he fraudulently obtained his U.S. citizenship by misrepresenting his wartime past and that he served as an auxiliary in the SS Trawniki unit in Poland, a unit that Lytwyn concedes took part in the Nazi program to annihilate Jews. The agreement further states that Lytwyn does not contest the allegations of involvement in the Warsaw atrocity and other acts of persecution.

U.S. TRADE REPRESENTATIVE

- **Fast Track Negotiating Authority.** Ambassador Kantor appeared before the House Ways and Means Committee during mark-up of proposed language on fast track negotiating authority. The Administration, in coordination with the House Democratic Caucus and joined by Ways and Means Democrats, argued that you should be granted negotiating authority which is identical to the authority extended to President Bush in 1991 and President Reagan in 1988 by a Democrat-controlled Congresses. During mark-up, Rep. Levin, on behalf of the Democrats, offered an amendment to reauthorize the 1991 authority. The measure was defeated on a party-line vote. Chairman Archer's more restrictive language precluding labor and environmental provisions in future trade agreements was approved, also on party-line vote, however, Archer indicated a willingness to continue efforts to develop bipartisan support for fast track.

- **Negotiations to Open Korean Auto Market.** The second week of intensive negotiations to open the restrictive Korean auto market continued this week. Little progress has been made in obtaining a commitment from the Korean Government to reduce discriminatory barriers, such as high taxes and unreasonable standards, to U.S. auto exports. If talks do not produce a resolution soon, Ambassador Kantor will recommend that you take appropriate actions under the Super 301 statute.

SMALL BUSINESS ADMINISTRATION

- **US Export Assistance Center Opening:** On September 22, the Administrator joined Secretary Ron Brown and Mayor Ed Rendell in a press event and the opening of the USEAC in Philadelphia, PA. USEACs provide easy access to export promotion and trade finance services particularly for small and medium-sized businesses. The event will be covered by local and national media.
- **Administrator's Schedule:** On September 28, the Administrator and Secretary Ron Brown will hold a press event in Atlanta and then open the United States Export Assistance Center with Governor Zell Miller. On Monday, October 25, the Administrator and Secretary Ron Brown will both address Minority Enterprise Development Week which is cosponsored by the Department of Commerce and the SBA.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HCFA Assists California:** California and L.A. County officials met with HHS and OMB this week in Washington to work on strategies to stabilize the financial condition of the county's health care system in the short term and to restructure the system in the long term. One of the strategies being discussed includes an 1115 Medicaid demonstration.
- **Nursing Home Improvement Monitoring Group Meeting:** On September 26, HCFA Administrator Vladeck will meet with representatives of nursing home care, consumer advocates, state regulators and others who are assisting in monitoring the implementation of the new nursing home survey and enforcement system that went into effect on July 1.
- ✓ **Head Start Grants:** Next week, HHS will announce the new Early Head Start program grants to approximately 70 grantees to make Head Start available to 20,000 infants, toddlers, and their families for the first time.
- ✓ **North Dakota Welfare Waiver Pending Approval:** DHHS may approval North Dakota's proposal, the *Training, Education, Employment and Management Project*, next week. The proposal 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 demonstration also includes components to make work pay, such as combining AFDC, Food Stamps, and LIHEAP into a single cash payment. 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.

- **Research Conference on Genetics and Criminal Behavior:** A conference will be held on September 22-24 to discuss the scientific, ethical, and political implications of research on the genetics of criminal behavior. The conference was originally going to take place in 1992, but was canceled amid criticism from the Congressional Black Caucus and other groups. HHS expects some media coverage; this week, *New York Times* this week carried a story about the conference.
- **FDA Advisory Committee to Discuss Nicotine Gum:** On September 28, an FDA advisory committee will meet to discuss an application to reclassify Nicorette, a nicotine chewing gum, from prescription to over-the-counter status.
- **FY 1996 Labor, HHS Appropriations:** On September 15, the Senate Appropriations Committee marked up the Labor, HHS, and Education FY 1996 appropriations bill. The committee included \$197.6 billion in budget authority for HHS programs which is nearly \$1.3 billion more than the House approved but \$2.8 billion less than the you requested. The House included no funds for the Low-Income Home Energy Assistance Program, but the Senate committee included \$900 million. The committee included almost \$300 million less for the NIH than the House did. Head Start was funded at \$3.4 billion, which is \$400 million more than the House proposed, but \$500 million less than you requested. The committee provided \$127.3 million for the Agency for Health Care Policy and Research (AHCPR), which is \$61.8 million more than the House allotted but \$32 million less than current funding.
- **Tobacco Control Legislation Introduced:** On September 20, Sen. Wendell Ford introduced the Tobacco Products Control Act to limit the advertisement and sale of tobacco products to reduce underage use of tobacco. The Senate bill would restrict the sale of cigarettes to minors, with enforcement left to the states, and allow vending machines in bars and workplaces. Billboard advertisements could be placed no closer than 500 feet from a school, with no text restriction (as opposed to your initiative which would prohibit tobacco ads within 1000 feet from a school or playground with black and white text only). No restrictions would be placed on service displays, the use of logos on non-tobacco products, sponsorship, or the distribution of free samples, single cigarettes ("loosies"), or packs with fewer than 20 cigarettes. Additionally, the bill expressly prohibits the FDA from regulating tobacco or tobacco products in any manner.
- **New Provisional AIDS Data Released:** On Thursday, September 21, the CDC released new preliminary data on AIDS cases, reflecting first and second quarter 1995 reports. Approximately 33,000 new AIDS cases were reported during the two quarters, bringing the cumulative total of reported cases to 476,000 since 1981. From July 1993 to July 1994, 84,000 new cases were reported to the CDC; from July 1994 to July 1995, 76,000 new cases were reported. While reports are slightly off from a year ago, this is provisional data and CDC does not consider the new numbers newsworthy.

SOCIAL SECURITY ADMINISTRATION

- **Age for SSI Eligibility Changed in Welfare Reform Bill:** The Senate-passed version of welfare reform changes the age for eligibility for Supplemental Security Income (SSI) benefits from 65 to the "retirement age" as defined for Social Security retirement benefits. This has the effect of increasing the age from 65 to 67 gradually, beginning in 2003, and reaching 67 in 2025. Any future changes that may be made to the Social Security retirement age would automatically change the age for SSI.

DEPARTMENT OF VETERANS AFFAIRS

- **Homeless Providers Grant and Per Diem Program:** The Department of Veteran Affairs is in the process of awarding \$6.37 million in grants under its Homeless Providers Grant and Per Diem Program to 28 public and private nonprofit groups to develop new programs to assist homeless veterans. The grantees are from 27 cities in 19 states and the District of Columbia.
- **Hurricane Marilyn- VA Assistance:** Today, Veteran Affairs dispatched a veterans benefits counselor to St. Thomas, St. Croix, and the smaller islands of Culebra and Vieques, to assess damage caused by Hurricane Marilyn. Upon completion of the assessment, representatives from VA's Loan Guaranty and Veterans Assistance Service will provide additional services as needed. VA employees are working in concert with the Federal Emergency Management Agency.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Chicago Housing Authority Update:** On Friday, September 22, Secretary Cisneros joined Chicago Mayor Richard Daley to announce that HUD Assistant Secretary Joseph Shuldiner will be the permanent Executive Director of the Chicago Housing Authority (CHA).
- **\$127 Million HOPE VI Grants to Be Announced:** On Thursday, September 28, Secretary Cisneros will announce the recipients of \$127 million in HOPE VI grants. HOPE VI is the Administration's primary tool for providing maximum federal commitment but minimal federal control to transform the worst public housing developments in the country.
- **Meeting with Speaker Gingrich:** On Friday, September 28, Secretary Cisneros will meet with Speaker Gingrich and House Banking Subcommittee Chairman Rick Lazio to discuss HUD's authorization bill, the Secretary's plan to reinvent HUD, and strategies for helping cities.
- **Appropriations Update:** In preparation for floor action, HUD is working with Sen. Daschle and others to introduce amendments that will restore money for homeless programs and reverse several riders that would prohibit HUD from protecting families from property insurance redlining, as provided under the Fair Housing Act.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Second Anti-Drug Steering Committee Meeting to be Held Next Week:** On Tuesday September 26, Secretary Lee Brown will attend the second meeting of an Anti-Drug Coalition Steering Committee in Cincinnati, OH, which is being organized by Rep. Portman. The Congressman has invited representatives of national organizations as well as Speaker Gingrich (who has accepted).

DEPARTMENT OF EDUCATION

- **FY 1996 Appropriations.** On Friday, September 15, the Senate Appropriations Committee completed action on the DHHS 1996 appropriations bill, providing \$ 28.6 billion for DHHS FY 1996 - - an increase over the House Bill of \$1.5 billion, but a drop of \$2.2 billion from the 1995 level and \$3.8 billion from your request. A vote on the bill is expected on Tuesday, September 26.
- **House Passes CAREERS Bill:** On Tuesday, September 19, the House passed the CAREERS bill, which consolidates job training programs, privatizes Sallie Mae and Connie Lee, and repeals statutory authority for state post-secondary review entities. The Administration's major objection to the bill is its failure to continue funding for the school-to-work initiative passed July 1, 1997. The Workforce Development Act, which is the Senate's companion bill to CAREERS, has been removed from welfare legislation and is expected to be debated in October.
- **Budget Reconciliation:** This week, the Senate Labor and Human Resources Committee marked up its budget reconciliation bill which caps direct lending at 30% of loan volume and charges a 2% fee to all participating institutions. The House Economic and Educational Opportunities Committee plans to mark up its bill during the week of September 25. The House is expected to propose the total elimination of direct lending. Each bill must achieve \$10.8 billion in savings over seven years to comply with reconciliation instructions.

DEPARTMENT OF THE INTERIOR

- **Budget Press Conference:** Secretary Babbitt held a press briefing on Friday, September 22, to detail the negative impact that the deep spending cuts in DOI's budget and the onerous provisions in the budget reconciliation bill will have on science, parks, ANWR, mining, grazing and other DOI activities. The Vice President announced your intention to veto the Interior appropriations bill.
- **Interior Appropriations Update:** FY 1996 net discretionary funding for DOI was cut by almost \$870 million or 13% below your budget. Devastating cuts were made to Indian programs, the National Biological Service is cut 20% below the budget, and the Bureau of Mines is abolished. The Conference agreement also makes cuts that will prevent responsible administration of the Endangered Species Act, impair operation and preservation of the Nation's parks, refuges and public lands, and seriously damage cooperative Federal-State administration of the Surface Mining Control and Reclamation Act. The agreement would transfer management responsibility and 1996 base funding for the Mojave National Preserve (\$599,000) to the Bureau of Land Management and limit NPS spending to only \$1.00. This effectively overturns a key provision of the 1994 California Desert Protection Act. The Conference accepted the Senate proposal for a 90-day moratorium on the Secretary's grazing regulations, extending the effective date from August 21, 1995 until November

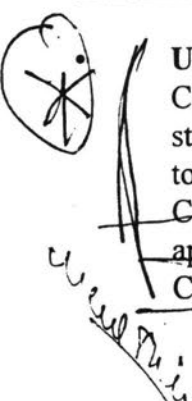
21, 1995. The regulations were promulgated following two years of extensive public participation and input. A retroactive moratorium, as agreed to by the Conference, would be confusing and complicating.

- **National Parks Update:** Despite a resounding victory in the House to kill a bill to establish a park closing commission on Tuesday, House Parks Subcommittee Chairman had the provision added to the Reconciliation bill.
- **Upcoming Secretarial Travel:** In the coming weeks, Secretary Babbitt will visit Philadelphia, PA to discuss Clean Air Act riders, New York City to highlight the listing of the mining patent moratorium, Orlando, FL to release a bald eagle into the wild, to Georgia's Chattahoochee River National Recreation Area (in Speaker Gingrich's district) to highlight the Republican's park closure proposal, and to Detroit, MI for a Clean Water Act event.

ENVIRONMENTAL PROTECTION AGENCY

- **Appropriations Update:** Last week, the full Senate Appropriations Committee maintained the Subcommittee's recommended 23% cut to your budget request. The VA/HUD appropriations bill is expected to go to the Senate floor next week.
Sen. Smith, chair of the Senate Subcommittee on Superfund Chairman Smith will release his draft Superfund reauthorization bill. Senators Chafee, Kempthorne, Baucus, and Reid are expected to introduce a bi-partisan consensus bill on Safe Drinking Water Act reauthorization.
- **Impacts of Budget Cuts on Wetlands:** This week, Administrator Browner is sending a letter to Senators regarding Congressional proposals to amend the definition of wetlands. The Republican proposal would reduce the amount of land classified as protected wetlands by 60-70%. By proposing a definition contrary to the conclusions of the National Academy of Sciences, high value wetlands would not be protected by the federal program. For example, 190,000 acres of the Everglades would not be protected under definitions being considered.
- **Budget Amplification Travel:** Over the next few weeks Administrator Browner will be traveling around the country to amplify your budget message and educate the public about the effects of the Republican budget cuts on public health and environmental protection. On September 26 she will travel to New Jersey to deliver a speech at Princeton University's Woodrow Wilson School and expects to do a Superfund event.

DEPARTMENT OF AGRICULTURE



USDA Crack Down on Food Stamp Fraud: Secretary Glickman held a major news conference in Chicago today to announce the arrest of a Chicago grocery store owner for defrauding the food stamp program of approximately \$1.3 million. The announcement was part of a Secretarial initiative to combat fraud in the \$27 billion food stamp program. In the first seven weeks of "Operation Checkout", 106 individuals have been indicted, arrested, or convicted. During this fiscal year, approximately \$110 million in fraud has been identified, resulting in over 1,800 court actions. The Chicago announcement received a great deal of local and national press attention.

- **House Agriculture Committee Fails To Pass Agriculture Programs:** The House Agriculture Committee held a mark-up on the 1995 Farm Bill this week. Chairman Roberts offered his Freedom to Farm proposal, which was voted down by the Committee (five Republicans joined all of the Democrats in voting against the plan). If the Committee is unable to pass a plan, the issue could be dealt with by the Budget Committee or on the House floor. On September 27, the Senate is scheduled to mark up the farm program provisions for reconciliation.
- **Poultry Labelling:** On September 18, the Senate began floor consideration of the USDA appropriations bill. Senators Cochran and Bumpers added a provision prohibiting USDA from implementing its rule defining "fresh" on poultry labels. The USDA rule, effective in one year, prohibits use of the label "fresh" on poultry that has ever been chilled below 26 degrees F.
- **Food Stamp Contingency Plan Being Developed:** The USDA Food, Nutrition, and Consumer Service is working with OMB on a contingency letter to states in the event that funding for the Food Stamp Program will not be available on October 1. If neither a continuing resolution or an appropriation is passed, no benefits can be issued after September 30.
- **National Service/AmeriCorps Update:** The House-Senate conference on the Interior appropriations bill adopted the Senate's more favorable language on the USDA Forest Service AmeriCorps program, which would allow the agency to run an AmeriCorps program if it follows "appropriate reprogramming guidelines." Nearly half the program would have been eliminated if the House Interior appropriations bill language had been adopted. On September 13, three USDA AmeriCorps members in Blanding, Utah negotiated a lease for a building and renovated it, and stocked shelves for the San Juan County Food Bank. The building is owned by the Navajo Nation and will serve all low-income citizens in the county.
- **FY95 Timber Receipts Projected To Fall:** FY95 receipts from the harvest of national forest timber are projected to fall about \$150 million short of earlier estimates. Timber harvests have declined more rapidly than expected, and stumpage rates have dropped below projected figures. Receipts are now projected to be about \$600 million for the year ending September 30. Timber receipts make up the bulk of National Forest System revenues, amounting to over 80 percent of all receipts last year. National forest revenues are the basis for distributing funds to most states, providing funding for schools and roads. Besides impacting the states, lower receipts may move break-even forests into a below-cost timber sale situation. Interim payments to the states are scheduled for the week of October 2-6.
- **Colombia Lifts Ban On U.S. Meat And Poultry Exports:** In what could be an additional boost to an already booming export outlook, Colombian agricultural authorities recently agreed to remove the 1993 ban on U.S. beef, pork, and poultry. This action allows imports from USDA-inspected plants, with initial certification lasting two years. Future renewals of plant approvals will require visits by Colombian agriculture officials to U.S. meat and poultry plants.
- **USDA Addresses Rail Car Shortage In Midwest:** Earlier this week, Secretary Glickman held a meeting with representatives of the American Association of Railroads and several major railroads regarding the grain transportation problems in the Midwest. Local elevators in several Midwest states have experienced price increases for railcar transportation as well as difficulty obtaining

Why
is it only
timber?

needed cars on a timely basis. While the railroads are making efforts to rapidly respond, the situation requires continued vigilance, and USDA is establishing a communication network to try and resolve problems quickly. A draft, soon-to-be-published USDA report indicates that railcar availability can have a significant impact on the price farmers receive at the local elevator. The issue has received significant attention in several Midwest states like Iowa and Minnesota.

DEPARTMENT OF ENERGY

- **Announcement on the Provision of Tritium to Maintain the Nuclear Stockpile:** On October 5, DOE will announce how it intends to provide tritium in the future to maintain our nuclear weapons stockpile. This has been the subject of much controversy, as some wanted the construction of a new nuclear reactor to provide tritium and others wanted construction of another type of facility. DOE will not announcing the construction of a new large facility. Given the importance of this decision to several States, including Nevada and South Carolina, agency officials will meet with those delegations prior to the announcement. DOE has discussed this decision with Pat Griffin and others in OMB for the last several weeks. This story is likely to generate significant press attention in South Carolina and Nevada.
- **Commission on Human Radiation Experiments Report:** On October 3, Secretary O'Leary will join you in an event to release the Advisory Commission on Human Experimentation Report. This report is expected to receive significant media attention.

UNITED STATES INFORMATION AGENCY

- **Former Yugoslavia:** Preliminary assessments credited you and Assistant Secretary Holbrooke with "a great success" in securing an accord in which Bosnian Serbs pledged to withdraw their weapons and engage in talks in exchange for a suspension of NATO bombing over Bosnia. For example, Milan's *II Sole-24 Ore* stated that "the difficult, impossible Bosnian crisis may turn into the first important foreign policy success for President Clinton." However, given the history of broken promises by the former Yugoslavia combatants, analysts remained cautious about whether this was the decisive "breakthrough" needed to achieve peace in the Balkans.
- **Drug Control Public Affairs Programs:** Several USIS posts report this week on new public affairs programs in the fight against drug use and trafficking. USIS La Paz and officials from the Bolivian Ministry of Government submitted a draft plan for public affairs action on counter-narcotics activities. USIS Mexico has launched a public affairs campaign in response to increasing commentary in the Mexican media charging that the United States is not doing enough to combat narcotics at home. USIS Brasilia reports that more than 40 national and international firms have signed on to support a major media campaign to educate the public about the dangers of drug abuse. Finally, USIS Port of Spain was heavily involved with a recent joint US-Trinidad marijuana eradication and interdiction program named "Operation Weedeater IV." The Post reports that the extensive and favorable media coverage resulting from the operation has provided an excellent opportunity to demonstrate US resolve in combatting narcotics trafficking.

City & Region

Sunday, September 17, 1995

News in Brief

B2

Analysis

Proponents say Ridge sank Navy Yard deal

By Dan Stets
and Vanessa Williams
INQUIRER STAFF WRITERS

The governors of some states travel around the world to lure investment. In Pennsylvania, Gov. Ridge won't even pick up the phone to secure a deal that would have meant thousands of jobs for Philadelphia.

That's what proponents of a project to turn the Philadelphia Naval Shipyard into a private manufacturer of oceangoing cruise ships are saying now that the project is all but dead.

Meyer Werft, the German shipbuilding company, withdrew its proposal to build a \$497 million private yard in Philadelphia late Thursday after failing for months to get the attention of the governor.

Last week, the proposal, which was more than a year in the making and which cost Meyer \$2 million to formulate, ran up against a wall of resistance from the governor's staff, which argued that the deal would require too large a commitment of government money.

The problems could have been resolved, or at least the negotiations continued, had the governor telephoned Bernard Meyer, owner of the

shipbuilding company, and spelled out the state government's intentions, several sources said.

But that call never came.

Instead, sources close to Meyer said, the governor's staff insulted Meyer's representative, lied about what took place in a negotiation session held Monday, and made misleading statements Friday in a news release announcing the deal's demise.

"I think the general feeling is that had the governor called and given some kind of encouragement to Mr. Meyer, we would be in a different position today," said a source close to the negotiations.

Meyer and his staff are in a state of shock not only because the deal fell through but also because they were treated so rudely by the governor and his staff, the source said.

Some have speculated that it was clash of politics that killed the deal, that Republican Ridge did not want to do anything to help Philadelphia and Democrat Mayor Rendell.

It also was a case of ideology, they said. The conservative Republican governor did not want to get involved in a project that smacked heavily of the type of public-private

See SHIPYARD on B2

THE PRESIDENT HAS SEEN
9-25-95

on the way up
to follow up
Meyer Werft
to follow up
Meyer Werft

Gov. Ridge is accused of sinking Navy yard deal

SHIPYARD from Bil-
 inerships advocated by the Demo-
 crats, including the Democrat in the
 the House, Bill Clinton.
 "The governor never really
 wanted to do this deal, or his staff
 or really wanted to do this deal,"
 State Rep. Bill Keller, whose
 1st Legislative District is home to
 Naval Shipyard.
 "I even contend Ridge was bash-
 Philadelphia to win political
 its in others parts of the state.
 it's ridiculous," said David A. Fus-
 Ridge's deputy chief of staff. "It's
 unded, untrue and ridiculous."
 Rendell said he believed no poli-
 were involved.
 "I just think the governor sincerely
 believes the proposal he put to
 er. Werft is a good one," the
 or said. "I think, in light of the
 'ent economic realities, it would
 ' been tough for investors to
 st in the project, given the struc-
 that the governor had set up."
 scus said he had no idea
 ther the governor was ever in-
 ted that he should call Meyer.
 urces at Meyer Werft said that, at
 week, Rendell made a pitch to
 governor's office that one tele-

phone call could straighten things
 out or at least provide an extra cou-
 ple of weeks for negotiations. Ren-
 dell called Meyer in Germany on
 Wednesday and told him he would
 urge the governor to call.

But aides to the governor insist
 that the negotiations broke down be-
 cause Meyer refused to compromise
 on a demand that the government
 put up \$377 million in cash and loan
 guarantees while the company in-
 vested no more than \$10 million.

"The state put forward its most
 lucrative offer," Fuscus said. "Meyer
 Werft walked away from it because
 they didn't want to put in a bare
 minimum of investment from their
 company."

The state offered to invest \$45 mil-
 lion, including \$25 million that
 would have given it common stock in
 the project and low-interest loans.

Meyer's representatives, however,
 maintain that the state's position is
 misleading. Meyer, they say, is actu-
 ally investing about \$240 million in
 the project, including \$60 million in
 equity and working capital as well as
 \$179 million in debt.

The debt would be guaranteed by
 the federal Maritime Administra-

tion, which would allow Meyer to
 secure loans at a lower rate of inter-
 est than if it were to try to secure the
 loans on its own.

Problems began last week when
 the state representatives, including
 Commerce Secretary Thomas Hagen,
 presented their proposal to Michael
 Schwarz, president of Meyer Werft/
 Philadelphia Inc., the firm's chief
 representative.

After that meeting,
 Schwarz was under
 the impression that
 the state had set two
 key "nonnegotiable
 demands" — the
 amount that the gov-
 ernments would in-
 vest and the amount
 that Meyer would be
 required to invest,
 sources said. The state demanded
 that no more than 28 percent of the
 project cost come from government
 sources and that Meyer increase its
 equity stake.

Fuscus said the meeting was at-
 tended by eight people other than
 Schwarz but that he was the only one
 to understand there were any nonne-
 gotiable demands. Everything on the

table, Fuscus said, was negotiable.

Sources said Schwarz was insulted
 when he received a letter from the
 governor's office Thursday stating
 that he had misunderstood what had
 transpired at the meeting. Schwarz
 then called Meyer in Germany, and
 Meyer concluded that the state was
 not serious about a deal, sources said.

Meyer then told Schwarz to call
 Hagen and inform
 him that Meyer was
 withdrawing the of-
 fer, according to
 sources. It was late
 Thursday night, and
 Schwarz could reach
 only Fuscus, who told
 him he could not put
 him in touch with Ha-
 gen, sources said.

The sources added
 that Fuscus demanded to know what
 was so important and that when
 Schwarz informed him, Fuscus re-
 sponded: "It can wait until morning."
 That solidified Schwarz's and Mey-
 er's belief that the state just wasn't
 interested in negotiating a deal,
 sources said.

Labor Secretary Robert Reich yes-
 terday expressed regret that the deal

had fallen through.

"We are terribly disappointed at
 loss of this opportunity to bring hi-
 skill, high-wage jobs back to the s-
 yard," Reich said. "I had been
 pressed with the proposal, and
 (Clinton) administration had hoped
 be part of making this deal happen."

Rendell, campaigning in Northe-
 Philadelphia, assured the crowd t-
 he had not given up hope. In an in-
 view afterward, he said that he
 nothing new to report but that "I
 hope to have some information soo-

"I believe that Mr. Meyer would
 like to make this deal work," Rend-
 said. "It's up to us to find a struc-
 ture that will work. I believe he
 much wants to be here in Philad-
 elphia. And I have a pretty good re-
 lationship with him."

Joe Rocks, the Republican can-
 date for mayor, defended Ridge's
 handling of the negotiations.

"The governor came into this w-
 every intention of turning this pa-
 ge," Rocks said. "I thought the st-
 proposal was a good starting po-
 that was reasonable."

Inquirer staff writer Russell E.
 Eshleman Jr. contributed to this artic-

**The Navy Yard
 could have been
 saved had the
 governor made a
 long-distance
 call, sources said.**



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN
9-25-95

95 SEP 22 P 8:04

Kathleen A. McGinty
Chair

September 22, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN MCGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

See my
memo and QS
Be

BUDGET AND APPROPRIATIONS

This past week the Republican Congress continued its assault on the environment through the use of the budget process.

EPA Appropriations. The EPA appropriations bill goes to the floor next week and is likely to be controversial. Although the bill is better than the House version, it still cuts your request for EPA by 23% and contains several riders in legislative or report language. Of particular concern are the cuts to funding for Superfund, clean water construction grants, Safe Drinking Water Act, and clean air.

Interior Appropriations. The Interior appropriations bill that you have threatened to veto contains numerous provisions that endanger our public lands while giving taxpayer handouts to special interests. Provisions include dropping the moratorium on hardrock mineral patents, placing a moratorium on grazing lands protections, logging the Tongass National Forest, undermining the California Desert Protection Act, and blocking a sustainable timber planning project for the Columbia River basin. The bill also slashed your request for energy efficiency by nearly half even though there is more oil in efficiency than in ANWR.

House Resources Committee Budget Bill. As part of budget reconciliation, the House Resources Committee approved several proposals that threaten parks and public lands including opening up the coastal plain of ANWR to oil and gas development, creating a park closure commission, and passing a sham reform bill of the mining patent law.

Senate Energy Committee Budget Bill. As part of budget reconciliation, the Senate Energy Committee also passed a sham reform of mining patents and a provision to open up ANWR to development.

House Ways and Means Committee. As part of reconciliation, the Ways and Means Committee approved proposals that would end favorable tax treatment for energy resources

such as ethanol, wind, biomass, and energy conservation rebates to utility customers.

LEGISLATION TO AUTHORIZE PROJECT XL

CEQ staff attended a conference in Colorado with representatives of business, environmentalists, state and local government, and Republican congressional leaders. The conference focused upon Environmental Protection Agency's (EPA) new Project XL program, an element of our Reinventing Environmental Regulation initiative. Project XL offers innovative companies the flexibility to develop alternative environmental management strategies to produce cheaper and cleaner results. Companies in attendance included Merck, 3M, Union Carbide, and Intel -- all of whom have submitted XL proposals. Industry was very supportive of XL, but claims that legislation is needed to give EPA the authority to run the program. The Administration's position has been that we are committed to reinvention and will make this program work with or without legislation. We are planning a Rose Garden event to announce the first round of XL projects in the next two weeks.

The Hill Republican staffers started out as skeptics but were clearly impressed by the level of industry support for the program. Rep. McIntosh's staffer indicated a strong willingness to work with the Administration to develop legislation to authorize XL. House Republicans have clearly been stung by the public reaction to their attacks upon environmental protection. We will continue our discussions with business, environmentalists, and Hill staff. But we don't want a deal for the sake of a deal. We want a deal on our terms that reflects our priorities. This should not be something that creates a fig leaf for Congressional Republicans who are rightfully concerned about their image with the American people. Our priority: To make XL a signature project for you through the Rose garden event so that congressional action bolsters your initiative, rather than steals it.

WARD VALLEY

Several events indicate that Governor Wilson and some dump proponents have decided to interrupt or end negotiations with the U.S. and seek transfer of the Ward Valley site through other means:

- o Both the House and Senate versions of the reconciliation bill have been amended to mandate transfer of the Ward Valley site in exchange for payment by the state of \$500,000.
- o Earlier this week, the California State Department of Health Services (which represents the Governor on this issue) released a statement to major California newspapers condemning the federal government's position in the negotiations, and calling on the federal government to accept the state's latest proposed version of a transfer agreement. A complete copy of that proposed agreement, bearing the signature of the state negotiator, was distributed with the news release.

Talks with the state had reached an impasse in recent weeks. Although negotiators had reached an accord on all major substantive issues raised by the National Academy of Sciences (i.e. tritium and chloride 36 testing, long-term monitoring, and peer review) and some issues pressed by Senator Boxer and site opponents (i.e. overall and plutonium waste limits, participation of Lawrence Livermore Laboratory), the sticking point was California's insistence that the agreement include a provision barring judicial and administrative enforcement of the agreement by the United States. In other words, California is willing to promise a great deal, but is not willing to be held to those promises.

Interior Department representatives have spoken with reporters responding to the state's new release. The release stated the department was surprised and disappointed by the state's action, that much had been resolved, that we stood ready to resume negotiations, that we wanted to transfer the site with appropriate safeguards recommended by the National Academy of Sciences, and that we believed that, given the contentiousness of nuclear waste issues generally and Ward Valley in particular, Californians had a right to expect an enforceable agreement.

California press accounts have been favorable to our position. It is important to recall that our position in these negotiations received strong editorial support. But virtually every editorial also expressed the concern that we not back down from insisting on a strong agreement, fully incorporating the National Academy of Sciences' recommendations and other measures to protect public health and safety.

ENDANGERED SPECIES ACT

On Wednesday, the House Resources Committee held a hearing on H.R. 2275, the Young/Pombo bill to reauthorize the Endangered Species Act (ESA). The Administration witness stated that the Secretary of the Interior would recommend that you veto the bill if it is presented to you in its current form. Our testimony highlighted provisions that would undermine our efforts to protect species on private lands by imposing a complex and sweeping compensation provision that goes beyond the other "takings" bills we have opposed in Congress, would abandon the scientific foundation for ESA, would overturn our victory in the Supreme Court in a recent ESA decision and would substantially weaken recovery efforts and would reduce protection for foreign species. In contrast, the Interior Department pointed to our own ESA reforms as well as similar proposals being circulated by groups such as the Western Governor's Association and the Keystone Center.

CLIMATE CHANGE: SCIENCE SOLIDIFYING AS BUDGETS DISAPPEAR

The New York Times ran its second front-page story in two weeks describing the draft findings of an international panel on the science of climate change. In these findings, the panel states for the first time that human activities have played a role in the warming of the Earth over the past century. The attached New York Times editorial highlights the irony of proposed budget cuts in the face of this growing scientific consensus.

OZONE DEPLETION: HEARINGS ON BILLS TO ROLLBACK PROTECTIONS

A subcommittee of the House Science Committee held hearings this week on two bills: one by Congressman DeLay, which would eliminate all controls on chloroflourocarbons (CFCs), and one by Congressman Doolittle, which would push back the phase-out of CFCs from the end of this year until the year 2000. The testimony, from leading scientists and business representatives, painted a clear picture that the CFC phase-out is based on compelling science and broadly supported by industry.

RCRA REFORM INITIATIVE

EPA Deputy Administrator Fred Hansen, OIRA Administrator Sally Katzen, and I met with the Vice President to review whether and when the Administration should move forward with a legislative proposal of "rifleshot" reforms to the Resource Conservation and Recovery Act (RCRA), as promised in the March initiative on reinventing environmental regulation.

RCRA governs hazardous waste disposal. The Vice President made clear that, in light of the current Congress' efforts to gut the environmental laws, any such proposal should be limited to two narrow issues where RCRA's requirements lead to especially high costs and little environmental benefit. There will be further consultation with the Vice President and White House Legislative Affairs on the time and manner of any announcement.

W. R. Rabe
with D. D. D.
with on the
rollback
position

The New York Times

Founded in 1851

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Global Warming Heats Up

The evidence mounted last week that man-made gases are causing deterioration of the earth's atmosphere. First came news that a United Nations scientific panel believes it has found, for the first time, evidence that human activities are indeed causing a much-debated warming of the globe. The report, though preliminary, appeared to strengthen the case that governments throughout the world may need to take stronger action to head off potential damage.

Then came an announcement from the World Meteorological Organization that a worrisome hole in the earth's protective ozone shield appears to be getting even larger over Antarctica. Such enlargement had been expected because it will take a while for corrective actions already taken by many governments to exert their effect. But the report underscored that the battle to save the ozone layer is not yet safely won.

The U.N.'s global warming report, described by William K. Stevens in the Sept. 10 Times, indicates that man-made global warming is a real phenomenon. It can not be dismissed as unproved "liberal claptrap," as Representative Dana Rohrabacher, Republican of California, who heads a House environmental subcommittee, has derisively suggested.

For years now scientists have been arguing over whether the emission of "greenhouse gases," such as carbon dioxide generated by the burning of fossil fuels, has contributed to a small rise in global temperatures over the past century — and whether such emissions will drive temperatures even higher in coming decades.

Such a change in temperature might, if drastic enough, have serious consequences, as is made clear today in a second article by Mr. Stevens.

Global warming could cause a rise in sea level that would flood coastal lowlands; an increase in weather extremes and damage to forests and croplands in some regions. Forestalling truly severe damage might well warrant action to slow the emission of greenhouse gases by reducing the world's reliance on fossil fuels. But that would be a wrenching, costly process that few political leaders are eager to undertake absent compelling evidence that human activities really are driving world temperatures toward dangerous levels.

Now the U.N.'s Intergovernmental Panel on Climate Change, the scientific panel charged with analyzing the problem, has concluded in a draft report that it is seeing signals that man-made global warming is under way. The signals are not in the form of a "smoking gun." Instead, they are found in computer patterns. The computer models that predict rising temperatures seem to be matching up more closely with some of the patterns of climate change actually observed. There are great uncertainties in how much the temperature will rise and how great any damage might be. But the case for being concerned about global warming is getting stronger.

That makes it especially distressing that committees in the House and Senate are slashing funds for programs aimed at protecting the global environment. Steep cuts have been imposed on research to study global climate change, on programs to help reduce carbon emissions and on funds to help developing countries phase out their ozone-destroying chemicals. It is perverse that, as the evidence of global atmospheric harm gets somewhat stronger, the political response to mitigating it gets progressively weaker.

THE PRESIDENT HAS SEEN
9-25-95

~~Good letter~~
Dory/Stanley
Good letter
Meet this young man

September 21, 1995

Dear President Clinton,

Bc

As a student of Thurgood Marshall High School, I am very honored to have the chance to meet you today. I think it's great that you take time out of your busy schedule to talk to young people like us. I hope you don't mind that I'm talking this opportunity to bring up an issue that I feel strongly about--the U.S. embargo against Cuba.

I was born in Cuba in 1980 and move to the United States when I was three. I had my first chance to return to Cuba in 1993 to meet my family. I was struck by all the shortages--like soap, shampoo, toothpaste. Some of my relatives hadn't eaten meat in a year--and not because they're vegetarians. There was very little gasoline so people had to ride bicycles to get around.

I also learned something else, and that is how warm and loving the Cuban people are. Before I went to Cuba, I was worried that the Cubans might be hostile toward me because of the bad relations between our two governments. The Cubans told me that the U.S. embargo on trade with their country made their lives more difficult. But they made a clear distinction between the American people and the U.S. government.

Some of the people I met loved Fidel Castro and thought he was the greatest leader in the world. Others wanted their government to change and thought Fidel Castro was crazy. But no matter what they thought, everyone told me they wished the embargo would end.

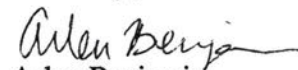
In 1993 it was legal for me to go to Cuba because I was a Cuban American. Last year, I wanted to go back again. But your administration had tightened the restrictions on the blockade and made it illegal even for Cuban Americans to visit the island.

I found this shocking. How can a government stop people from visiting their own families? It just doesn't make any sense.

Last night I watched on C-Span some of the debate in the House about the new bill to tighten the embargo even further. I was amazed that instead of moving to improve relations, we are moving in just the opposite direction. I heard you are thinking of vetoing this bill, and I hope you stick to this plan. I also urge you to lift the ban on travel to Cuba, so that we can visit our families, and I hope you lift the ban on trade in food and medicines so that my relatives don't have to suffer.

Thank you so much for meeting with us, and for taking the time to read my letter.

Sincerely,


Arlen Benjamin

THE PRESIDENT HAS SEEN
9-25-95

Sumich/Bleed
from a sympathy
Be

William M. Brinton
One Burnham Court Suite 388C
San Francisco, California 94109

September 21, 1995

Dear Mr. President:

Please, Mr. President, veto the so-called welfare reform measure if it reaches your desk in anything like the Senate-passed version. It makes no attempt to expand or improve education, employment training or federally-subsidized jobs. Republicans demand that 50 percent of those currently on welfare must be working by the year 2000 or lose any welfare benefits. Sir, there are no jobs in sight for probably 75 percent of those receiving benefits today. Without some marketable skill, there won't be any jobs five years downstream either. Those people on welfare today, at least a lot of them, never got a half-way decent education as kids or young adults; the nation's public school system is still denying too many people the equal opportunity to learn marketable skills, and a lot of them are only semi-literate. We're still a Nation at Risk and have been ever since 1982. I made a modest contribution to a public school in San Francisco (K-5) two years ago, about \$100,000 of worth of computers including the funds needed to train the teachers how to use them. For the first time in their young lives, there is hope. I have seen it on trips there to see progress. Even the Senate-passed measure will extinguish that flame; without some form of affirmative action, these kids may be filing for welfare relief which, by then, will be unavailable.

Then, there is another measure that eliminates the subsidy for low income housing, a program that has built about 90 percent of all low income housing in the country. In San Francisco alone, there are an estimated 15,000 homeless. They need jobs and a roof over their heads. All of this represents a concerted attack on the poor, partly to pay for a huge tax increase that will benefit those who don't need more money after the huge redistribution of wealth in this country since 1980.

Please veto all this, Mr. President. Voters will applaud you if explained properly, notwithstanding skewed opinion polls suggesting the opposite.

Thank you for reading this.

Kindest regards

Bill

William M. Brinton

THE PRESIDENT HAS SEEN
9-25-95

cc: Rony / Balch / Suz / Danny

Be

Page 2 THE PEOPLE PAGE

'First Cousin' Waits for Bill

THE tiny, previously unheralded town of Ballyporeen in Co. Tipperary became forever famous after its most prominent descendant, President Ronald Reagan, dropped by for a pint and a look around the place a few years ago. And now, if all the various strings can be tied together, a sleepy village in Northern Ireland just might get the same presidential treatment.

The genealogical researchers have been digging deep since President Clinton announced he'd be popping over to Ireland and the U.K. at the end of November, and apparently our commander-in-chief has Irish roots via his mother, Virginia Cassidy, in Roslea, a village in Co. Fermanagh. If the President decides to check out his roots firsthand — as he intimated in a recent interview with *The Irish Times* — he'll see the old farmhouse where a Lucas and Rachel Cassidy used to live before they set sail for the colonies in 1750 seven generations ago. He'll even meet one of his long-lost cousins, Mick Cassidy, a 66-year-old farmer whose favorite pastime is walking his dog down to the local pub and tossing back a few pints of the black stuff.

"If Bill Clinton wants to come here he's

welcome, but there's not much to see," an unperturbed Mick told Ireland's *Daily Mirror* tabloid last week. The First Cousin was referring to Luke and Rachel's farmhouse, which, to say the least, isn't exactly up to presidential standards. The old two-story homestead hasn't been lived in for 30 years, and Mick uses it now as a storage area and shelter for his animals.

So how can the world be certain that Mick is the genuine article? An expert researcher of the Cassidy surname swears that there's no doubt about it.

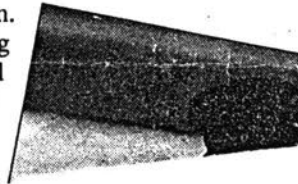
"This year, it was discovered that the President had an ancestor called Luke," Nuala Cassidy-White told the *Mirror*. "Clan records show that the only branch to carry that name was in Roslea. With the help of the village heritage center, we were able to pinpoint the location of President Clinton's ancestral homeland."

Mick has a bit of advice for his famous cuz, should his



President Clinton: Better bring his wellies.

schedule permit for a family reunion. "He better bring his wellies, or it'll be a bloody circus!"



callAmerica

BUSINESS COMMUNICATIONS

William Jefferson Clinton
President Of The United States
The White House
Washington, DC

THE PRESIDENT HAS SEEN
9-25-95

September 22, 1995

Dear President Clinton,

I am writing to apologize for any part I played in this morning's Washington Post article "Letter Promises Veto Guarantee", as well as to clarify what was actually written in my memo and said to the Washington Post reporter.

I wrote a memo to my CALTEL association members (copy attached) soliciting contributions to your campaign. I wrote the memo independently, completely on my own, without discussing it with anyone from the White House, your campaign, or anyone from the telecommunications industry. I attempted to make it very clear in the memo that contributors should not expect to guarantee your veto by contributing. In no way did I have any intention of misleading contributors into believing that their contributions would effect the outcome of this legislation or any future legislation.

When the Washington Post reporter, Anne Devroy, called me yesterday our conversation centered on the impact of the telecom legislation on the industry. We discussed her theory of The long distance industry buying a veto and I attempted to point out that that theory did not pass the obvious sanity test. I told the reporter that your position on telecom legislation has been clear from the beginning and that there was much more money to be made from the Bell monopolies by signing the bill than by a veto.

The reporter obviously had her story written before she called me and I am very sorry that I played any part in this unfortunate situation. Please accept my sincere apology for my part in this story and feel free to call on me if I may be of any assistance in exposing the reporter's deception.

Thank you for your stand on the telecom legislation. Your administration is the only voice of reason in the legislation and I hope I have not hurt your campaign by my actions.

Sincerely,



Jeff Buckingham
President

Attachment: CALTEL Memo

4261 South Higuera
San Luis Obispo
805-541-8318, FAX 805-547-6484
Offices in San Luis Obispo, Salinas,
Fresno, Bakersfield, Santa Maria
and Santa Barbara

EB/GT
memo to Clinton
memo to report
memo to Sen. Biden
RE

1. cc CD 9/22
EB
EL
D.S.
John for Barnes
Barnes
2. The President



California Association of Long Distance
Telephone Companies

PRESIDENT'S NOTES

925 L Street, Suite 220
Sacramento, CA 95814
(916) 441-4168

To: Members
From: Jeff Buckingham, President
Date: September 22, 1995
Re: Clinton Campaign Contributions

URGENT ACTION REQUEST

CALTEL members have been asked to help in an effort by our national associations to raise \$100,000.00 for a Clinton/Gore fund-raiser. The event will take place on Wednesday, September 20, 1995 at the Denver Marriott City Center at 6pm. People who contribute a minimum of \$1,000.00 per person are welcome to attend the event but I am asking CALTEL members to contribute to this effort even if you are not able to attend the event.

Those of you who know me may ask why I have committed to raise \$10,000.00 for the Clinton/Gore campaign. I have decided that our industry's best possibility of relief from the telecom legislation in Washington DC is a Presidential Veto. Several carrier representatives had a 3 hour dinner meeting recently with the President where he said that he does plan to veto the telecom legislation at this time. The two versions of the legislation only include 2 of the 7 points that the President has said are essential to pass telecom legislation.

We have no guarantee that the President will veto the legislation but raising a healthy contribution for his fund-raiser will go a long way toward demonstrating the viability and wide diversity of our industry. I encourage you to give generously given that the amounts being requested are very small compared to what we all have at stake. Please make no mistake, if this legislation passes as written, the telecom industry as we know it will cease to exist within a very short time.

The contributions can be no more than \$1,000.00 from any one individual and must be sent from personal accounts. No corporate or PAC contributions are allowed. Please make checks out to Clinton/Gore 98 and send them to me at the address below:

Jeff Buckingham, Call America
4251 South Higuera Street, Suite 800
San Luis Obispo, CA 93401

Please let me know if you will be attending the event in Denver and I will send you an invitation. I would also appreciate a call at 805-545-5100 (or fax 805-545-5100) to let me know who will be contributing and what the amounts will be.

Sincerely,

4251 South Higuera
San Luis Obispo
805-541-8318, FAX 805-547-8484

Offices in San Luis Obispo, Salinas,
Fresno, Bakersfield, Santa Maria
and Santa Barbara

FAX COVER SHEET

TO: Nancy Hrenreich
FROM: Terry McAuliffe
DATE: 22 SEPT 95
OF PAGES (including this sheet): 3

Comments: FYI - please contact me if anything is
unclear

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED. THE MESSAGE MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

Is it time to overhaul Medicare?

For 30 years Medicare—the Government-run health-insurance plan for 37 million elderly and disabled Americans—has kept millions out of poverty by covering a portion of their hospital and doctor bills and a small portion of long-term-care services. Medicare offers virtually universal coverage for those over 65: All are entitled to benefits no matter how much money they make or how sick they happen to be. Medicare has done its job efficiently, with remarkably low administrative expenses—less than 2 percent of the premiums paid. No private insurance plan or managed-care organization can even come close.

Nevertheless, Congress is debating whether to change the way Medicare pays for care. Proponents of change say their plan will cut the deficit, eventually reduce taxes, give beneficiaries more choice, avoid a future financial crisis, and meet the \$270-million cut in the program called for by the congressional budget resolution.

A major proposal for redesigning Medicare is an optional voucher system, under which the Government would offer recipients a fixed amount of money to buy their own health insurance as an alternative to traditional Medicare. People who chose insurance would pay for any extra benefits not bought by the voucher.

The vouchers are supposed to offer greater choices, although there's not much room for

improvement. Most Medicare beneficiaries can already use any doctor they wish and can choose among 10 different supplement policies and four managed-care plans.

Unless Government spending increases, vouchers won't buy as much coverage as recipients get from Medicare today.

Private insurance plans have huge marketing costs and sales commissions that eat up between 30 and 50 percent of the premium, and they pay doctors more than Medicare does. After accounting for those added costs, patients would get about half the services they do now, estimates Dr. Karen Davis, president of The Commonwealth Fund.

Vouchers also won't necessarily keep pace with health-care inflation. The amount the Government gives could be frozen, buying fewer services over time.

Furthermore, consumers might pay more for health care under a voucher system because doctors wouldn't be bound by Medicare's cost-cutting mechanisms. It's not even clear whether vouchers will end up saving the Government money.

Healthy beneficiaries—those most attractive to insurers—will be most likely to take the Government vouchers and buy private insurance. But it's the sickest 10 percent who account for 70 percent of Medicare's costs; they'll probably be the ones who

stay with Medicare, because many insurers would turn them down. So the Government will end up giving money to people who otherwise wouldn't have filed claims—and still be left to pay the bills of sick beneficiaries.

Proponents of a wholesale redesign point out that the fund paying for

NewsWatch

Medicare's "Part A"—hospital benefits—will run out of money in 2002 unless Medicare is revamped. Part A is financed with a payroll tax of 1.45 percent. Starting around 2002, the amount it brings in probably won't be enough to cover all of Medicare's hospital costs. But such shortages have occurred from time to time during Medicare's 30-year history.

Part A is only half the story. What's not often discussed is "Part B," which pays for physician, laboratory, and outpatient services, and is financed by general tax revenues and premiums paid by beneficiaries. It's in good financial shape.

The chronic problem facing Part A hardly merits placing Medicare on the critical list. Steps can be taken to assure its solvency well into the next century. One easy way is to move the home-health-care benefit from Part A to Part B and implement a modest increase in the amount consumers pay for Part B, plus some cuts in payments and reimbursements to providers. As we point out on page 661, the Government believes that some providers are now taking unfair advantage of the home-health-care benefit.

Medicare's long-term challenges are the same ones facing other parts of the health-care patchwork: to provide high-quality health care, at a reasonable cost. Those challenges must be resolved in the context of health-care coverage for everyone.

Vouchers wouldn't buy as much coverage as Medicare provides today.



Photo: Steven Peters/Tony Stone Images

SMART FUND SHOPPING

Investing made easier

Several mutual-fund companies have begun using a simplified prospectus—the disclosure form that explains what securities a fund invests in and what risks you assume when you invest.

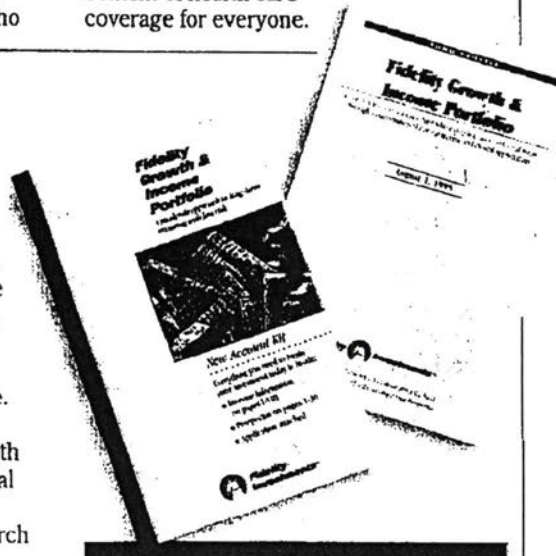
The new prospectus, which eight companies are using in a one-year test approved by the Securities and Exchange Commission, should make it easier to understand what you're buying the next time you invest in a mutual fund. It addresses 11 areas of interest, including the fund's investment strategy, risks, fees and expenses, and past performance.

The new prospectus doesn't give enough detailed information to help you fully understand what you take on when

you buy into a fund. For example, it doesn't have to say whether the fund can borrow money to buy investments, or whether the fund invests in a volatile type of securities known as derivatives.

Next year, the SEC will decide if investors can get enough information from the new prospectus to use it alone.

Companies using the short-form prospectus in tandem with the full-length version are: American Express Financial Corp. (IDS Funds), Bank of America (Pacific Horizon Funds), Capital Research & Management Co. (American Funds), Dreyfus Corp., Fidelity Investments, T. Rowe Price Associates, Scudder Stevens & Clark, and The Vanguard Group.



The long & short of it New short-form prospectus (right) is easier to read than the full-length version.

DIANE D. BLAIR

Phone: (o) 501-575-3356
(h) 501-521-1066Fax: (o) 501-575-2642
(h) 501-521-8373

To:

Nancy Herrick

Number of pages including this page

3

THE PRESIDENT HAS SEEN
9-25-95

SCHOENKE & ASSOCIATES
6550 Rock Spring Drive
Suite 500
Bethesda, MD 20817-1126
(301) 897-5555
Fax (301) 897-0853

September 22, 1995

*Levy
Full - 11/14 Pro + Bus
Perfection - 11/14
PC*

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I believe the most important battle for your re-election is about to take place. Newt Gingrich is telling the nation, and especially you, that he is setting the legislative agenda. He is also saying, Mr. President, you do not have what it takes to stop him. Regardless of what your advisers are telling you, unless you stop Newt Gingrich now, I believe there will be little chance for you to be re-elected.

While I recognize you do not want gridlock, you must be willing to risk shutting down the government. It will come down to a test of wills and who will crack first. My suggestion to you is that you state your objectives to Newt Gingrich clearly and walk away. I do not believe you need to berate him to over-sell your position. Simply make your objectives clear, walk away and wait. I think he will break. Be assured, the pressures will be overwhelming but this victory will be an enormous leap forward. Good luck!

Respectfully,

R7
Raymond Schoenke

RFS:jp

FACSIMILE TRANSMITTAL

RAYMOND F. SCHOENKE
Schoenke & Associates Corporation
6550 Rock Spring Drive, Suite 500
Bethesda, Maryland 20817-1107
Telephone: 301/897-5555
Fax: 301/897-0853

TO: Betty Curry

Date: September 22, 1995

Fax #: 202/456-6703

Message: Correspondence for President Clinton

Number of pages including transmittal sheet: 2

THE WHITE HOUSE
WASHINGTON

09/25/95

Jim, (Dorskind)

The attached was in a bunch of stuff that Stephen Goodin left off in our office.

Is this something that you would do a response for?

Sharon/
Staff Secretary's ofc.



• My parents send their best & continued support!

• MICKEY & FLOYD CHAPMAN

P.O. BOX 547

MANFIELD, ARKANSAS 72944

(501) 928-4465

• Mother & Dad visiting ~~week of~~ May 10th for
my 42nd Birthday.

• I'm heading up our N/E Florida CHEERING GROUP!
FOR RE-ELECTION

★ (BSBA - 1975 @)
UNIV. OF ARKANSAS -

FAYETTEVILLE

(M.P.A. - 1982 USC)

Steven Stuart Chapman
2356 Pirates Bay Drive
Amelia Island, Florida
32034-7950

(904) 261-6330

(PhD - 1985 @ USC) (FINANCE)

• MICKEY CHAPMAN
MANFIELD, ARKANSAS
(501) 928-4465

5/11/95

• Mother -

Wearing her "MICKEY
MOUSE T-shirt" (adorable)
on Beach -

during walk -
(Strolling & walking)

(HAVING A BALL!)

(904) 261-6330 Steven Stuart Chapman
2356 Pirates Bay Drive
Amelia Island, Florida
32034-7950

Amelia Island ↑

• Weeks vacation w/ Dad & son for
his 42nd B'Day - (AIDS since 1989!)

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: September 25, 1995

TO: Vicki Radd

FROM: Staff Secretary

Per your request.

As for the interest groups, as you know, the more supportive organizations such as the **Alliance for Justice** have stated that they will have to take a principled stand based upon their Ryskamp position. The **Heritage Foundation** has informed us of its intent to organize an opposition campaign based on the Riviera and fundraising issues.

VII. DECISION

- ☒ Nominate Stack for 11th Circuit vacancy
- ☐ Do not nominate Stack
- ☐ Schedule discussion

effort."

SHIMBUN (a national newspaper): "The
roliferation Treaty, the post-Cold War
fense against the

by then prime minister Shigeru Yoshida to give top prior-
ity to achieving national prosperity while depending on
the United States for military security. The Yoshida line
involved some fundamental contradictions. None was
more evident than

Back of card.

Actual size of card.

THE PRESIDENT HAS SEEN

9/27/95

Cc: Shibus / BBac / Hunk

USA TODAY • TUESDAY, AUGUST

OPINION USA

P lawmakers say one
ing but do another

Medicaid's middle-class payo

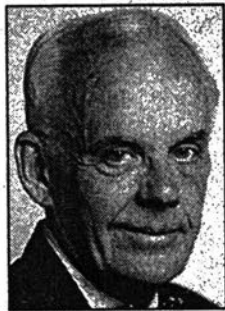
GOP lawmakers say one thing but do another

AMES, Iowa — As Congress adjourns until September, four questions:

1. The Republicans say we should be tougher fighting crime, tougher fighting criminals.

So how come they held 10 days of hearings to glorify a crime and defile a criminal and smear the men and women of law enforcement? Listening to some Republicans, you'd think it was Janet Reno, not David Koresh, holed up in Waco and threatening this nation. You'd think it was federal agents, not David Koresh, who were raping youngsters and brainwashing babies. If the Republicans are tough on crime and friends of law and order, those Waco hearings were sure a funny way of saying so. Could they have really been about politics?

2. The Republicans say they are against government regulations, against interference with the family.



COUNTERPOINTS
By Michael Gartner

So how come they want to put further regulations on the content of TV shows, to have the government step in in place of the parent and determine what is acceptable fare and what isn't? Let's deregulate America, the Republicans say, but what they mean is let's let monopolistic, regulated businesses raise rates, and let's let other businesses pollute streams, and let's let others produce uninspected meat. But let's regulate people's freedoms — let's censor the networks by forcing them to rate programs and then forcing TV set makers to put in that V-chip. Let's stay out of the family lives of people — let's not feed schoolchildren if they're hungry or help them if they're needy — but let's regulate what they can watch on TV.

3. The Republicans say they are for "family values."

So how come they went to great lengths to close hearings and protect Sen. Bob Packwood, the Oregon Republican who is accused of unfamily-like conduct with a score or so of women? The Republicans, and especially their clique on the Christian far right, say that what this country needs is a renewed respect for marriage and monogamy. They wail about single women having babies and about the decline of morality in America. But when one of their own forces his attentions on women, when one of their own uses his office to grab and grope, it's a different story. The Senate Ethics Committee thinks this isn't really any of the public's business, and it closes its hearings on Packwood's affairs. Is it only the poor who must "behave"?

4. The Republicans say they are for the poor as well as the rich.

So how come they want to offer no aid and comfort — and care — when the poor are put upon? How come they want to eliminate federal welfare programs and leave the poor and the sick and the unlucky at the mercy of the states — some of which don't have a great record of caring for people who don't make political contributions?

Why do they want to let states take away aid to provide for abortions in case of rape or incest? So only the rich won't have to bear the children of violent strangers or crazed uncles?

Do the Republicans perhaps have a double standard — not of men and women, but of rich and poor?

There's absolutely nothing wrong with being tough on crime, with wanting to deregulate America, with hoping everyone has a spouse and two children and stays in his own bed every night, with wanting to change the rules on welfare. What's wrong is when you say one thing and do another. And that's what the Republicans said — and did — in the final few weeks of this session.

COUNTERPOINTS' four columnists provide views from diverse perspectives on today's issues. **Wednesday:** Linda Chavez on anti-U.S. human rights charges. **Thursdays:** Susan Estrich. **Mondays:** Tony Snow. **Tuesdays:** Michael Gartner.

Medicaid

If you think the pr
again. When the m

Congress is finally out for its recess, with members fanning out across the country to take up their positions on Medicare and to brace for the firestorm to come in September and October.

Up until now, the political community's assumption has been that the major battleground will be Medicare — an icon for most Americans. Pundits and journalists have predicted political blood all over the floor.

In contrast, there have been few public broadsides or political predictions about Medicare's junior cousin, Medicaid.

The assumption has been that the Medicaid program, focusing as it does on the poor, won't be so controversial — with no strong political constituency to rally against cutbacks and little interest in what the repercussions might be, it will go down with a few whimpers at most.



By Norman Ornstein, resident scholar at the American Enterprise Institute.

Think again. Medicaid, one of the most misunderstood programs in government, may in the end be more explosive politically than Medicare — and it may have fewer sensible options for policy change or reform. Start with a few facts:

► **Medicaid is largely a program for the elderly, blind and disabled.** Think of it as a program for the poor — meaning largely young and middle-aged, able-bodied people in poverty? Wrong: Nearly two-thirds of funds are spent on recipients who are blind, elderly and/or disabled.

► **Almost half the Medicaid expenditures for the elderly, blind and disabled go to nursing home care for the elderly.** Over two-thirds of the residents in nursing homes are on Medicaid. The dependence of nursing homes and their residents on Medicaid is not just a subsidy for the elderly poor — it is a subsidy for their middle-class children who otherwise would have to pay out of their own pockets for their parents' care. And in many cases, Medicaid coverage has had another bonus for them — to qualify for Medicaid, their parents first divest themselves of their

THE PRESIDENT HAS SEEN

9/27/95
CC: Blumenthal / Baker / Hummer

OPINION USA

Medicaid's middle-class payoff

If you think the program is a handout to the able-bodied poor, think again. When the middle class sees what's at stake, cuts will be tough.

Congress is finally out for its recess, with members fanning out across the country to take up their positions on Medicare and to brace for the firestorm to come in September and October.

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► Almost half the Medicaid expenditures for the elderly, blind and disabled go to nursing home care for the elderly. Over two-thirds of the residents in nursing homes are on Medicaid. The dependence of nursing homes and their residents on Medicaid is not just a subsidy for the elderly poor — it is a subsidy for their middle-class children who otherwise would have to pay out of their own pockets for their parents' care. And in many cases, Medicaid coverage has had another bonus for them — to qualify for Medicaid, their parents first divest themselves of their

Medicaid spending

Where Medicaid dollars go

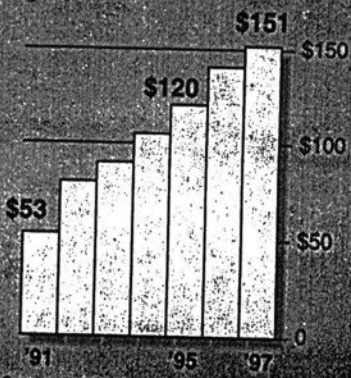
Most of the money goes to the elderly, blind or disabled — many of whom were formerly of the middle class. Who would pay the health-care bills for these recipients if Medicaid didn't exist? Their middle-class children. A breakdown on where most Medicaid money went in 1993 — the most recent figures available (in billions):

Disabled/blind	\$39
Over age 65	\$32
AFDC* recipients	\$30

*Aid to Families with Dependent Children
Source: U.S. Health Care Financing Administration

How Medicaid spending has grown

Federal spending on Medicaid is expected to triple by the end of this decade, according to public and private projections (in billions):



Source: Public Opinion Strategies and Mellman & Lazarus, Public Citizen Health Research Group, OMB, Families USA

By Dave Merrill, USA TODAY

How will elderly voters react if cuts in Medicaid growth come significantly from nursing home care — and how will their middle-class, middle-aged children handle it?

assets, giving money to their children before they would otherwise inherit it.

► Non-disabled, non-elderly poor adults make up a minuscule portion of Medicaid's expenditures. This group, the able-bodied adult poor, are the most politically vulnerable. But they comprise barely more than 10% of Medicaid's outlays. What about poor children? Though they make up 50% of Medicaid recipients, children account for only 15% of expenditures. (The rest of the Medicaid money, incidentally, goes largely to hospitals.)

► Most growth in the program is coming from among the disabled and elderly population. The over-65

group is growing as fast as any other age group. And advances in medicine and science, including in neonatal care, mean that more fetuses and babies with disabilities are surviving, as are more disabled adults. So in the future, the pressures on Medicaid assistance to these populations will be great.

There is another important area of Medicaid growth as well: AIDS patients. Facing high prescription drug costs and other prohibitive medical expenses as their illnesses intensify, most AIDS victims run out of assets and rely on Medicaid for medical services. As many as half those with AIDS are on Medicaid.

Now consider the politics of Medi-

caid and the budget. Medicaid has grown explosively over the past decade, making it currently a \$100 billion program, and it is projected to grow even more in the next. The House and Senate Republican budget plans take roughly \$1 trillion out of the federal spending stream over the next seven years, nearly a fifth of that comes from Medicaid. Budgeters take aim at Medicaid because that is where the money is. But within Medicaid, they will also have to go where the money is — and that means taking most of the dollars from the part of the program benefiting the elderly, blind and disabled.

How will voters react when they see the impact of budget changes on the populations we view as the most vulnerable and deserving — and not, like stereotypical welfare recipients, able-bodied people, many of whom have chosen to go on welfare and are capable of handling the consequences of cutbacks themselves?

How will elderly voters react if cuts in Medicaid growth come significantly from nursing home care — and how will their middle-class, middle-aged children handle it? And if we can't or don't target the elderly, blind and disabled for the cuts in Medicaid growth, what will happen when we focus the cuts disproportionately on the one-third of the program left, including care for children?

To be sure, there are areas where Medicaid can and should be reformed, and where savings can be made. Finding ways to encourage home health care as an alternative to nursing home care is one. Looking much more carefully at the categories of "disabled," which have expanded sharply in recent years, and reducing at the same time the fraud that is substantial in this area, could make a major difference. Perhaps more managed care and more state flexibility will bring serious savings as well.

But all these things combined will not change the basic realities above: Cut back on the growth of Medicaid spending, and you have to cut back the benefits that are provided to elderly, blind and disabled people first, and AIDS patients and poor children next.

The politics are interesting — and more deadly than anyone imagines.

lack any sense of their obligations as



1986 STAFF PHOTO BY PAM SPAULDING

Throughout her life, Mary Caperton Bingham was a fighter for causes and never rested in her civic activity.

Mary Bingham dies ^{4/19/95} at dinner honoring her

By DAVID HAWPE,
NINA WALFOORT and JOE WARD
Staff Writers

Civic leader and philanthropist Mary Caperton Bingham collapsed during a Rotary Toast in her honor last night and died after suffering an apparent heart attack at the Hyatt Regency-Louisville.

The widow of Courier-Journal publisher Barry Bingham Sr. was 90. She was pronounced dead at Norton Hospital about 10 p.m.

Throughout her last speech, she was characteristically audacious.

In prepared remarks Mrs. Bingham scorched the media for its "self-righteous pomposity" and its "sneering and contemptuous coverage of all public figures," blasted the "talk show rabble-rousers and the primates on the far religious right," defended the incumbent Democratic president, and championed the public's access to information over the emerging electronic superhighway.

Her last public pronouncement was, finally, a call for support of the Louisville Free Public Library, in its effort to raise \$4.4 million to

plug into the information networks. Seated at the head table in a sparkling gold evening dress, Mrs. Bingham rose to greet each of those who had praised her from the podium: her daughter, Eleanor Bingham Miller, Gov. Brereton Jones, Actors Theatre's Jon Jory, state Sen. David Karem, Marlowe Burt of the Kentucky Center for the Arts, and her longtime friend, Mrs. W.L. Lyons Brown.

Mrs. Bingham had reached the

See MARY

Page 11, col. 1, this section

Per Mrs. Clinton's request.
Marsha



THE PRESIDENT HAS SEEN

9.26.95

MARSHA C. WEINSTEIN

Executive Director

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9-27 original to HRC & copy to RM M.

Mary Bingham dies at 90

Continued from Page One

point in her response when she was quoting a Nov. 20 newspaper column by John Ed Pearce. Holding the text closer, she suddenly fell to the floor. Doctors and emergency personnel were summoned, but efforts to revive her failed.

An array of Louisville's civic and cultural elite stood in the emptying ballroom, many dabbing at their eyes with handkerchiefs and holding onto each other.

Mrs. Bingham had begun by saying she was so flattered that "the best thing would be for a big pink cloud to come down and take me away."

"This community has lost the grand matron of so many of our civic, educational, cultural aspects," said Mayor Jerry Abramson, who was not at the dinner but had taped a tribute. "She has been just a tower of strength. You don't replace people like Mary Bingham in what she has meant to the community."

Gov. Brereton Jones said that Kentucky had lost "one of its most caring and productive citizens."

There is no way to fully measure how at Mary Bingham has meant to every citizen of this Commonwealth," he said. "Libby and I loved and respected her greatly. We grieve for and with her family."

Mary Bingham and Barry Bingham Sr., who died in 1988, and their children owned The Courier-Journal and The Louisville Times, WHAS television and radio stations, Standard Gravure Corp. and smaller firms until their sale in July 1986.

Her influence on their operation was great. She was book editor from 1942 to 1968, an editorial writer during World War II and a vice president and director of the companies from 1942 until 1985.

Throughout her life, Mrs. Bingham fought for causes.

In 1953, she and others conceived a drive to put 100 bookmobiles in all Kentucky counties. No one attended the first meeting to launch the effort. So she called another one. By 1955, Kentucky had 102 bookmobiles.

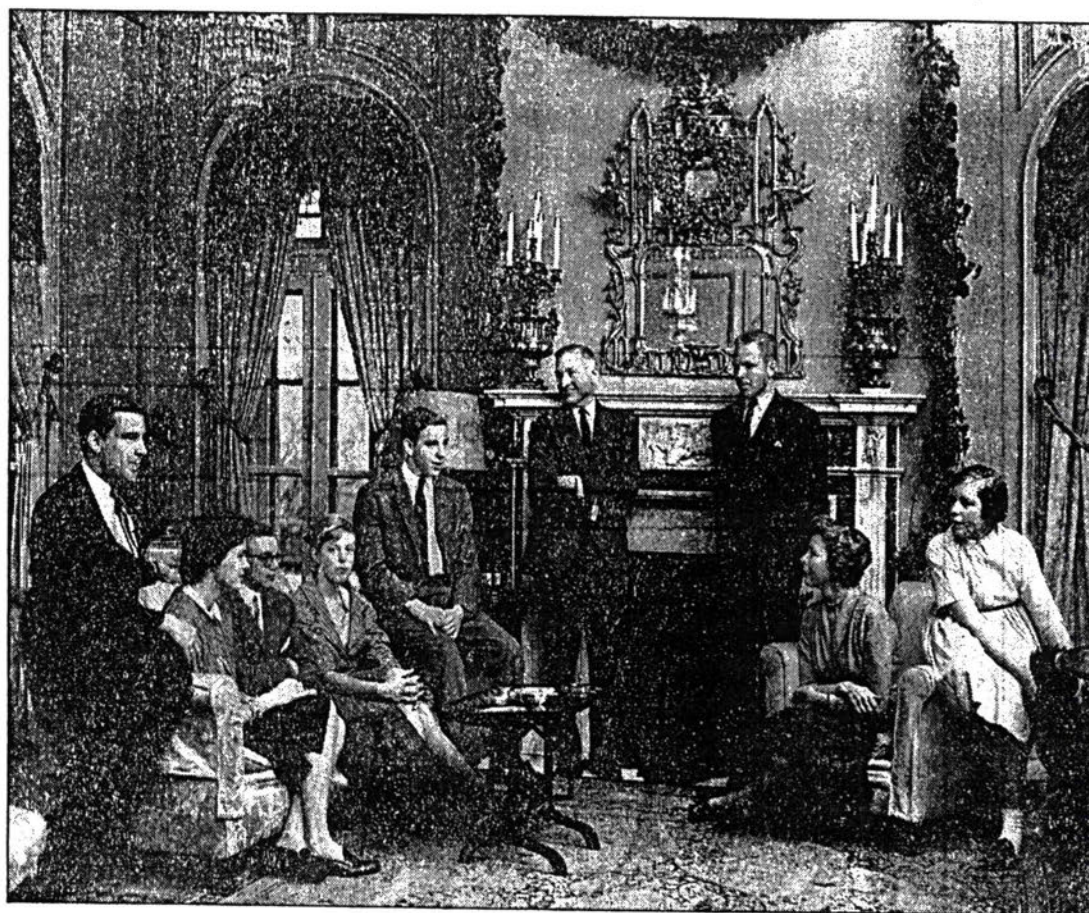
An active environmentalist, Mrs. Bingham referred to hillsides ravaged by strip mines as "abominations of desolation." Of her attitude on the subject, she once said, "I'm not hysterical, but sort of."

When former Gov. Ned Breathitt signed a strip mine reform bill in 1966, he gave Mrs. Bingham the first of several pens he used.

She thanked him. "We have had a succession of governors who were interested," she said, "but you are the first to go out ... and walk up and down those dreadful spoil banks."

"It was real easy," Breathitt replied. "All I had to do was follow in your tracks."

Mrs. Bingham crusaded for an-



1959 FILE PHOTO

Members of the family gathered at the Bingham home in Louisville in 1959 for a Christmas portrait, from left, Worth Bingham, Joan Bingham, Whitney Ellsworth, Sallie Bingham, Jonathan Bingham, Barry Bingham Sr., Barry Bingham Jr., Mary C. Bingham and Eleanor Bingham.

quality in public education, as a member and leader of national committees she often helped form.

As did her husband, Mrs. Bingham took seriously the notion that publishing a newspaper imposes requirements on the people who do it.

"The guarantee of press freedom," she said in a wartime speech, "is not a franchise in perpetuity to individual publishers or publishing corporations."

"It is a joint compact between the people and the publishers ... to keep the news channels free of domination by any power, public or private, which seeks to use those channels for their own ends."

While Bingham was away during World War II, Mrs. Bingham wrote editorials three days a week and helped keep him in touch with Mark Ethridge and Lisle Baker, his two famous lieutenants.

"Barry was kind enough to tell Mark he thought I would perhaps have a closer view of what his ideas would be on various issues than anybody else," she recalled a few years ago.

Mrs. Bingham spoke her own mind, too. Once she criticized President Franklin D. Roosevelt — an old friend and political ally of her late father-in-law, Judge Robert Worth Bingham — for choosing Harry Truman over Henry Wallace as his last vice president.

Roosevelt called her and Ethridge to a meeting in the White House, where he spent most of the time talking about reforestation in the

to her that Wallace lacked enough votes, noting that "politics is the art of compromise."

Mrs. Bingham was born Mary Clifford Caperton in Richmond, Va., on Dec. 24, 1904.

She was a 1928 graduate of Radcliffe College, where she was a classics major and won a year's study in Greece. The competition was open to everyone enrolled at either Harvard University or Radcliffe, her husband said, and her victory "was a very significant thing."

She later was a Radcliffe trustee. Bingham graduated from Harvard the same year. They were married in 1931, launching a close and mutually supportive partnership that aided their children and friends to the time of his death in 1988.

"They are a couple in the best and classic sense," John Ed Pearce, a friend of many years, said before either died. "No one should underestimate the closeness of the Bingham family. The policies of The Courier-Journal were always formed at least in part with her advice and consent."

When Bingham sold the newspapers and other Bingham companies in 1986 amid squabbling among the couple's children, he said the timing had to do with their partnership.

"I finally felt I had to make a decision on this while my wife and I were still able to make these decisions together. It's difficult enough to make them together, but if one of us had had to do it on our own, I

Free Public Library, marveled at her ability, in her 80s, to tailor pitches for the library endowment to groups of widely different interests, using quotations that fit the group, and "from rather current works."

She also was an excellent writer. "She is one of the quickest and most incisive intellects I have ever known," Pearce said.

The one thing that appeared to slow her down was tragedy, the deaths in freak accidents in 1964 and 1966 of two adult sons, Jonathan and Worth. After Worth's death, she eased out of her book page job.

But Mrs. Bingham never slackened in her civic activity. She and her husband realized \$115.7 million from the sale of their media properties — the rest of the \$442.5 million went to their children — and immediately began giving it away to such projects as the Louisville Falls Fountain.

Her survivors include a son, Barry Bingham Jr.; and two daughters, Sallie Bingham and Eleanor Bingham Miller; her sister, Mrs. Harriette McGregor, who lives at the Bingham estate in Glenview; and nine grandchildren.

MARY BINGHAM: IN SEARCH OF TRUTH

This is the full text of the speech Mrs. Barry Bingham Sr. was giving at the time she was fatally stricken at the Hyatt Regency.

FOUR YEARS AGO when, with Tom Simons, I was chairing a drive for books for the library, you kindly invited me to come and talk to you about why the drive was needed. At that time I told you about the sad state of our public library: The American Library Association's minimum standard for just adequate library service: two books per person. We had 0.9, less than one book per person. This compared to Cincinnati's 4.4 books per person. We spent \$10.86 per person on library service compared to Nashville's \$14, Charlotte's \$15 and Lexington's \$29. The summer reading program which served 21,000 children was about to shut down for lack of books. A comprehensive self study concluded that the library's annual need was for \$12,750,000. Our annual budget in comparison was \$7.4 million.

That drive collected its goal, \$6 million, which now delivers \$300,000 for book buying every year. To that sum has been added 2 million annually by the city and county. Now we have 1.37 books per capita — not enough, but a very great improvement. Hours have greatly expanded, branch libraries enlarged and maintenance, leaky roofs and such, improved, and 26,000 children took part last summer in the reading program.

All of this is very good and we can all be pleased — but, I hasten to add, not satisfied.

For now an imperative new need at the library has arisen. If it is to fulfill its commitment to offer adequate library services to the people of Louisville and Jefferson County it must somehow ascend to the information highway. In order to arrive there \$4.4 million is needed and this the Library Foundation intends to raise in our Library 2000 campaign.

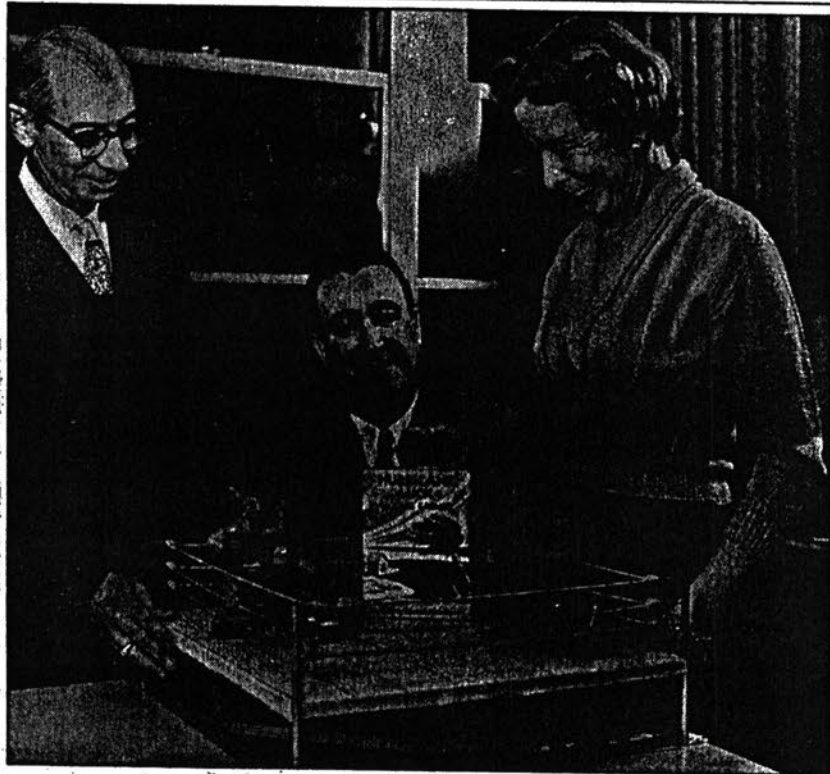
A recent *Courier-Journal* article cited a *Forbes* magazine survey that ranked Louisville very low as a high-tech home for new businesses. Many of the businesses which have already given to the Library 2000 campaign believe it to be one of a number of local initiatives to change that low-tech perception into a high-tech one. We all know that high-tech companies are vital to our community's prosperity into the next century. The planned enhancements will increase the value of the library's information services to the business community by vastly expanding the databases now available for research.

True to the tradition of civic responsibility so notably carried out by Tom Simons and the then Capital Holding Co., its successor, Provident and its CEO, Irving Bailey, co-chairs with me the drive to raise the necessary \$4.4 million. We have reached a midpoint figure of \$2.8 million. The final figure will provide the means to purchase the hardware and software necessary for access to the superhighway.

The library will link everyone in our community to the new information system regardless of age, economic background, area of residence or computer literacy. Users will be able to explore the holdings at 18,000 other libraries worldwide, to make in-depth subject searches, find difficult-to-locate materials and, in many cases, order them on-line. In the future this information will be available from a personal computer located in a home or business.

Now this opportunity to find facts and figures for oneself could not have come at a more urgently needed time. Lately a veritable chorus of highly charged criticism of the media, both print and electronic is being exounded by some of the most responsible members of the media empire. One telling example of the dangerous ignorance of the public about issues neglected by the media is the furious and uninformed view of voters about foreign aid.

A poll taken by the program on international policy attitudes at the University of Maryland reveals that 75 percent of Americans believe the U.S. spends too much money on foreign aid. They are "as mad as hell" because they believe the government is spending 15 to 18 percent of the budget on foreign aid. "The government should stop sending money abroad and instead zero in on the domestic front." But what is the actual figure for the percentage of the federal budget consumed by foreign aid? The correct answer is less than 1 percent. When the library has the new technology in place the correct answer could be found in



In 1953, Mary C. Bingham represented the Bookmobile Fund in arranging for the appearance in Louisville of then-heavyweight champion Rocky Marciano. Also on the committee were Emil Klempner, left, and George Happell.

a matter of minutes.

In a speech delivered at the Kennedy School at Harvard last November Cokie Roberts (ABC news commentator), said: "... I agree with the public view that the media hurts the nation's ability to solve its problems." One reason: the total unwillingness ... "to talk about the accomplishments of anyone in government, ever. ... I can't find anyone, other than the media to blame when people have the information wrong. When they're misinformed, it's our fault. We're the people who are supposed to be in the business of informing. It means we're simply not doing our jobs."

And our own John Ed Pearce noted in his Nov. 20 column: "... There were indications in the balloting that the voters often didn't know what they were voting for or against. The accusations hurled at President Clinton by people questioned by exit pollsters and reporters showed a startling ignorance of the facts. As *The Washington Post Weekly* said a few days before the voting: 'President Clinton has reduced unemployment, tamed the deficit, checked inflation, banished the dictators from Haiti, helped bring peace to the Mideast, faced down Saddam Hussein and passed the crime bill. So why doesn't he get any credit?'

The Post might have added that Clinton has also reduced taxes for more than 35 million poorest Americans (as he promised), eased the overall middle-class tax load (as he promised), increased taxes of the top 1.2 million wealthy (as he promised), passed NAFTA, increased trade, reinvigorated environmental law enforcement, eased discrimination against gays in the military and curbed gun sales. Yet voters obviously didn't know of these accomplishments."

The *London Economist* notes "to describe the extent of the O.J. mania is almost beyond the capacity of adjectives; numbers may do better. Since the start of this year, *USA Today* ... has run two headlines about O.J. for every three about President Clinton. O.J. garnered more reports on the three national networks' evening news programs in six months than the 1994 midterm elections did in the entire year. ... It was the subject of more stories than the effort to design a new health-care system or the Rwandan genocide. ... CNN, which might as well be renamed O.J. NN, employs an O.J. staff of almost 70."

Tom Brokaw concludes the reason the nation's media ignore so many significant stories is that unlike O.J. they simply aren't sexy enough to sell papers or grab viewers.

James P. Gannon, retired chief of the *Detroit News*' Washington bureau wrote about the media in an article published in *The Courier-Journal*. "In a desperate search for audience, they are substituting entertainment values for news values."

I think another and understandable rea-

son for the public's growing distrust and dislike of the media, and not only of the talk show rabble-rousers, and the primates on the far religious right, but of the formerly respected mainstream media is the media's self-righteous pomposity and their sneering and contemptuous coverage of all public figures.

This attitude is omnipresent but two examples come to mind. Maureen Dowd's front page *New York Times* announcement that the president on a trip to Oxford had "returned today for (from) a sentimental journey to the university where he didn't inhale, didn't get drafted, and didn't get a degree." No word here of the honorary degree Oxford gave President Clinton on that very occasion.

All regard for civility and decorum disappears with the press' malicious treatment of public figures. This disregard leads to such incidents as the one in which the president of the U.S. was asked what sort of drawers he wears. Instead of saying "How dare you ask me such a question?" the President answered, which shows how the office has been demeaned. On second thought, the president was probably politically prudent to answer the outrageous question. If he had refused, the media would no doubt have accused him of being "secretive," not "open," and probably in some sort of conspiracy to deny "the public's right to know."

Adam Gopnik's exhaustive consideration of the press in *The New Yorker* lists eight books dealing with some aspect of the press' inquisitorial stance:

"... The most distinctive thing," he writes, "to emerge in the American media recently has been not cynicism at all but a kind of weird, free form nastiness, spleen without purpose. ... And he concludes: "But no liberal society can function without the desire to distinguish between kinds of public speech that are acceptable and kinds that — because of their incivility, their blindness, their malice, or their potential for doing violence — do not belong in the conversation at all."

The only answer to that concern is to make available to the public access to solid facts about important issues, an access not now available through the media. That is what the Library 2000 fund drive is designed to do.

In the great funeral oration that Pericles gave for the Marathon dead he said that an Athenian who did not acquaint himself with and took no part in public affairs was regarded not as unambitious, but as a man of no consequence whatever.

Today that "acquaintance with" will be available on the information highway to all citizens, minus the filter of media interpretation and coloration. We must, and we will, with our 4.4 million vault up to the information highway and enable people to find for themselves the true, unadulterated facts.

THE PRESIDENT HAS SEEN

9-27-95

~~██████████~~
Have this checked
out - if as it seems
I must. Please
write to her -

Bx

09/27

Todd,

Should this go to dorskind to "check
out the story"
then do letter to the lady?

s

OK

ONE GOOD DEED TOO MANY

Fired, briefly, by Taco Bell for aiding an injured teen, Diane King won't go back



A "I wouldn't do anything different," says King (with fight victim Sean Woods, now recovering, outside her former workplace).

T EENAGERS IN SOUTHEAST PORTland, Ore., usually drive to the Taco Bell on Division Street for late-night burritos, but on Aug. 16 a crowd came looking for trouble. At 1:30 a.m. an argument in the parking lot flared into a fight that left one man dead of stab wounds and sent several more to the hospital. Diane King, 33, Taco Bell's manager on duty that night, spotted Sean Woods, 18, a high school dropout, motionless in the street. "The traffic was whizzing past him," says King, who rushed to his aid. "I didn't even pay attention to the chaos... I just wanted to make sure the kid wasn't dead."

Fortunately, Woods was alive, though badly beaten. King, a former nurse's aide, spent minutes at his side, took his pulse and, using a cordless

phone, described the scene to a 911 operator. "At that time I said, 'The police are here,' " she says. "[The dispatcher] said, 'Okay, I'll let you go.' "

As it happened, so did Taco Bell. On Aug. 30 the company fired King for leaving her post and ordering another worker to come with her instead of leaving matters to the police. Reports of the firing, which Taco Bell at first refused to discuss, caused a media furor, and after two days the restaurant chain offered her "another chance" at her \$7-an-hour job. "We have very strict policies," the company declared in a statement. "Our shift manager went outside the restaurant and placed herself and other crew members at severe risk... However noble her cause, we believe [she] exercised poor judgment."

King was infuriated. "I didn't know that if I went to help someone in the street, dying, that I would be terminated," she says, though at the time she was acting more as mother than manager. Last March her ex-husband James Philpot, a Portland subcontractor, badly bruised their 11-year-old son Adam's leg by accidentally driving over it. "I know what it feels like to have your kid run over," says King. "I didn't want [Woods's] parents to find out their kid was dead and nobody even bothered to see if he was alive."

King has no plans to return to Taco Bell, and since three other companies have offered her work, she probably won't have to. "I'm no hero," said King, who supports Adam, his brother Robert, 13, and husband Mike King, 35. "I'm just someone doing her job." ■

THE TIMES HAS SEEN
9/28/95

M Y T U R N

Jim Dorskind

Please coordinate
the reply.

The Politics of Paternity Leave

Why government isn't always the problem

BY TOM McMAKIN

*We should
write this
Guy a new
letter*

VALERIE'S ASLEEP NOW, HAVING SNACKED MOST OF THE morning, fussed and finally closed the brightest blue eyes I've ever seen. Quiet moments like these are rare when you are taking care of a 4-month-old. When she sleeps, it's time for me to mix more formula, wipe the counter, call about life insurance and then, if time allows, break open the laptop and sit down to write for a few minutes. Welcome to paternity leave, a spicy stew of belches and smiles, DPT shots, heavy warm diapers and the odd moment of reflection.

The idea that fathers should take time off from work to be with their newborn children is a relatively new one, but it's an idea that is long overdue. Two years ago, time at home with Valerie would not have been possible. But thanks to the Family and Medical Leave Act of 1993, here I am changing my daughter's diapers and enjoying her first gurgles and giggles. Who would have thought it? A bunch of faraway lawmakers passed legislation, and it profoundly affected my life. Their law, PL103-3, requires that companies with more than 25 employees allow them to take up to 12 weeks of uncompensated time off to care for their children. Because of this legislation my life is richer.

Much richer. This bundle of sweet smells I call my daughter has given me the gift of new sight. A trip to the supermarket used to be a dreaded errand; now it is the highlight of my week. Valerie has taught me to look beyond our store's confusion of brands and hype and focus on the colors, shapes and happy chatter that make each visit a carnival of sight and sound. We squeal at the celery, spit heartily at the dairy rack and shrink in terror at the sight of the frozen turkeys. The moving counter by the cash register is a revelation.

A walk downtown has been similarly transformed. Everyone loves a baby. And we love them back for it. People I've never spoken with, but have passed on the street many times before, smile and ask how old she is. To be a baby, I've learned, is to live in a friendly, welcoming world. But it's not just her world; it's mine too. Because of my time home with Valerie, I'm also much more understanding of children and parents. I rush to help a mom with a stubborn car door or a dad whose youngest is on the verge of straying. I smile at mischievous kids, happy to see them speeding off in this direction or that, ruining their parents' best-laid plans.

I have paternity leave to thank for teaching me these and other lessons (never dump formula in cold water—it doesn't mix). I am grateful to my wife and to my employer for encouraging me in my decision to stay home and am grateful to a government that made taking this time possible.

Sadly, when Valerie and I walk downtown and stop at the local coffee shop, we hear people talking about government in two ways, neither of them very good. They say that government is either ineffective or misguided, with most agreeing that it is both. It is not hard to understand why the ranchers and business people clustered around the small Formica tables think this way. In our state of Montana, the public owns 39 percent of all land. That means there are legions of federal, state and local managers

running around doing surveys, convening task forces, forming policy and interpreting regulations. With so much at stake and with so many bureaucrats in action, it is inevitable that these well-intentioned civil servants make mistakes. When they do, the mistakes are widely discussed and greatly criticized.

That's a shame. Somewhere in the rush to criticize, we have failed to see the forest for the trees. While Bozo the Clown may run a public agency or two, I cannot escape the fact that my sitting here today trading coos with my daughter is a salute to the possibility inherent in public action. On Feb. 5, 1993, our representatives in Washington decided it was important that families be allowed to spend time together when they most needed it and, more important, that wage earners should not lose their jobs while caring for a dying mother or recuperating from a serious operation or spending time with a newborn. In my book, that bad boy of American culture, Congress, did something right when it passed this law.



*Trading coos
with my
daughter
is a salute
to public
action*

The citizenry of this country has expanding and contracting tastes in what it wants its government to do, not unlike the members of the credit union to which I belong. One year we may ask the credit union's management to make sweeping changes, add more services and expand the types of loans it is willing to make. And then that energy runs its course and the membership elects a new board or hires a new manager to trim costs and services. When we ask the credit union to add services, we are not suggesting that credit unions ought to take over the world. By the same token, when we ask it to cut services, we are not saying credit unions are worthless. It's more like riding a horse up a hill: you might go to the left for a while and then to the right, but, even with the zigs and zags, you are still headed in one direction—toward the top.

In this current season of scaling back government—both Republicans and Democrats seem to agree that this is a good thing these days—my hope is we remember that government is capable of doing things and doing them well. I work 40 hours a week because my great-grandfather voted for a reform Congress at the end of the last century. My savings at the credit union are insured because my grandmother voted for FDR. My dad put Eisenhower and a forward-looking Congress in place in the late '50s. As a result, it takes me one hour to travel to Butte and not two, on an interstate-highway system. Government isn't bad in and of itself. It isn't some malevolent Beltway-girdled ogre perched on the banks of the Potomac. It is, rather, an expression of our collective will.

But wait. Valerie is stirring. Little wet slimy hands await. I need to warm a bottle, find a fresh diaper, pad upstairs and quietly make sure she is serious about ending this nap, and finally peek over the side of the crib and drink in that bright, beautiful smile that never fails to remind me why I so like being a dad at home.

McMakin lives and works in Dillon, Mont.

Turbulence Examined as Cause of USAir Crash

By IVER PETERSON

POMONA, N.J., Sept. 26 — Federal investigators trying to learn why a USAir jet crashed near Pittsburgh last year said after a flight test today that turbulence from a larger jet flying ahead of a plane like the one that crashed was more concentrated and stronger than expected.

USAir Flight 427, a Boeing 737-300, was following a larger Boeing 727 on approach to Pittsburgh International Airport on Sept. 8 when it unaccountably fishtailed to the left and corkscrewed about a mile to the ground, killing all 132 people on board. The crash is one of only four unexplained crashes on the Safety Board's books in the last 28 years.

Investigators from the National Transportation Safety Board used similar 737 and 727 airplanes today in a flight test over Delaware Bay to help them try to determine why the 737 crashed. The planes, equipped with sensors and computer gear,

Undergoing a rough flight in the cause of safety.

were trailed by a smaller plane carrying cameras and observers.

Tom Haueter, the safety board investigator in charge, said the test showed that the 727's turbulent trail, called wingtip or wake vortexes, was more forceful than computer models had projected. Wingtip vortexes resemble two rotating whirlpools of air that can trail several miles behind an aircraft.

"They had a rough ride," Mr. Haueter said of the 737 test crew. "We found that the wake vortexes from the 727 are closer together by about 50 percent, and also that the intensity is greater than the models we have."

The turbulence of a large plane can spin a much smaller plane out of control, although planes bump over each other's wakes every day without serious mishap. One theory in the Pittsburgh crash is that wake turbulence from the 727 flying ahead of the USAir flight began a chain of events that included a jammed rudder and culminated in the crash.

"Is it a breakthrough? I don't know yet," Mr. Haueter said of today's findings. "Now we have a better idea of how a real airplane flies in a known vortex, which we didn't have before, but we still need to go back with the data we got today and correct our computer models and then run new simulations."

Today, as on the day of the crash, the two aircraft flew 4.2 nautical miles apart, slightly more than the required three-mile separation for large aircraft in the vicinity of airports. Mr. Haueter said the computer models that had been used to recreate the last moments of Flight 427 were based on the assumption that the 727's vortexes would have sunk lower, drifted farther apart and lost more intensity than the test today indicated.

But Mr. Haueter emphasized in an interview that today's results were not conclusive, because the final analysis of Flight 427's last moments will be played out on computer simulations, not by test pilots trying to guess what Flight 427's final minutes felt like to its crew. The simulations will involve trying to "crash" a computerized airplane by subjecting it to the data gathered today and in subsequent tests.

"It is not subjective," he said. "We will say, 'What's the worst case we can build out of a vortex encounter?' If we run the absolute worst case in our computer simulation and nothing happens, we'll have to look somewhere else."

The test flights are being conducted in a 727 owned by the Federal Aviation Administration and a 737 on loan from USAir, whose parent company is USAir Group. The cost of the 20 or so hours of flight tests, which are being shared by the Federal Government, USAir and Boeing, will be about \$1 million, said a Safety Board spokesman, Michael Benson.

In November, the investigation will move to Seattle, where a newly decommissioned 737 will be put through a potentially ruinous stress test that will include forcing the ailerons, rudders and elevators back and forth against simulated pilot resistance in the cockpit.

Congressional Panels Take Back \$1 Billion From Satellite Agency

By TIM WEINER

WASHINGTON, Sept. 26 — Congressional committees have withdrawn more than \$1 billion from the secretive agency that builds spy satellites after learning that it had hoarded a larger sum of appropriated money without informing Congress, Government officials said today.

The money was withdrawn from the financing for next year's secret budget for intelligence programs, which had totaled nearly \$29 billion. It was transferred to weapons projects in next year's \$243 billion Pentagon spending bill.

The Republican chairmen of the Senate and House military appropriations subcommittees said they withdrew an unspecified sum of money after discovering that the agency, the National Reconnaissance Office, had accumulated roughly \$1.5 billion appropriated but unspent in previous years.

The chairmen, Senator Ted Stevens of Alaska and Representative C. W. (Bill) Young of Florida, said they had made "reductions in N.R.O. funding in order to insure that only such amounts as are necessary" were spent on the secret agency.

The Senators would not specify the size of the reductions because of the secrecy surrounding the agency, but other Congressional officials said it was more than \$1 billion.

The reconnaissance office is one of 12 intelligence agencies financed by money concealed within falsified Pentagon accounts. The secret spending, or the "black budget," is a cold-war practice that the Clinton Administration has supported and Congress has voted to continue.

But the reconnaissance office, which is so secretive that its letterhead was classified and its existence was not officially acknowledged until 1992, has developed the art of concealing its budget too well, Government officials have complained.

In past years, senior members of the Congressional intelligence and armed services committees, who in theory controlled the spending of all intelligence agencies, have failed to obtain a detailed overview of the reconnaissance office's spending, which totals roughly \$6 billion a year, the officials said.

The reconnaissance office acknowledged in a rare public statement released on Monday that complaints from members of Congress had compelled the Director of Central Intelligence, John M. Deutch, to order an investigation of its finances and to review its deliberately obscure fiscal practices.

Mr. Deutch has also created a new board to manage military and intelligence satellite programs. The director of central intelligence serves as board chairman of all the nation's espionage agencies.

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