

October 3, 1995

Todd --

Wanted to make sure the
attached was okay for
the telephone book.

Okay



See changes

Carol



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

Staff Sec.
WW/GFL

September 15, 1995

MEMORANDUM FOR ADMINISTRATIVE CONTACTS

FROM: ASHLEY RAINES *Ashley Raines*
CUSTOMER SERVICE PROGRAM DIRECTOR

SUBJECT: EOP Telephone Directory

The Office of Administration will be publishing a newly revised EOP telephone directory in October. We would appreciate your help in reviewing the attached current information we have about your organization.

Attached is a copy of your organization's section as it appeared in the April 1995 telephone directory and a listing of new staff or staff who have switched divisions within your agency since March 1. There may be some staff on the accessions list that already appear in the telephone directory due to last minute changes in March. Please review these lists of staff and mark any necessary changes. Note: All titles listed in the telephone directory will be the same as those documented in the personnel files.

Detailees assigned to the Executive Office of the President for **more than 90 days** may be included in the telephone directory in addition to permanent EOP staff. Detailees are included in the accessions report. Please mark out those detailees on the accessions report whose assignment is less than 90 days.

Please review all of the attached information and return a signed copy of this memorandum and your changes to Ashley Raines, OEOB 145, or fax to x61655 no later than Friday, September 22. See attached instruction sheet for specific directions on how to update your organization's listing. I can be reached on x62023 with any questions concerning the EOP telephone directory.

Thank you for your assistance and cooperation.

Attachments

Please check one:

_____ Approved with no changes.

X Approved with changes indicated. (see attached corrected sheet)

Carolyn E. Church
Approval signature

October 3, 1995
Date

Assistant to the President
and Staff Secretary
Special Assistant to the
President and Deputy Staff
Secretary
Administrative Assistant to the
Staff Secretary
Administrative Assistant to the
Staff Secretary

Stern, Todd D.

Caplan, Phillip M. (Phil)

Cleveland, Carolyn E. (Carol)

Wagner, Sharon E.

STAFF SECRETARY

456-2702

Assistant to the President and Staff Secretary	Podesta, John D.	456-2702	Fax 456-2215	GFL/WW	WH
Deputy Assistant to the President and Deputy Staff Secretary	Stern, Todd D.	456-2702	" " "	GFL/WW	WH
Administrative Assistant to the Staff Secretary	Wessel, Frances R. (Fran)	456-2702	" " "	GFL/WW	WH
Administrative Assistant	Wagner, Sharon E.	456-2702	" " "	GFL/WW	WH
Administrative Assistant	Dudley, Jennifer	456-2702	" " "	GFL/WW	WH

Correspondence

456-7610

Special Assistant to the President and Director of Correspondence and Presidential Messages	Dorskind, Jim	456-5460	Fax 456-2993	94	OEOB
Deputy Director	McCarthy, Jennifer	456-6556	" " "	94	OEOB
Office Manager	Bird, Debra D.	456-1910	" " "	94	OEOB
Special Assistant to the Director and Assistant Editor	Hudson, Maureen A.	456-5902	" " "	94	OEOB
Administrative Assistant/Photos	Riley, Jeffrey L.	456-5466	" " "	94	OEOB

Agency Liaison 456-7486

Director	Smith, Sue J.	456-5480	Fax 456-2992	6	OEOB
Deputy Director	Cozart, Charlene C.	456-5481	" " "	6	OEOB
Senior Case Worker	Beveridge, Susan	456-5484	" " "	6	OEOB
Case Worker	Draper, Amanda	456-5486	" " "	6	OEOB
Staff Assistant	Nolet, Stephen R.	456-5487	" " "	6	OEOB
Senior Case Worker	Stefanopoulos, Helen M.	456-5485	" " "	6	OEOB

Electronic Mail 456-5951

Director and System Manager	Horn, Stephen K.	456-6557	Fax 456-7109	60	OEOB
-----------------------------------	------------------	----------	--------------	----	------

First Lady's Correspondence 456-2941

Director	Pushkar, Alice	456-2941	Fax 456-5199	18	OEOB
Deputy Director	Roth, Stacey	456-5956	" " "	18	OEOB
Staff Assistant	Brau, Sarah	456-5966	" " "	17	OEOB
Staff Assistant	Towber, Wendy Allison	456-2708	" " "	17	OEOB

Gifts 456-7133

Director	Burkhardt, Dan	456-5507	Fax 456-7485	457	OEOB
Associate Director	Houston, Michelle A.	456-5534	" " "	457	OEOB
Gift Analyst	Arons, Jessica	456-5529	" " "	457	OEOB
Gift Analyst	Spokes, Ellen	456-5532	" " "	457	OEOB
Gift Analyst	Warren, Chris	456-5528	" " "	457	OEOB
Director of Correspondence Internship Programs and Gift Analyst	Krause, Lori	456-5457	Fax 456-2806	457	OEOB

THE WHITE HOUSE
WASHINGTON

October 2, 1995

MEMORANDUM FOR LEON PANETTA

FROM: TODD STERN 
SUBJECT: Staff Secretary Business

I'd like to get five minutes with you to discuss a couple of things.

The main thing is that I don't think I can do this job the way it ought to be done without being in the pivotal meetings, such as your 7:30 am meeting. There are two reasons for this.

First, I am finding too often that I am unaware of discussions that, by rights, ought to affect the way a given memo or document is handled. This is obviously inefficient at best.

A couple of examples: today the President met with Stephanie and Ann, who evidently mentioned that he might want to make an announcement of the decision to free more high-powered computers from export controls. The President responded that he hadn't seen the memo. I learned later that Tony or Sandy had discussed this with you at a 7:30 meeting, that you were on board and that everybody understood that the memo should move promptly to the President. The trouble is I didn't know. I thus circulated the memo in the customary way and was (unnecessarily) awaiting comment from your office. (As it happens, I had decided to send the memo up this afternoon because of the press leak in today's paper, but not because I was aware of any internal discussions.)

Late last week, I was given a draft Presidential Memorandum on domestic violence. I started to circulate it, but was then told it had been agreed to by key staff at a message meeting.

I could go on listing examples, but you get the point. As I see it, if the Staff Secretary is not looped in, it's very hard to serve the President properly.

The second reason it's problematic for me not to be at the 7:30 meeting is that it's a place where I can get certain kinds of business done quickly and efficiently. For example, last week when it was important to get the China memo (on venue of a summit) to the President ASAP, I could have raised this at the 7:30 meeting to quickly get people's views. The 8:15 am meeting wasn't appropriate for discussion of a classified matter like

that and, in any event, NSC decision makers don't attend.

I also think it would be useful for me to attend the message meeting, both for the reasons cited above and for an additional reason: we are the last-stop editors before all kinds of documents -- speeches, statements, Executive Orders, letters, proclamations, go into the President or get cleared for the autopen. Podesta always saw this office, and I do too, as a final substantive and political check on papers going to the President. We read most everything -- not just for good English or for typos but to make sure that it seems substantively accurate and in tune with where we are at any given point in terms of message and politics. The more attuned we are about message, strategy, etc., the better we can fulfill this function.

Leon -- I'm really not trying to be a pain. I'm sure you have too many people bugging you about getting into this or that meeting and I purposely didn't do that during my first few months as Staff Secretary, because I thought I'd see how things went and not make a nuisance of myself. But I just don't think I can do this job the way it ought to be done unless I am as well and fully informed as possible.

If you have a few minutes to discuss this in the near future, I'd appreciate it.

cc: Erskine Bowles
Harold Ickes



THE WHITE HOUSE

WASHINGTON

October 23, 1995

MEMORANDUM FOR SENIOR STAFF

FROM: LEON E. PANETTA
Chief of Staff

SUBJECT: Reminder on Paper Flow

This is a reminder that all paper intended for the President, whether for his information or for action, is to be routed through the Staff Secretary's office. There are two important reasons for this system.

First, with respect to action items (decision memos, correspondence, executive orders, speeches, etc.), it protects both the President and the senior staff by allowing for comment before they go to the President. The President is thus assured both of receiving items that have been properly vetted and of being informed about relevant staff views; and senior staff with an interest in a particular item are given an opportunity to convey their views before the matter goes to the President. Passing action items directly to the President doesn't serve him.

Second, unless all paper (including information items, articles, etc.) is routed through the Staff Secretary, he cannot effectively do the job of regulating the flow of paper to the President in a manageable way that gives priority to time sensitive items and keeps the President from getting overloaded.

Please make sure that you and everyone in your departments follow this procedure.

C-
Let's send
to all
Special
Assistants &
above.
1.

THE WHITE HOUSE

WASHINGTON

October 23, 1995

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Please make sure that you and everyone in your departments follow this procedure.

THE WHITE HOUSE

WASHINGTON

October 6, 1995

The Honorable John Paul Stevens
Supreme Court of the United States
Washington, D.C. 20002

Dear Justice Stevens:

Congratulations on serving 20 years as an
Associate Justice of the United States Supreme
Court.

Your wise and distinguished service to our federal
justice system has made a profound impact on our
country. As a sworn defender of the liberties
that Americans hold so dear, you have helped to
keep our nation strong. Your dedication to the
law, to justice, and to the public good is
inspiring.

On this milestone occasion, we all are indebted
and grateful to you for your wise leadership on
the Court.

Sincerely,

Bill Clinton

*Return to
LH Connaughton in
AG's office for
dispatch.*

THE WHITE HOUSE
WASHINGTON

October 6, 1995

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Supreme Court of the United States
Washington, D.C. 20002

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inspiring.

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and grateful to you. ~~More importantly, we look~~
~~forward to many more years of your wisdom and~~
~~leadership on the Court.~~

Sincerely,

Bar Clinton

Counsel's office
requested this &
provided draft
(ok'd by Judge
Mikva). Need
by Monday,
October 9, at
the latest.
-mailee

The Honorable John Paul Stevens
Supreme Court of the
United States
Washington, D.C. 20002

October 5, 1995

The Honorable John Paul Stevens
Associate Justice
Supreme Court of the United States

Dear Justice Stevens:

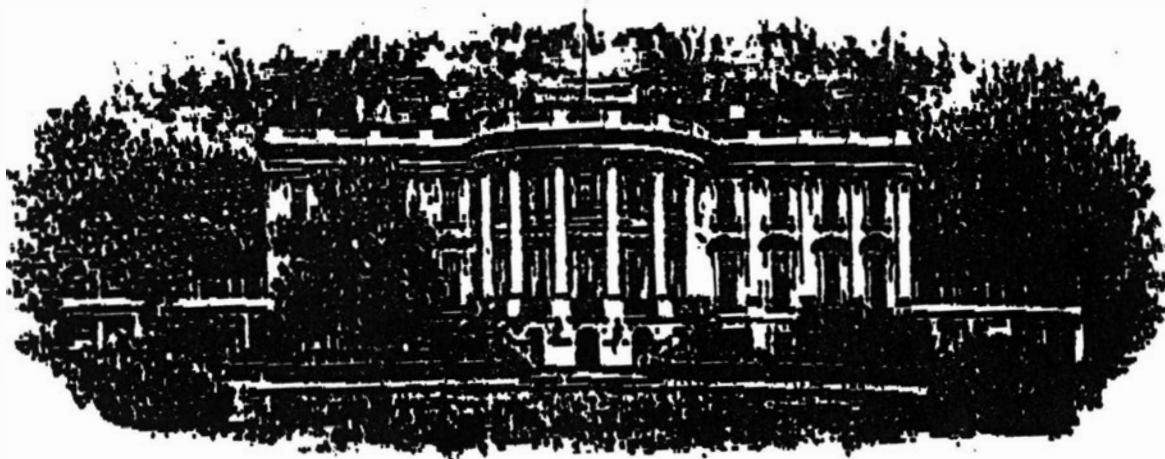
I congratulate you and thank you on behalf of the American people for your 20 years of service as an Associate Justice of the United States Supreme Court. On this important milestone occasion, we all are indebted and grateful to you. More importantly, we look forward to many more years of your wisdom and leadership on the Court.

Sincerely,

William J. Clinton
President of the United States

Judge,
Is this day? - Five
Jeff

The White House



COUNSEL'S OFFICE

FACSIMILE TRANSMISSION COVER SHEET

DATE:

TO:

Maureen Lewis

FACSIMILE NUMBER:

5-4198

TELEPHONE NUMBER:

FROM:

Jeff Connaughton

TELEPHONE NUMBER:

PAGES (WITH COVER):

COMMENTS:

Sony Thanks for calling!

PLEASE DELIVER AS SOON AS POSSIBLE

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



THE PRESIDENT HAS SEEN

10/6/95

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY

WASHINGTON, D.C. 20410-0001
October 5, 1995

95 OCT 5 P7:03

Ca: Secretary

MEMORANDUM FOR: President Clinton

FROM: Henry G. Cisneros *Henry Cisneros*

SUBJECT: Virginia Kelly Center, Hot Springs, AR

It is my pleasure to inform you that construction on the Virginia Kelly Center in Hot Springs, AR began today. The Center will be a beautiful complex of 20 apartments for disabled persons, of a quality appropriate to be named in honor of your mother.

The Center is a New Construction 811 Project and is being sponsored by the Ouachita Regional Counseling and Mental Health Center, Inc. The Department's 811 program, created by the National Affordable Housing Act of 1990, provides capital advances to private non-profit sponsors to finance new construction, rehabilitation or acquisition of rental housing for persons with disabilities.

A groundbreaking ceremony with the Board of Trustees will be held on October 12, after trees have been cleared from the site location on Section Line Road. Construction is scheduled to be completed by April 28, 1996. The dedication ceremony will be scheduled approximately 30 days after completion of the center.

My hope is that we can schedule that dedication on an occasion when you visit Arkansas next spring. Since it is a flexible date, I will work with your scheduling team to make things match if you wish. If your schedule does not take you to Arkansas in April or May, perhaps the First Lady would like to dedicate the Virginia Kelly Center.

THE PRESIDENT HAS SEEN
10/6/95

76 Soquel

Be

THE WALL STREET JOURNAL

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VOL. CCXXVI NO. 67

★ ★ ★

EASTERN EDITION

THURSDAY, OCTOBER 6, 1995

The Odds Squad

GOP Faces Tensions As Gambling Interests Meet Family Values

Religious Conservatives Decry
Gaming, but Its Dollars
Fill Republican Coffers

Sen. Dole Hits the Jackpot

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Of all the explosive social issues that might haunt them—abortion, welfare, school prayer—it's a safe bet that few Republicans wagered on the one that is beginning to open a divide within the GOP.

It is gambling, which is turning out to be a subject with a unique potential to split Republicans along religious, ideological and even geographic lines. Worse yet, it leaves the GOP trapped between its love of "family values" themes and its quest for political contributions.

To sense how the booming gambling industry is beginning to roil Republicans, consider the urgent tone of the letter Republican National Chairman Haley Barbour received a few weeks ago from a fellow GOP leader, Rep. Frank Wolf of Virginia. "I want to tell you of my concern about an insidious gambling industry which encroaches on America's landscape and which is even gaining a voice within our party," the legislator wrote.

Opposition Builds

For months, Rep. Wolf, who watched his home state debate legalizing casinos, has been crying for a halt to the spread of gambling from state to state. Suddenly, he is getting lots of company, particularly among religious conservatives who form a powerful wing of the Republican Party.

The Christian Coalition has been working around the nation to defeat local and state gaming initiatives. At its convention here last month, the group conducted an antigambling workshop called "Gambling — Rolling the Dice on America's Future." Ralph Reed, the coalition's politically astute executive director, says his organization may help finance an antigambling office in Washington. "We're out there at the grass roots, pounding away at these casinos, these lotteries," he says.

Focus on the Family, a Colorado

What's News—

* * *

Business and Finance

FORD REPORTED its September sales fell 8.9%, the first decline in nearly four years. It cited model and parts shortages and transportation problems. Ford's drop helped push total U.S. sales of cars and light trucks for the month down 3.1% from a year earlier. The slump follows a strong August, when a slew of rebates and incentives helped clear out 1995 models.

(Article on Page A3)

* * *

Apple said its chief financial officer will leave the computer maker by year's end and resigned from its board after it rejected his suggestion that Apple sell or merge the company.

(Article on Page B1)

* * *

The economy will grow at a moderate but not extraordinary pace, as the government's index of leading indicators rose 0.2% in August from a 0.2% drop in July. Factory orders jumped 2.6% in August, a nine-month high.

(Article on Page A2)

* * *

Boeing is bracing for a possible strike at midnight by 33,000 union machinists demanding assurances of job security and a better package of wages and benefits than Boeing is offering.

The aerospace concern plans to make phased-array antennas, which can draw signals from existing satellites and will allow passengers to watch real-time television on a plane.

(Articles on Pages A4 and B1)

* * *

The largest industrial economies slowed this year after central banks raised interest rates, an IMF survey found. For most, this may bring sustained growth with little inflation, but the IMF cut its forecasts for Japan.

(Article on Page A2)

* * *

The Nasdaq Stock Market stumbled hard over a selloff led by the technology sector. The Nasdaq Composite tumbled 1.8% to 1002.27, while the market's computer index dropped 2.9%.

The NASD board will discuss

* * *

World-Wide

A HURRICANE LASHED Florida's Panhandle and coastal residents fled.

Hurricane Opal came ashore just east of Pensacola, becoming the third hurricane to strike the Panhandle this season. The storm, with gusts up to 144 mph, flooded homes, knocked down piers and caused the evacuation of tens of thousands of residents. One Florida woman died in a hurricane-spawned tornado. Opal's maximum sustained winds were reported to be 125 mph, down from 150 mph earlier in the day.

Opal, which left 10 people dead in Mexico, was expected to spin off more tornadoes and cause flooding from storm surges as high as 15 feet. The hurricane was moving toward the northeast.

* * *

NATO JETS BOMBED Bosnian Serb targets as a U.S. envoy held peace talks.

The NATO warplanes fired missiles at three Serb radar sites in southern and central Bosnia after anti-aircraft radar locked onto the jets, NATO officials announced. The airstrikes could complicate U.S. efforts to keep up momentum for a Bosnian peace plan just as the efforts appear to be paying off. U.S. Assistant Secretary of State Holbrooke reported progress in his quest for a cease-fire.

After meeting with officials in Sarajevo, Holbrooke spoke of a "serious proposal" by the Bosnian government but he didn't give details.

* * *

Pope John Paul II proclaimed himself "a pilgrim of peace" as he arrived in Newark, N.J., for a five-day U.S. visit that will include his first address to the U.N. in 16 years. He was greeted at the airport by Clinton, who praised the pontiff for his many peace initiatives, including those in Northern Ireland, Haiti and southern Africa.

* * *

Annual poverty figures will be released today by the Census Bureau, which also will release household-income statistics. The numbers, which the bureau concedes are flawed, are used to fix eligibility for 27 federal programs, including food stamps, Medicaid, Head Start and school lunches.

(Article on Page B1)

* * *

Prison statistics show that almost one in every three young black men is serving a criminal sentence—either prison, probation or parole, according to a study by an advocacy group. The findings represent a dramatic increase from five years earlier, when

Springs, Colo., conservative religious organization, has just published a tract titled: "You Bet Your Life: The Dangerous Repercussions of America's Gambling Addiction." GOP presidential candidate Richard Lugar has pushed the issue into the 1996 campaign, delivering a speech and congressional testimony on the evils of gambling. The Indiana senator has signed on to a bill sponsored by Rep. Wolf to set up a national commission to study the matter.

But at precisely the same time, the Republican Party is being tugged in the opposite direction by another powerful force: the growing lure of donations.

Clear Lead in Contributions

In the two-year election cycle that culminated in the GOP takeover of Congress last year, the gambling industry contributed nearly \$1 million to the Republican Party in unrestricted donations, according to an analysis by Common Cause. That is 30% more than went to the Democrats for the same period and almost eight times what the GOP collected during the previous two years. In the first half of this year, the industry kicked in another \$156,500 to the GOP, almost five times the amount that went to Democrats, the Common Cause analysis shows.

On top of that, the gambling industry has been generous in promoting the leading GOP presidential candidates. Sen. Robert Dole of Kansas has cashed in the most chips. At a single June fund-raiser organized by Mirage Resorts Inc. Chairman Stephen Wynn at his exclusive Las Vegas golf club, Sen. Dole took in \$477,450, aides say.

Sen. Phil Gramm of Texas also has held a Las Vegas fund-raiser, his campaign says. And Mr. Wynn has contributed to projects undertaken by the Empower America conservative advocacy group, officials there say. He declines to comment.

To Rep. Wolf, big gambling money means big trouble. "I am absolutely, positively, categorically opposed to the Republican Congressional Campaign Committee or the Republican National Committee taking any gambling money," he says. The GOP is positioning itself as the pro-family party, and "pro-gambling is not pro-family," he argues.

But GOP Chairman Barbour says he has no desire to screen out gambling money. "It's not my place to be judgmental about issues when it comes to allowing people to support us," he says. "You don't have to agree with the Republican Party on every issue to support us."

Money vs. Morality

There is more than a simple debate between money and morality at work here. In its own way, gambling is emerging as just the latest issue to reveal the kinds of fissures that inevitably will emerge as the Republican Party tries to broaden itself to become the nation's majority party.

Gambling drives a wedge between the GOP's social conservatives, who worry above all about the condition of society, and its business proponents, who are inclined to clear the way for private enterprise of all kinds. Gambling also tends to divide laissez-faire Westerners from more socially conservative Midwesterners and religiously focused Southerners.

Perhaps nobody personifies these differences better than Rep. Wolf.

whether Joseph Hardiman should still lead both the Nasdaq Stock Market and its parent, the NASD, when it meets next month on a restructuring.

(Articles on Pages C7 and C1)

Teledyne directors seem to be leaning against selling the company or its units, about seven months after placing Teledyne on the auction block to fend off a \$1.2 billion takeover bid.

(Article on Page A3)

Daiwa Bank denied media reports that its president will resign to take responsibility for the \$1.1 billion loss by a Daiwa bond trader in New York.

(Article on Page A11)

An unexpected shortfall in tax revenues is plaguing France, Germany and other European nations as they struggle to meet fiscal requirements for a European monetary union.

(Article on Page A10)

Some analysts are questioning whether AT&T will go through with a costly plan to build a global satellite communications service, partly because changes sweeping the industry may make the network unnecessary.

(Article on Page A6)

Fleet Financial is refunding \$1.4 million to about 17,000 customers who were charged excessive fees on home mortgage loans, marking another misdeed in Fleet's customer dealings.

(Article on Page A4)

Markets—

Stocks: Volume 339,360,070 shares. Dow Jones industrials 4740.67, off 9.03; transportation 1906.53, off 18.70; utilities 216.25, off 0.33.

Bonds: Lehman Brothers Treasury index 6241.54, up 27.00.

Commodities: Oil \$17.28 a barrel, off 30 cents. Dow Jones futures index 151.93, up 1.00; spot index 147.14, up 0.25.

Dollar: 101.03 yen, off 0.35; 1.4347 marks, off 0.0028.

the proportion was one in four, according to the Washington-based Sentencing Project.

Members of NATO have agreed to stall plans to expand the alliance into central and eastern Europe in an attempt to buy time to win Russian consent, diplomatic sources said. The decision to postpone any real progress on enlargement until early 1997 was taken at a series of high-level meetings in Williamsburg, Va., sources said.

Lower back pain can be treated by an orthopedist or a chiropractor for more than what a family doctor would charge, but the results aren't much different, researchers said. Regardless of the type of doctor the patients sought out, about 70% had recovered completely within six months, according to the study. (Article on Page B6)

Some 700 firefighters battled a fast-moving wildfire on the northern California coast that has consumed about 20 homes and parts of Point Reyes National Seashore, a national park. The blaze, which reportedly was caused by the embers of an illegal campfire, has burned more than 2,000 acres, fire officials said.

Macedonia appointed an acting president amid fears its leader was too badly wounded in a Tuesday car-bomb attack to resume his duties. Parliament Speaker Andov took over as interim head of state while 78-year-old President Gligorov, who already underwent brain surgery, had an operation to try to save his sight.

Russian Premier Chernomyrdin said he won't run for president in 1996. As leader of a new political party, Chernomyrdin has become one of Russia's most popular politicians and has lately emerged as a potential rival to President Yeltsin. The announcement came amid rumors that Yeltsin was going to fire him.

A French mercenary handed over the deposed Comoros president to French troops, ending a six-day coup in the island nation off Africa's east coast. The mercenary, Bob Denard, said he planned to surrender today. About 600 French troops had landed in the former colony to dislodge the veteran soldier and his mercenary force.

TODAY'S CONTENTS

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CORPORATE Focus

BRIGHT CHALLENGE: Barrick's rich gold deposit high in Chile's mountains brings a mixed bag of good and bad surprises. Page B4.

HEARD ON THE STREET: System Software doubters persist, C2.

INTRINSIC VALUE: Turner's pay deal rewards mediocrity, C1.

TECHNOLOGY: Families fight over who gets to use the computer, B1.

For GOP, It's Gambling Money vs. Values

Continued From First Page
vides more clearly than Frank Fahrenkopf, a nattily dressed Nevada lawyer who rode into Washington during Ronald Reagan's revolution and eventually became party chairman. These days, he heads a gambling-industry trade group, the American Gaming Association.

Mr. Fahrenkopf now finds himself fighting off growing challenges to his industry from fellow Republicans. "It is a legitimate and legal business," he says. "The people who work in the industry, they go to church. They are God-fearing." He estimates that 500,000 people are directly employed — and another 500,000 or more indirectly employed — because of gambling enterprises in the continental U.S. To those who criticize gambling on moral grounds he says the "morally wrong" position would be to deny these people their means of livelihood.

Of course, Democrats also are grappling with pressures from the growth of gambling, as shown by a recent gambling scandal in Louisiana in which Democratic politicians are accused of taking payoffs to protect gaming interests. But an odd combination of business trends, Clinton administration decisions and quirky personal connections has pushed gambling onto the GOP's doorstep as a hot issue.

For years, the industry focused its lobbying on the few state governments that made most decisions affecting the industry. To the extent it got involved in national politics, it tended to support Democrats.

'A Wake-Up Call'

That changed in early 1994, when the Clinton administration began openly considering a 4% tax on gaming-industry receipts as a way to finance a welfare-overhaul plan. "The 4% gross-receipts tax really was a wake-up call to an industry that never was really represented at the federal level," Mr. Fahrenkopf says.

It told the industry something fundamentally important: The spread of casinos around the country inevitably will make gaming companies an increasingly attractive tax target for a federal government hungry to close its deficit. In addition to the many states that offer lotteries, casinos now operate in 23 states, and the gambling industry handles \$482 billion in wagers annually. Gross industry revenues last year rose to \$39.9 billion, a 15% increase in just one year.

In addition to scaring gambling executives, the tax idea pulled them toward the Republican Party, which seemed more likely to hold the line against new federal levies. By chance, a personal connection helped cement this emerging bond.

John Moran, the party finance chairman in 1993 and 1994, is a successful businessman who happened to take an interest in research into eyesight problems and helped fund a research center at the University of Utah. That brought him together with Mirage's Mr. Wynn, who has suffered from eye problems, and the two became friends.

port for gambling," says Nelson Warfield, press secretary for the Dole campaign. "I think a lot of people out in Las Vegas remember Bob Dole's opposition to the Clinton administration's proposal for a gaming tax."

But, he adds, Sen. Dole isn't necessarily supporting the spread of gambling, noting that he voted for a 1991 measure limiting betting on amateur sports.

Other Republicans have decided they don't want gambling money falling into their kettles. Mississippi Gov. Kirk Fordice, even though he credits tax revenue from riverboat gambling for wiping out a state deficit and spurring development, has said he won't take gaming-industry donations in his re-election bid this year to avoid conflict-of-interest charges. Similarly, South Carolina Gov. David Beasley, a Republican with ties to Christian conservatives, has fought expansion of video poker, and his office says he wouldn't accept contributions from the industry.

Antigambling Convention

Meanwhile, antigambling activists are planning their first national convention in Orlando, Fla., at the end of this month, and GOP lawmakers will have a prominent position. Rep. Wolf will deliver the keynote speech and Sen. Lugar is sending a video, says the Rev. Tom Grey, an Illinois minister who is helping to organize the gathering. Mr. Grey says candidates such as Sens. Dole and Gramm "are going to have to take a position on whether gambling money is appropriate," adding that gam-

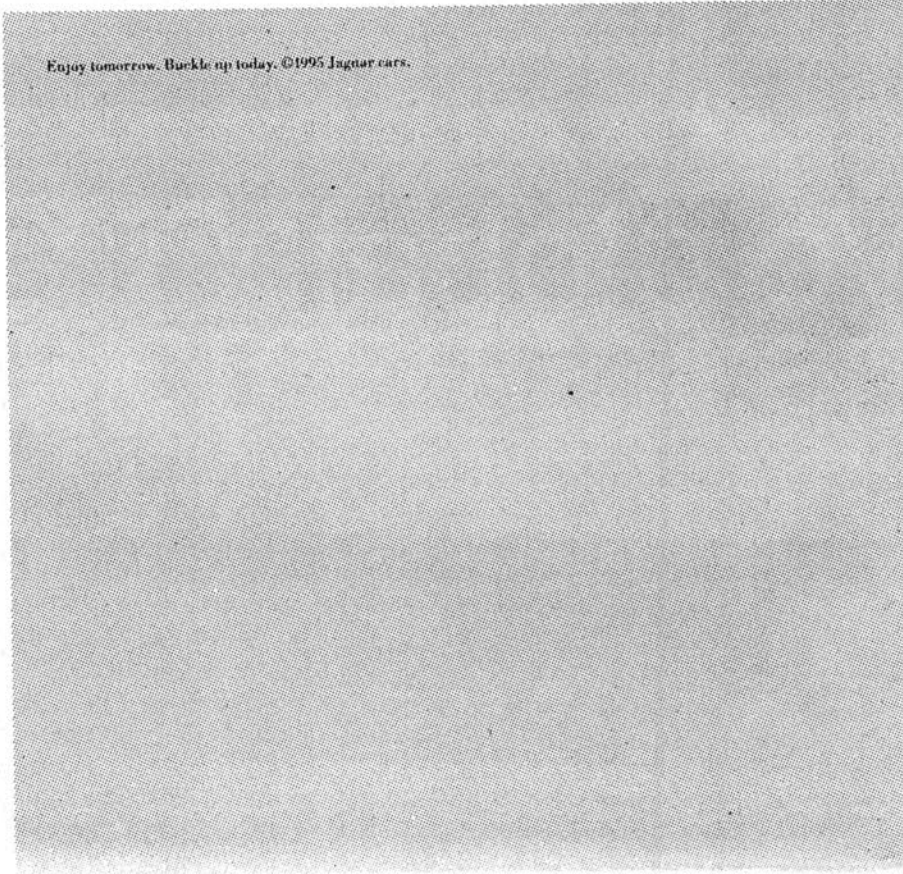
bling "is the family-values issue of this presidential campaign."

Charles Black, top strategist for the Gramm campaign and a lobbyist who himself has represented gambling interests, says, "I don't know of anybody who has ever switched his vote because of a \$1,000 contribution or a \$5,000 [political-action committee] contribution Given our system, with strict limits on contributions and full disclosure, most of the time people ought to take contributions" when they are offered.

For their part, Republican critics of gambling in Washington aren't so much focusing on moral questions as asserting that the industry stunts real economic growth. "Gambling does not produce a value-added product or reinvestment in the market economy," Sen. Lugar said last week. "Other businesses in the region often lose as consumer spending for all sorts of goods and services shifts to spending at casinos"

For him and Rep. Wolf, the top priority is their bill to create a national gaming commission, which they hope would prove this point and also show the high social and law-enforcement costs of gambling. That, they hope, would give like-minded local officials a stronger hand to play. "I think the public as a whole, until they have some idea of what the lay of the land is, may take the position that these are legitimate businesses," Sen. Lugar says.

But the gambling industry's Mr. Fahrenkopf, who argues that the federal government should let basic decisions on



Enjoy tomorrow. Buckle up today. ©1995 Jaguar cars.

Mr. Wynn, who once supported Democrats generally and President Clinton in particular, began raising money for Republicans. These days, Mr. Moran has moved from raising money for the party to raising money for the Dole campaign.

Growing Agenda

Though the idea of a gambling tax fell by the wayside, the industry now finds it has a growing agenda of Washington issues to worry about. Besides trying to hold off new taxes and regulations, some companies have been pushing Congress to begin taxing the exploding gambling revenue pulled in by Indian reservations. Until now, tribal revenue has been exempt from federal taxation, and gambling firms that aren't involved in Indian gambling consider the situation unfair. The House Ways and Means Committee is considering legislation to change it.

Republicans who get gaming-industry money say it is simply philosophical agreement on business and tax issues that has attracted donations to the party. "I think this has more to do with Bob Dole's opposition to tax increases than any sup-

BOSTON TECHNOLOGY INC.

Firm Gets \$15 Million Job For Thailand Phone Gear

Boston Technology Inc. said it received a five-year, \$15 million contract to supply platforms and software to support call answering and voice messaging for TelecomAsia's new telephone network in the Bangkok metropolitan area. Boston Technology, a Wakefield, Mass., developer of voice-processing systems, said the initial shipment under the contract is valued at \$2 million. The company said the award marks the first deployment of enhanced services in Thailand's fixed network. TelecomAsia, with Nynex Corp., built a two million-line network in the Bangkok metropolitan area under a 25 year-license from Telephone Organization of Thailand.

VITAL SIGNS.

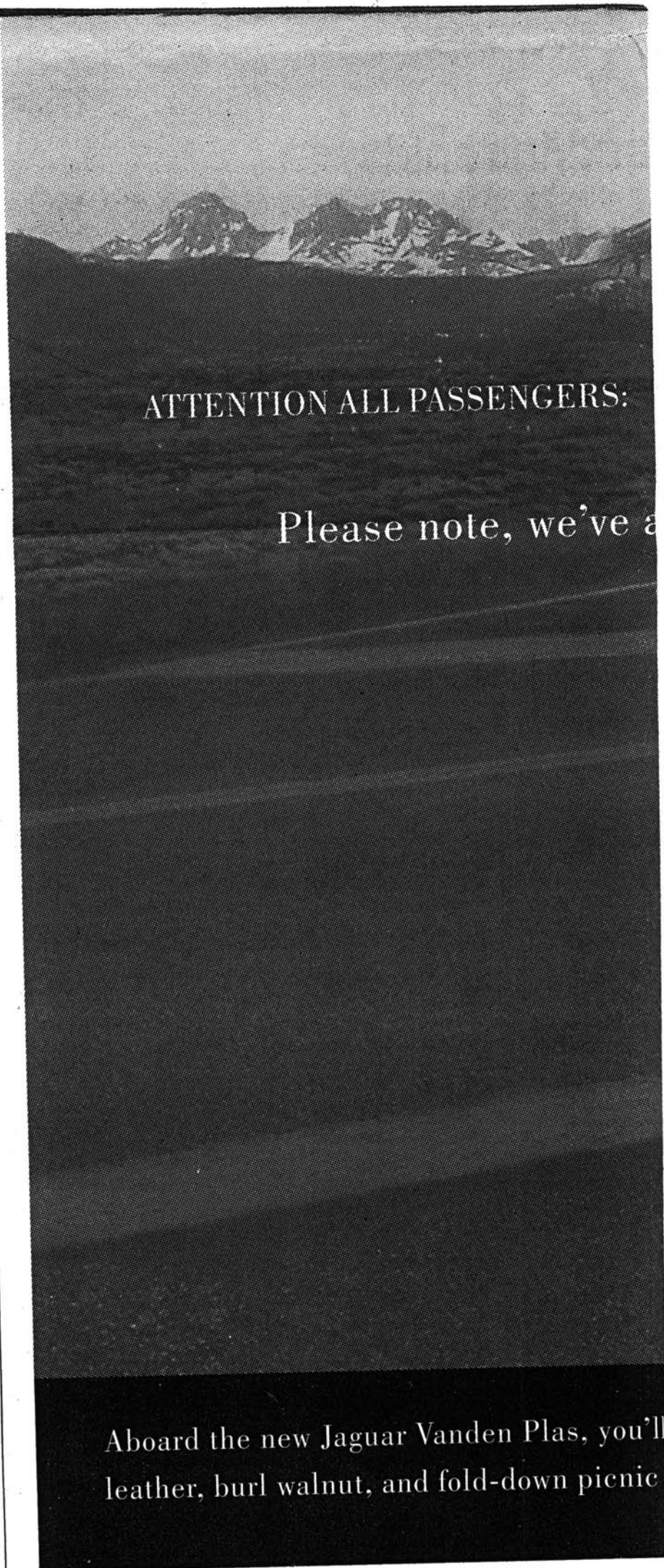
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1D675



ATTENTION ALL PASSENGERS:

Please note, we've a

Aboard the new Jaguar Vanden Plas, you'll
leather, burl walnut, and fold-down picnic

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 10-6

TO: Andy Sens

FROM: Staff Secretary

This is a request for
Patricia to serve as
Honorary Chair of an event
honoring Japanese Americans
in WWII. Looks fine but
wanted to be sure you
say approve.
Jed

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: October 6, 1995

95 OCT 6 P4:00

Date of Request: 8/18/95
Request for: POTUS
Type of Request: Member of Honorary Committee
Requestor Name: Ms. Irene Hirano
Title: Executive Director & President
Organization: Japanese American National Museum
369 East First Street
Los Angeles, California 90012
Contact Tel. #: 213/625-0414
Event Date: 11/08/95
Event Description: National Salute to Japanese American Veterans
Notes: The program is part of the World War II 50th Anniversary Commemoration events sponsored by the Department of Veterans Affairs.
Recommendations:

TS _____ EB _____

Please return to Room 457

C- copy for my
tickler.
you should make
separate folders for
people (or in this case
NSC) we I have
requests out to.
Thanks T.



rec'd 10/3/95 JRA

132730

JAPANESE AMERICAN
NATIONAL MUSEUM

309 East First Street
Los Angeles, CA 90012
Telephone 213.625.0414
Facsimile 213.625.1770

August 18, 1995

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

SEP 13 1995

Dear Mr. President:

On November 8, 1995 the Japanese American National Museum in conjunction with the Secretary of the Department of Veterans Affairs, the Secretary of the Department of Defense, Japanese American veterans organizations, community organizations and community and business leaders will present a NATIONAL SALUTE TO JAPANESE AMERICAN VETERANS at the Los Angeles Convention Center. This program is part of the World War II 50th Anniversary Commemoration events sponsored by the Department of Veterans Affairs. The Salute will recognize the contributions of Japanese Americans who participated in the United States conflicts since the Spanish American War with special recognition of the veterans of World War II, including the 100th Battalion, 442nd RCT, 1399th, and the Military Intelligence Service.

We are writing to you to ask for your support of this important event. We hope the Salute will bring together Japanese American veterans from around the country. We hope you will support this event in the following ways:

- A. Agree to be included as a member of the Honorary Committee for this event
- B. Provide a Message for the Tribute Journal by September 15, 1995
- C. Attend the November 8, 1995 Salute

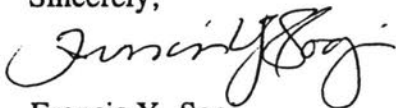
We anticipate that many people outside the Japanese American community will join us. Dinner seating will be limited to 3,000 people and will include reserved seats for the Salute Show with an additional 5,000 seats available for the Salute Show only. Although the formal announcement has not yet been sent, nearly 1,000 have purchased tickets to attend the Dinner. The Dinner will be sponsored by the Museum and veterans and community organizations. Proceeds from the Dinner will help to offset costs for the Salute Show and will help to support future Museum veterans programs.

In addition to the November 8 Salute, a new exhibition will premiere at the Japanese American National Museum in Los Angeles on Thursday, November 9, entitled "Fighting for Tomorrow: Japanese Americans in America's Wars." The exhibit will feature the contributions of Japanese American veterans--most notably during World War II both overseas and on the homefront.

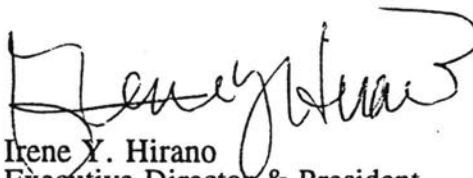
With the attention of the nation this year on the contributions of our veterans, we hope to give national prominence to our Japanese American veterans. Your help in this event will enable us to bring their stories to a broader national audience.

You may confirm your participation either in writing or by telephone to Irene Hirano, Executive Director/President of the Japanese American National Museum at (213) 625-0414 ext. 229. Thank you for your consideration of this request. We look forward to hearing from you.

Sincerely,



Francis Y. Sog
Chairman, Board of Trustees



Irene Y. Hirano
Executive Director & President

FYS/IYH:ck

Enclosures

THE PRESIDENT HAS SEEN
10/6/95

~~Donny~~
~~Fix~~

very much for talk
at least Mr. Bosnia
for designer better
next week

PS

THE WHITE HOUSE
WASHINGTON

Reservists

Count Reserve

Leave our units
to 100 level

Rotary Theater Cover

1 Force Command

kill Force too light

Week 2

ambrose brig

Need Full's

Reif Brig

Core Command

Buffalo

35-40,000

Elevate 22 Div to

above Bonin to Bulwers

create 2d per for Bulwers

eq 2000 - Region Plan

Gen. Feltz → Gen. Harbo

understands -



THE PRESIDENT HAS SEEN
10-6-95

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

THE CHAIRMAN

October 5, 1995

95 OCT 5 P12:25

CE: [Signature]
Bull/McCarty

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH E. STIGLITZ [Signature]

SUBJECT: Census Release on Income, Poverty, and Health Insurance Coverage

The Census Bureau reports today that the number of Americans living below the poverty level dropped between 1993 and 1994. This is the first decline in poverty since 1989.

- * The poverty rate decreased from 15.1 percent to 14.5 percent. 38.1 million Americans were in poverty in 1994, 1.2 million fewer than in 1993.
- o While real median household income was unchanged, upper income households experienced slight increases. The top 5 percent of households now received 21.2 percent of aggregate household income, and the top 20 percent 49.1 percent. In contrast, the bottom 20 percent of households received 3.6 percent of income. Family households experienced an increase in real median income of 2.5 percent, while nonfamily households experienced a decline of 2.1 percent.
- o African Americans' real median household income increased 5.0 percent, the first significant annual increase in income since 1989.
- o Twenty-nine percent of the poor had no health insurance coverage of any kind during 1994, compared to 15.2 percent of the total population. Poor persons comprised 27.8 percent of uninsured persons.
- o The official definition of poverty includes only money income. But the report also includes another more comprehensive measure that incorporates the impact of Federal taxes and noncash transfer programs. Before accounting for government taxes and transfers (e.g. EITC, AFDC, food stamps, and housing subsidies), the poverty rate was 22.8 percent. By contrast, when all such activity (aside from medical transfers) is accounted for, this figure drops to 12.4 percent, down from 1993's level of 13.1 percent. The substantial role of government transfers in reducing poverty highlights the serious impact on poverty that Republican Congressional proposals can be expected to have.

10/10/95
[Signature]

Wednesday, October 3, 1995

THE PHILADELPHIA INQUIRER

COMMENTARY

U.S. rose to the challenge in Haiti

By William H. Gray 3d

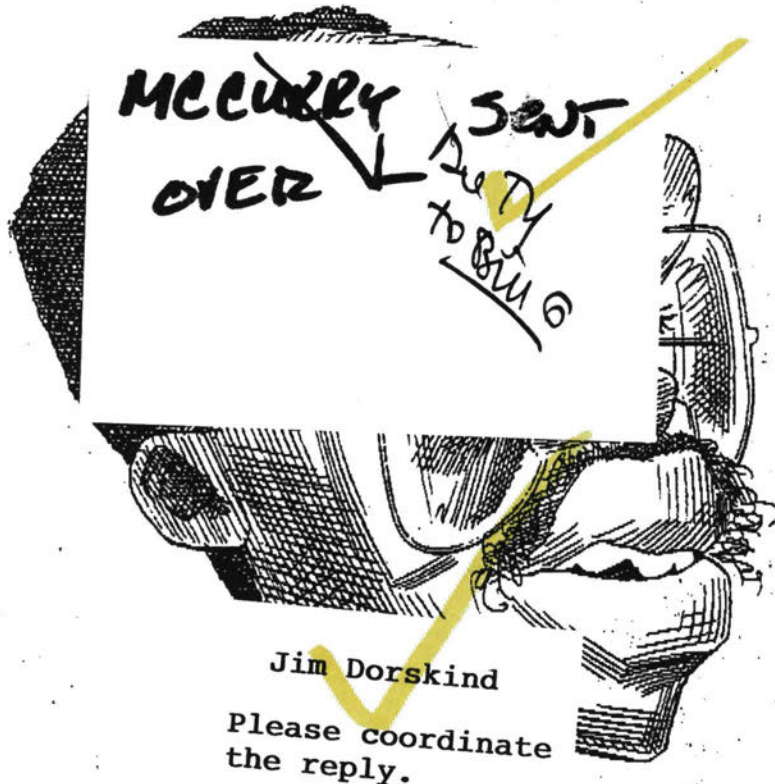
One year ago Haiti's nightmare ended. Quietly, efficiently, without a shot being fired, a U.S.-led multinational force entered Haiti to enforce international law. Cheered by the Haitian people, forces from some 20 countries fulfilled a U.N. mandate to restore order and to return Haiti's legitimately elected government to its rightful place.

The task was daunting. Human rights abuses — summary executions, torture, disappearances, and terror — were widespread. Many hundreds of Haitians were killed, often in full public view. Justice Minister Guy Malary was gunned down on the streets of Port au Prince in cold blood. Desperation had driven tens of thousands of Haitians to flee their repressive, ravaged island. Twenty thousand found refuge in the U.S. naval base in Guantanamo. Others fled to neighboring islands, straining those countries' already scarce resources.

The United States steadily increased pressure to oust the leaders of the coup that drove President Jean-Bertrand Aristide into exile. It did so by shutting off air links, revoking visas, tightening international sanctions, and leading international efforts to bring force to bear against the tyrants. Their ouster sent a strong message to other would-be dictators that democracy in our hemisphere cannot be overthrown with impunity.

Today, the coup leaders are gone and Aristide's elected government is restored. The despised Haitian army has been disbanded. A new professional police force is being trained with U.S. help. People once again are beginning to move about the country without fear. Government services and infrastructure are being restored. Divestment and capital flight have largely stopped. Agricultural production is returning to normal. The Guantanamo refugees are home.

While the road ahead won't be



Los Angeles Times / TAYLOR JONES

Restoring President Aristide righted a wrong and protected our interests.

easy, Haitians can look to the future with confidence. With a fresh start, Aristide has worked hard for moderation and reconciliation. Under Aristide's leadership, and that of Prime Minister Smarck Michel, the government is restructuring the judiciary, the police and the prison system. It is overhauling a sharply skewed economic system, promoting job creation, investment and privatization. Government revenues are up sharply. Haiti will soon negotiate an agreement with the International Monetary Fund to gain access to World Bank funds, the first since 1989.

The June parliamentary elections

of some 2,100 officials were administratively flawed, but also remarkable for their low level of violent disruption and absence of systematic fraud. Undertaking such large-scale and complex elections in a short time was enormously, perhaps overly, ambitious. Rerun elections in August and run-off elections in September went smoothly. Despite difficulties and low voter turnout, the overall results are widely seen as reflecting voter will. Local mayors and councilors have taken or will soon take their seats; the new parliament plans to open shortly.

Presidential elections scheduled

for later this year represent another important step in consolidating Haitian democracy. As Aristide has said, "The real test of a democracy is the second election." Aristide has firmly restated his plans to turn over the reins of government to his duly elected successor in February 1996. Several candidates have already thrown their hats in the ring.

Haiti may be disadvantaged at a small. But that did not stop us from standing up on its behalf one year ago — to right a wrong and protect U.S. interests. The results have been impressive: Reconciliation is underway, human rights abuses have largely ended, political violence has ceased.

Haiti is bound to experience the growing pains of creating new institutions and adapting to the give-and-take of the free market and competitive politics. This means taking steps to ensure that human rights are respected, that minority rights are protected and that crimes are investigated and justice done. The tasks ahead are not easy, but the seeds of democracy are planted and are beginning to grow on Haitian soil.

Haitians have no illusions about the immense tasks that lie ahead. Nor should we. My own hopes were buoyed by an exchange I had recently as I traveled back to Haiti last February. A man on my plane was returning to Haiti after years away. When I asked him where he was going back after so long, he looked at me squarely and said: "Haiti, for the first time, has hope."

The United States rose to the challenge. We did not give up Haiti. The lesson is that U.S. leadership and resolve, mixing judicious use of military power with determined diplomacy and economic tools, are the right — and often only — responses to the complex challenges of today's world. We can be proud of the part that President Clinton and the American people, together with the international community, played to bring him back to Haiti.

William H. Gray 3d, a former U.S. representative from Philadelphia, was special adviser for Haiti to the President and the Secretary of State from May to October 1994. He is now president of The College Fund and United Negro College Fund.

Tuesday columnist Chris Satullo is on vacation and Acal Moore is on assignment. Moore's column will resume on Thursday.

THE PRESIDENT HAS SEEN
10-6-95

SHARON A. KITZHABER



OFFICE OF THE FIRST LADY

September 29, 1995

Dear President Clinton,

I am very pleased to hear about your upcoming meeting on October 5th concerning teenage pregnancy prevention.

The creator of the PSI (Postponing Sexual Involvement) model is Dr. Marion Howard from Emory University. She will be present and involved in your meeting on the 5th and has a tremendous experience and most importantly, a model to share.

I have been very involved in the development of our teen pregnancy prevention program in Oregon. Over the next few years we plan to reach every 6th and 7th grader in the state. I have enclosed an introductory information sheet on our STARS program - the Oregon version of Dr. Howard's PSI. I am currently enlisting major corporate partnerships to make the STARS program a true private/public endeavor. Although Oregon's program is delivered through the school system it is closely tied to a very comprehensive community participation.

I believe there are a few significant reasons for the success of Dr. Marion Howard's PSI program and why I am willing to dedicate myself to the abstinence based model in Oregon. First, being an abstinence based model we eliminate the wall of resistance and political and religious conflict which has killed so many other teen pregnancy prevention programs. Teachers, parents, school boards, religious leaders, politicians, and corporate heads LIKE the idea of abstinence.

Second, this is a peer mentorship model. It is not hard to understand that kids are going to listen to their peers before they listen to adults. It is peer pressure after all, which generates kids' activity in crime, drugs and alcohol, and sex. In this program they are delivering a different message - just as effectively.

I simply wanted to offer my enthusiasm about your upcoming meeting and to encourage the emphasis on the abstinence based model of Dr. Howard. I plan to play a highly visible role around our state of Oregon in bringing attention to this effective, low cost, community partnership teen pregnancy prevention project. If I can lend my support to your efforts in this serious adolescent issue, please call upon me.

Sincerely yours,

Sharon Kitzhaber

Jim Dorskind

Please coordinate
the reply.

P.S. I am ready to take my pilot's instrument rating check-ride.

1. cc: *Jeremy Bulmer*
✓ *Marcus B...*
E. Potter
Brady
Joanne W...
to see to sign -
BC

THE PRESIDENT HAS SEEN
10/6/95
ALPHAS

per our talk

BK



Marquis Grissom, rounding the bases after his first-inning home run off Wednesday, is congratulated by third base coach Jimmy Williams.

... says his knuckleball works worst in cold and wet weather, a weekend possibility in New England.
Red Sox closer Rick Aguilera is listed as day-to-day. He pulled his left hamstring Tuesday and is to be checked again during workouts today.

MORTIS.
Eric Karros drove in all the Dodgers' runs with two home runs, the second in the bottom of the ninth, and a single.
Friday in Cincinnati, the Reds will start left-hander David Wells (6-5, 3.59) against Dodgers rookie right-hander Hideo Nomo (13-6, 2.54).

COVER STORY → Grambling's Robinson sets sights on 400

Coach Rob's lessons stay with his players throughout their lives

By Harry Blauvelt
USA TODAY

One win away from his crowning achievement, Grambling State's Eddie Robinson already reigns as the king of college football coaches.

No one has as many wins as Robinson's 399. Saturday, at home against Mississippi Valley State (ESPN2, 4 p.m. ET), he will seek his 400th

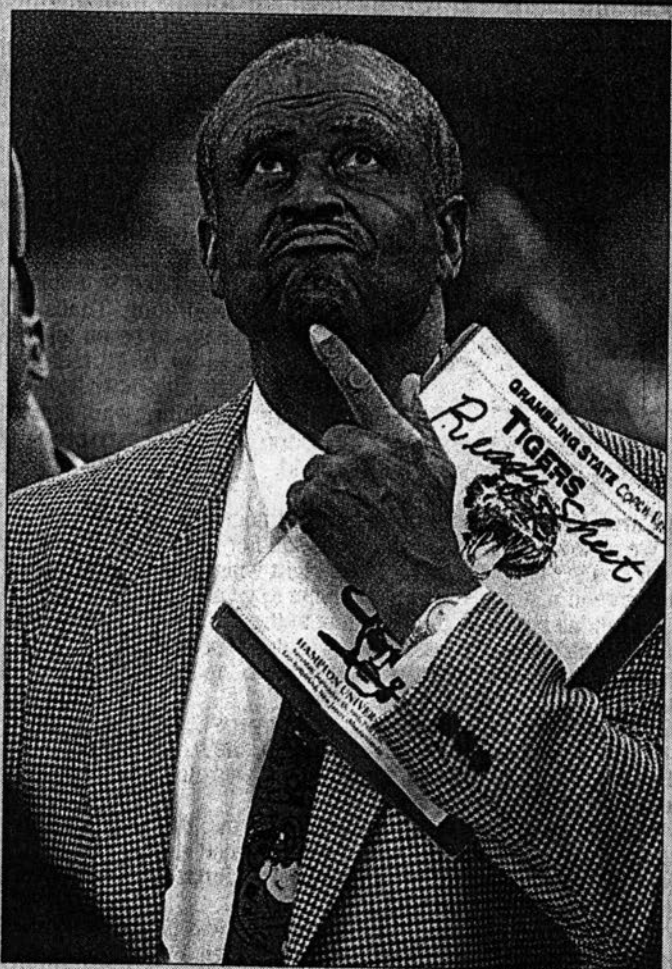
coaching victory.

Add to that his streak of never missing a game, and Robinson rates a tip of the cap from the Baltimore Orioles' Cal Ripken, baseball's ironman.

"He might be in a class by himself," says Ripken, who in September surpassed Lou Gehrig's record of consecutive games played. "What he's done, and the way he's done it, you can't help but admire him. He's fantastic."

Says Penn State coach Joe Paterno: "Everybody was

Please see COVER STORY next page ▶



GRIDIRON MAN: Eddie Robinson has coached football at Grambling since 1941, never missing a game.

By Robert Deutsch, USA TODAY

and Olympic Arts Festival tickets are now on sale. For more information, call 404-744-1996

le in part by WXIA-TV, Atlanta's Official Station for the Olympic Games.



'Coaching has been a labor of love,' Robinson says

Continued from 1C

caught up in Ripken's achievement, and it was amazing, but Robinson's is even more amazing. It's mind-boggling."

Robinson, 76, started coaching at the Grambling, La., school in 1941, when Franklin Roosevelt was president, Coke cost five cents and Joe DiMaggio hit safely in a record 56 consecutive games.

"Imagine the obstacles he had to overcome in 1941; the prejudice I'm sure he faced, the frustration and lack of facilities," says Everson Walls, former Grambling and Dallas Cowboys star defensive back.

The legendary coach stands on the threshold of his benchmark win after 53 seasons (no teams in 1943 or '44 because of World War II). In that span, he has fielded two undefeated squads (10-0 in 1955 and 9-0 in 1942), won nine black college national crowns and has only five losing seasons.

Some naysayers insist Robinson doesn't deserve to be mentioned in the same breath with NCAA Division I-A coaches such as Paterno and the late Bear Bryant because Grambling is Division I-AA.

But, says Florida State coach Bobby Bowden: "It's all relative, because he doesn't have the same talent as I-A. Winning 400 is a fantastic accomplishment, and there's no way you can diminish it in any way."

Former Grambling quarterback Doug Williams, who led the Washington Redskins to the 1988 Super Bowl title, bristles when Robinson's credentials are questioned: "From an African-American standpoint, we all feel Eddie does not get his just due. It's a shame he doesn't get endorsements, because he's what America is supposed to be all about."

Born in rural southeastern Louisiana — his father was a sharecropper and his mother a domestic worker — Robinson decided in grade school he wanted to become a coach.

A prep and college quarterback, he worked in a feed mill for 25 cents an hour and also

Volumes of victories

College coaches with the most victories at four-year schools, regardless of division classification (bowl and playoff games included; coach is listed with college with which coach is most identified):

Coach, college	W-L-T	Seasons
Eddie Robinson, Grambling State	349-145-15 (.714)	53
Bear Bryant, Alabama	323-85-17 (.780)	38
John Gagliardi, St. John's (Minn.)	321-98-10 (.748)	47
Pop Warner, Stanford	319-106-32 (.733)	44
Amos Alonzo Stagg, Chicago	314-199-35 (.605)	57
Ron Schipper, Central (Iowa)	274-63-3 (.806)	35
Joe Paterno, Penn State	272-70-3 (.788)	30
Roy Kidd, Eastern Kentucky	261-92-8 (.723)	32
Bobby Bowden, Florida State	253-79-4 (.753)	30
Tubby Raymond, Delaware	243-95-3 (.717)	30

*active

Sources: The Official 1995 College Football Records Book, USA TODAY research

sold newspapers and shined shoes to make ends meet after graduating from now-defunct Leland (La.) College.

When he was 22, the job opened at Grambling, then called Louisiana Negro Normal and Industrial Institute. The Tigers embraced Robinson, beginning what his wife, Doris, calls "a lifetime love affair" in the clay hills of northern Louisiana. He was paid \$65 a month to start.

Now, despite a media blitz, Robinson downplays the prospect of his 400th victory.

"I'm not obsessed with that," Robinson says. "Coaching has been a labor of love. I'm as excited about the job now as when I started."

Robinson doesn't coach from a tower like many peers. He has a hands-on approach. "Coach Rob is an inspirational leader who teaches you more about life than football," says co-captain Mark Mosby, a senior linebacker. "He's a disciplinarian, but he'll jump in and run a few plays, laugh and joke. He's real down-to-earth."

Robinson takes pride in the fact Grambling is a pipeline to the pros, with 205 former Tigers having played in the NFL, including seven NFL first-round picks.

Among them are three Pro Football Hall of Famers: Willie Davis, Willie Brown and Buck Buchanan, the first player from an historically black college to be a No. 1 NFL pick (1963).

Robinson's players say the

measure of the man is his emphasis on education and citizenship. He always promises parents of recruits their sons will attend church and hit the books. He wakes players every morning at 6:30 to eat breakfast and go to class.

"When all is said and done, I hope he gets his due in terms of not how many pros he had," Davis says, "but for how many young men he helped get degrees and enjoy a better life."

Robinson instills a strong blue-collar work ethic that stays with his players long after they've left Grambling. "I sometimes lay in bed till 10 in the morning, and I start feeling guilty I'm letting coach Rob down," says Walls.

No one worked harder than Grambling's Paul "Tank" Younger, who in 1949 became the first player from a historically black college to play in the NFL. "He not only taught me how to play football; he taught me how to cry with those fiery halftime speeches," says Younger, chuckling. "After one of those, you'd want to go get somebody's arm or leg and bring it back to him."

The hoopla about 400 wins triggers retirement talk.

Robinson hasn't made up his mind: "People die when they slow down. I'm not looking forward to the day I get up and have no place to go and nobody wants to see me."

His wife wants him to slow down but says, "I want him to be happy, and that probably means more football."

Playo f

As the nation digests the spectacle that began unfolding Tuesday, millions of viewers try to square emotions and lifetime experiences with theories offered by the defense for months.

We're talking, of course, about The Baseball Network and its simultaneous postseason games leaving viewers with just the game assigned by the networks.

Nanci Donnellan, ESPN Radio's "Fabulous Sports Babe" on 150 stations, says her callers — and 400 faxes — a verdict Wednesday: "They all say Baseball Network sucks."

Kevin Ward, a San Francisco area auditor, will testify for ira He was on the road in Grand J Colo., Tuesday night looking for bar to watch his team, the Cleveland Indians. He found a bar getting its signed Colorado-Atlanta game as Seattle-New York via satellite. TBN maintains isn't possible satellite signals are scrambled to broadcast advertisers.

Ward couldn't get the Indians found a consolation prize on his dio — signals from San Francisco station KNBR, which spliced CBS Radio game broadcasts from four games in an innovative, if

Charity could ben when Simpson ta

Food for thought:

► O.J. Simpson ought to stay and save it for a pay-per-view T. Somebody is going to make ey off his words. Why give it av say, Disney for an ABC Barbar: ters special? May I suggest a charitable contribution from PPV proceeds.

► ESPN got a 3.8 rating for t. attle-California playoff Monday baseball ratings climbed stead end down just 5% from 1994.

► What happened to the boomers: Graham Nash, Sn Robinson and Stephen Stills v among musicians playing in Fairway to Heaven golf special ing Nov. 11.

► Did you know: The Baseball work's Gary Thorne, also c ESPN's NHL opener Friday, lawyer in the U.S. Army. His case: an appeal from the My Lai sacre in Vietnam.

THE WHITE HOUSE

WASHINGTON

October 5, 1995

MR. VICE PRESIDENT:

Everyone in my office has standing instructions to copy you on memos that we send to the President. However, when material bypasses us, as the Woody Brock memo did, there's obviously nothing we can do. I will continue trying to ensure, as we always do, that materials for the President get routed through us.


Todd Stern

THE WHITE HOUSE

WASHINGTON

October 5, 1995

Nancy --

I hope that we can do our best to ensure that when substantive material comes to the President, it gets routed through my office.

When it doesn't, I run into a problem of people asking me questions about the material -- such as what it's status is or why they haven't seen a copy -- that I can't answer. Today, the Vice President's office was unhappy because I hadn't copied the Vice President on the Woody Brock memo. (The President apparently asked the Vice President what he thought of the memo.) I had to explain that I've never seen the Woody Brock memo because it didn't come through us.

I think we're generally doing pretty well, but I want to do the best we can to avoid bumps in the road. Many thanks.



Todd

133148
PP

Horace W. Brock, Ph.D.
President
Strategic Economic Decisions, Inc.
905 Sherman Avenue
Menlo Park, CA 94025



THE PRESIDENT
9-26-95

Dear Woody

I got your memo and have
circulated it widely. It makes sense
and explains our recent experience
better than any other theory I've
heard — We should spend and cut taxes
in accord with it — Best, Bill Clinton

C O P Y
from CRM

STRATEGIC ECONOMIC DECISIONS, INC.
905 SHERMAN AVENUE
MENLO PARK, CALIFORNIA 94025

TEL: (415) 854-2404
FAX: (415) 854-2415

*Send to
H. Hoover
for review
Last as of
for Pres.*

September 11, 1995

Ms. Nancy Hemreich
Assistant to The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Nancy:

I have enclosed the memo that Tommy Caplan asked me to give The President. An earlier and incorrect version was given to him at the Orioles game last Wednesday.

Thanks to both you and Cathy for your help - as always!

With Best Wishes,

Horace W. Brock, Ph.D.
President

NH
Lee Johnson -
Checking
No record of letter since
February.

THE ECONOMICS OF UNCERTAINTY

Mr. President,

I found this chapter from Woody's recent report utterly fascinating and asked him to excerpt it for you. It is cutting edge work, leading to

With the Compliments of

Thomas Caplan

profound, often counter-intuitive conclusions, e.g. (one among many) that education which develops/fosters innovation(eventually) may be more effective in creating growth than savings.

6th September 1995

Resr. (10/11/95)

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

10/5/95

95 OCT 14 PM 2:17

3 October 1995

MEMORANDUM TO

THE PRESIDENT

FROM

HAROLD ICKES

RE

NYC Chancellor Ramon Cortines

As you know, due to pressure from the Giuliani administration (actually the Mayor himself), New York City School Chancellor Ramon Cortines will be stepping down.

Given his long and very distinguished career and his commitment to public education, you may want to write a personal (not for public consumption) note to him.

Please let me know if you want me to get you more information.

Jim Dorskind

Please coordinate
the reply.

agreed
Ramon on drafted
I'll sign + put PS in

Wu-
PM

WHITE HOUSE
WASHINGTON

October 4, 1995

Enzo de Chiara
Suite 1107
1505 Crystal Drive
Arlington, Virginia 22202

Dear Enzo:

Thanks for your letter of September 13. I appreciated your recommending Senator DeConcini to serve as ambassador to Italy and Arthur Gajarsa for appointment to the United States Court of Appeals. As always, I'm grateful for your insight.

I hope you're well, and I look forward to seeing you soon.

Sincerely,

Bill Clinton

Please cc: Bob Nash
and Vicki Radd
Adrian M. Gajarsa
if they haven't
already received
incoming,
10-5
• original to
Maureen Lewis

Enzo de Chiara

Counsellor
International Relations

Maureen

✓cc: Nash

✓Vicki Ladd

September 13, 1995

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

Dear Mr. President,

I am writing this letter to recommend two distinguished gentlemen for positions in your administration.

The first gentleman is Former Senator Dennis DeConcini. Dennis served as a Senator for 18 years, is financially independent, is Former Chairman of the Senate Intelligence Committee and is regarded highly in the Italian-American community.

I would like to ask you to consider Dennis for the ambassadorship to Italy when a vacancy occurs. As Ambassador Bartholomew is a career diplomat, I assume he may be subject to mandatory rotation after three years of service in one embassy. If Dennis were to be considered for this appointment it would send a strong and positive signal to the Italian-American community as well as to the people of Italy.

The second gentleman is Mr. Arthur Gajarsa. I understand that Arthur is being considered for a federal judgeship. Arthur is an excellent jurist, as Deputy Chairman of the National Italian American Foundation he has shown himself to be a strong leader and he is an ardent supporter of the Clinton/Gore campaign.

Mr. President these two gentlemen are among the best friends I have in America and I thank you for the time and consideration you have given to them by reading this letter.

Sincerely,



Enzo de Chiara

EdC/bjz

Nom

su's shap-

all -
a classmate of mine - this
at least call him out on anything

THE WHITE HOUSE
WASHINGTON

✓ 10-5-95
original to
RM
M.

October 5, 1995

Claire Ross Taplett
Apartment 419
501 Slaters Lane
Alexandria, Virginia 22314-1116

Dear Claire:

Thanks for your letter of September 26 and for letting me know of your continued interest in serving the Administration. I have passed your resume along to Bob Nash, Director of Presidential Personnel, for his consideration.

We have a lot of work to do in the months ahead, and I'm grateful for your willingness to help. See you soon.

Sincerely,

Bill

cc:
Bob Nash
w/ the incoming
materials

THE PRESIDENT HAS SEEN
10/3/95

CLAIRE ROSS TAPLETT
501 Slaters Lane #419 Alexandria, VA 22314-1116
(703) 836-4090

26 September 1995

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

My Dear Mr. President,

Press accounts certainly implied you had a great vacation and a truly wonderful 49th birthday.

With this autumn upon us, clearly efforts and energies turn towards the 1996 race which is chaotically unfolding as to your likely competition. In this time of fundamental change underway in our country, yours is a most formidable challenge and yet so very critical to setting the path for the next century.

The press also reports that you're presently gearing up on the campaign front and drawing upon the folks on your present staff to undertake some of the major tasks ahead. In that connection, I am enclosing my resume for consideration particularly as vacancies are created where you need a low-key, low-profile competent and experienced person for either short term projects, temporary program management, interim coverage of a position or in whatever manner I can serve and support your efforts.

Hoya Saxa and most sincerely,

Claire

CLAIRE ROSS TAPLETT
Marina Towers #419
501 Slaters Lane
Alexandria, VA 22314-1116
(703) 836-4090

OBJECTIVE

A management position in Strategic Planning, Program Development or Project Management with a dynamic organization refocussing activities or entering new areas.

SUMMARY

Over twenty-four years of international business experience including living and working abroad with a wide variety of groups and people of cultural and political diversity to identify and achieve common objectives. Conceptual thinker, adept organizer, creative problem-solver, pioneer of innovative products and systems with a flair for spotting opportunities. Hands-on experience in dynamically changing environments. Progressive line and staff positions with bottom line results in revenue generation, cost containment and operational efficiency. Management experience includes:

- o Business Development
- o Product Development
- o Project Management
- o Management Control and Reporting
- o Marketing and Strategic Planning
- o Training and Systems Development
- o Risk Analysis and Portfolio Management

ACCOMPLISHMENTS

- o Conceived and won management acceptance for strategic program to minimize impact of corporate downsizing and business refocus on important global customers; successfully protected \$30 billion portfolio and revenue stream.
- o Established first "bottom-line-up" integrated market planning, budgeting, financial planning and reporting system; used by management as a decision tool to change business strategy, identify consolidation opportunities and operating efficiencies.
- o Streamlined two complex parallel reporting systems and groups into one; operating expenses reduced by \$1.5 million and staff reduced from 15 to 5.
- o Aggressive management of \$12 billion portfolio identified additional revenue potential of \$12.5 million.
- o Arranged \$3.2 billion in complex financing proposals resulting in \$1.9 million fee income.

- o Pioneered asset-based pre-construction financing package in U.S. for major international real estate developer which became industry model for future transactions and resulted in additional \$250,000 fee income.
- o Launched an interactive global market intelligence database system which resulted in timely information available to line officers without technical intervention and increased financial advice to client groups.
- o Developed a global project financing training program for senior account executives, resulting in increased business from client groups.
- o Devised a marketing strategy to increase competitive posture on multi-billion dollar infrastructure projects resulting in increased fee revenue from \$200,000 to \$1.6 million.
- o Pioneered construction financings for infrastructure and development projects based on corporate/project risk resulting in premier market expertise, establishing of new concepts in international law and generating revenue stream of \$1 million.
- o Conceived, designed, structured, negotiated and syndicated complex multi-source financings for multi-billion dollar projects. Syndications exceeded \$4 billion generating revenue in excess of \$5 million.
- o Designed and piloted customer profitability system for global relationships which became corporate measurement standard.
- o Interpreted and developed directional document for community resource coalition: mission, goals and objectives and formulated strategy for broadbased communication throughout community.
- o Developed concept of 'City as Classroom' for urban learning.

CAREER PROGRESSION

Free Lance Consulting and Independent Research - Oakland, CA 1989-Present
and Washington, D.C.

Primary focus in the areas of education and learning; group problem-solving, decision making and conflict resolution; financial advisory; management and organizational development; business and community planning.

Bank of America, World Banking Division - San Francisco, CA 1982-1989
Vice President Credit, Marketing and Finance

Progressed from managing of selected asset portfolios to managing day-to-day operations for business segment planning and evaluation worldwide and for global marketing programs.

Bank of America, North America Division - San Francisco, CA
Vice President and Senior Account Manager

1980-1982

Responsible for coordination and delivery of all project-related business for international construction/engineering clients as well as for sovereign and corporate project sponsors. Activities included the identification, structuring and marketing of multi-million/billion dollar financing proposals, syndication of the debt in the international marketplace, and coordination with multilateral co-financing and export agencies.

Bank of America - London, England
Vice President and Credit Administrator

1979-1980

Responsible for the review and approval/concurrence of credit applications for multi-million/billion dollar construction projects and structure of financial proposals for distribution in the Eurosyndicate market.

Bank of America International, LTD. - London, England
Associate Director, Syndicated Loans

1976-1979

Responsible for business development and market expertise for U.K.-Scandinavia region with transaction responsibility for structuring, negotiating and marketing syndicated loans sourced throughout Europe, Middle East and Africa. Developed particular expertise in financial engineering and later introduced concept to other markets.

Bank of America - Copenhagen, Denmark
Assistant Representative and Global Account Manager

1974-1975

Responsible for business development, marketing, credit analysis and lending to multinational corporations and correspondent banks in Sweden; concurring member of regional credit committee.

Bank of America - San Francisco, CA
Europe, Middle East and Africa Division

1970-1974

Progressed through entry level and training assignments to Area Relations Officer responsible for Finland and Denmark credit portfolios totalling \$1.1 billion.

EDUCATION

Georgetown University, B.S. Foreign Service
Stanford University, Graduate School of Credit and Financial Management
Marquette University, International Studies
Holy Names College, graduate work in Education and Psychology
University of California, Irvine, studies in Urban Planning

THE PRESIDENT HAS SEEN
10-5-95

THE WHITE HOUSE
WASHINGTON
October 5, 1995

95 OCT 5 A10:40

MEMORANDUM FOR THE PRESIDENT

FROM: ABNER MIKVA
PATRICK GRIFFIN *PG*

SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your signature are letters to Speaker Newt Gingrich (R-GA) and Majority Leader Bob Dole (R-KS). The letters urge the House of Representatives to act on counter-terrorism legislation.

10-5-95
Todd -
Chris Serf asked
that I send copies
of these to following:

Please CC final signed
copy to

- ① MIKVA
- ② CERF
- ③ Jamie Baker (NSC)
- ④ Ron Jones (OMB)
- ⑤ Amy Felt (D.O.J.)

Thanks

THE WHITE HOUSE

WASHINGTON

October 5, 1995

Dear Mr. Leader:

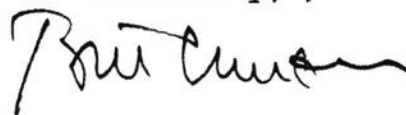
Last January, I asked Congress to pass legislation to combat the international terrorist threat. On April 19, 1995, a terrorist bomb destroyed the Murrah Federal Building in Oklahoma City, killing and maiming law enforcement, civilian employees and innocent bystanders alike. Just days later, my Administration responded by asking Congress to expand the international terrorism bill to include domestic terrorism. At a meeting you attended here at the White House, I asked that a bill be on my desk by Memorial Day. It is now almost Veteran's day, and I have received no bill.

I commend the Senate for acting promptly and responsibly in the bipartisan fashion appropriate to combat the threat that all America faces. Unfortunately, legislation has languished in the House since June, despite the leadership's assurances of swift action.

America needs this legislation and it needs it now. We face an unprecedented threat from terrorism. I know that I join you in hoping this country never again faces the horror of the attacks on the World Trade Center, Pan Am 103, or the Murrah Federal Building. But we must do more than hope. We must take the steps necessary to ensure that our people are not subjected to terrorism. That is our responsibility as elected leaders.

I again ask that Congress pass counter-terrorism legislation that protects America -- legislation that does not pander to the cynics and the special interests, but rather supports law enforcement and provides it with the tools to do the job. In the face of a growing terrorist threat, we either stand with law enforcement or we stand against it. I call on you to continue to stand with me and with law enforcement.

Sincerely, ,



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

THE WHITE HOUSE

WASHINGTON

October 5, 1995

Dear Mr. Speaker:

Last January, I asked you to pass legislation to combat the international terrorist threat. On April 19, 1995, a terrorist bomb destroyed the Murrah Federal Building in Oklahoma City, killing and maiming law enforcement, civilian employees and innocent bystanders alike. Just days later, my Administration responded by asking Congress to expand the international terrorism bill to include domestic terrorism. At a meeting you attended here at the White House, I asked that a bill be on my desk by Memorial Day. It is now almost Veteran's Day, and I have received no bill.

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I call on the House to pass counter-terrorism legislation that protects America -- legislation that does not pander to the cynics and the special interests, but rather supports law enforcement and provides it with the tools to do the job. In the face of a growing terrorist threat, we either stand with law enforcement or we stand against it. I call on you to stand with me and with law enforcement and pass this legislation now.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", with a stylized flourish at the end.

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

TOS wife

cc ~~clean~~

~~J. Lake~~

10/4/95

—



The Secretary of Energy
Washington, DC 20585

95 OCT 2 P3:58

September 29, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: HAZEL O'LEARY

SUBJECT: Department of Energy Decision on Tritium Production Source

Rationale: Tritium gas is a critical element in the operation of nuclear weapons and is, therefore, essential to the United States ability to maintain its nuclear deterrent. Because tritium, a radioactive isotope of hydrogen, decays at the rate of about five percent per year it must be replenished on a periodic basis. Currently, the U.S. has no capability to produce this essential substance.

Pursuing a strategy of multiple tritium production options for a several year period will minimize the risk of failure of one approach. A dual option approach will allow the Department to resolve remaining cost, technical, and regulatory issues associated with the two most promising alternatives.

The Decision: The Department's analysis supports a dual track strategy for acquiring a new tritium production capability. The two tracks are (1) the purchase of an existing commercial light water reactor or irradiation services and (2) development of a linear accelerator. We propose to pursue both tracks for a two to three-year period, during which time remaining cost, technical, and regulatory issues for both options would be resolved.

I will announce on October 5 that we will pursue these two production options for tritium. I will also designate the Department's Savannah River Site in South Carolina as the preferred location for a new linear accelerator for tritium production should the accelerator option be selected for construction in FY 1998.

Background: Until 1988, the U.S. requirement for tritium was met by DOE reactors operating at Savannah River in South Carolina. The reactors were shut down in 1988 due to safety and environmental concerns. The Bush Administration decided not to restart the reactors. In 1991 the Bush Administration cancelled plans to build a large new production reactor because planned reductions in the nuclear stockpile eliminated the immediate requirement for new tritium. Our tritium requirement is currently being met by recycling tritium from dismantled weapons.



Although the projected START II stockpile can be maintained until about 2011 by recycling tritium, some believe we may need a new production capability as early as 2005 if START II is not ratified and a larger stockpile (consistent with START I) is required. The DOE estimates that it will take 10 to 15 years to bring a new production source on line. Thus a decision on what source to pursue and its funding is required now. One of the benefits of the existing reactor option is that it has the potential to meet the earlier tritium requirement date (2005) if necessary.

Technology Options: Our draft Environmental Impact Statement evaluated a range of reactor and accelerator options for a new tritium production source. In the reactor category, DOE examined options for building a new nuclear reactor, as well as options for purchasing an existing commercial light water reactor (or irradiation services) from a commercial utility. DOE has also examined the option of building a linear accelerator for tritium production.

Costs of the Selected Option: An independent cost analysis conducted for the Department determined a range of projected costs for the selected options:

- (1) Accelerator production of tritium is estimated at \$5.1 B - \$14.8 B.
- (2) Purchase of a commercial light water reactor is estimated to range from a high \$4.5 billion down to yielding a net revenue of \$600 million (from the sales of electricity generated during the reactor's life cycle). Irradiation services are estimated at \$700M - \$4.3 B.

Site Options:

- (1) For the accelerator, the Department has evaluated five DOE facilities at the following locations:
 - Savannah River, South Carolina;
 - Nevada Test Site, Nevada;
 - Oak Ridge National Laboratory, Oak Ridge, Tennessee;
 - Idaho National Engineering Lab, near Idaho Falls, Idaho; and,
 - Pantex Plant, Amarillo, Texas.
- (2) For an existing commercial light water reactor, the Department will explore various locations with commercial utilities.

If the Department decides in FY 98 to select the accelerator as its primary production option, and thus to begin actual construction, the Savannah River, South Carolina site is the preferred site for the new facility because of its existing mission and infrastructure for tritium recycling. The principal discriminator among sites is mission related: of the four sites that have continuing defense missions (Nevada, Pantex, Oak Ridge, and Savannah River) only Savannah River has a current tritium mission and an existing tritium recycling infrastructure. It should be noted that the Environmental Impact Statement analysis found all of the sites acceptable for an accelerator from a cost and environmental perspective.

Jobs: Construction of the accelerator would create approximately 2,600 direct construction jobs during the peak construction year. Construction is expected to take about three years. There would be approximately 625 direct jobs created for facility operation.

If the Department selects the purchase of an existing light water reactor as its primary option after two years, the impact on jobs could be expected to be marginal, but in any case will be dependent on the status, location and terms of purchase for the reactor or reactor services.

Benefits of a Dual Option Strategy: Pursuing a two track strategy provides a hedge against the failure of either of the options. In addition, pursuing the two option strategy over the next two to three years will allow the Department to narrow the cost uncertainties associated with both options. In particular we expect to resolve issues of technical risk for the accelerator option by developing and testing a "prototype" of the accelerator at Los Alamos National Laboratory in New Mexico. For the reactor purchase option, the Department will work to negotiate a purchase option for an existing light water reactor, resolve licensing issues with the Nuclear Regulatory Commission, and resolve outstanding nonproliferation policy issues.

Politics: Both South Carolina and the Georgia opinion leaders have expressed very strong support for the tritium production mission at Savannah River. The Savannah River Site on the South Carolina/Georgia border has historically performed the tritium mission for the Department. Selection of Savannah River for an accelerator would continue the Site's ongoing mission responsibility.

Opinion leaders in New Mexico strongly support the accelerator option. The R&D and engineering work for the accelerator, as well as prototype development will be conducted at Los Alamos National Laboratory.

The Nevada delegation was split on its support for the tritium mission until Senator Bryan recently decided to support the construction of an accelerator at the Nevada Test Site.

None of the other three sites (Pantex, Idaho, and Oak Ridge) have expressed any particular interest in receiving the tritium mission. Pantex will continue to perform its weapons disassembly mission, Idaho has transitioned out of our defense program and into our Environmental Management program (and no longer has an ongoing defense mission), and Oak Ridge will continue its work in energy research and uranium related activities for the weapons program.

I would be happy to provide further details, particularly regarding the technology and siting decisions.

95 OCT 4 12:53

THE WHITE HOUSE
WASHINGTON

~~95 SEP 27 13:28~~

September 27, 1995

MR. President
I called Bob
We will get a
more meaningful
response -
EJL

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE LINDSEY *RL*
SUBJECT: WYOMING MEETINGS

Attached is a Bob Armstrong memorandum with the Interior Department's response to issues raised at the Wyoming meetings.

Bureau for -
My call was
received in
Cyril time -
Stresses have



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, D.C. 20240

SEP 26 1995

MEMORANDUM

TO: BRUCE LINDSEY, WHITE HOUSE DEPUTY CHIEF OF STAFF

FROM: BOB ARMSTRONG, ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT *Bob Armstrong*

As a follow-up to the President's meeting with industry representatives in Wyoming, I am providing you with what I hope to be useful information.

Many, if not all, of the issues and concerns raised by the industry representatives in their meeting with the President fall directly within the responsibility of the Department of the Interior and in fact, either the Bureau of Land Management or the Minerals Management Service has taken steps to address the concerns.

Interest on Overpayments and Statute of Limitations -- Since late April/early May, the Department has been working to address industry's concerns. On July 14, 1995, the MMS Director issued an administrative directive to complete audits and issue demands for payment within six years of the royalty payment due date. Internally, MMS has been developing legislative language to authorize the federal government to pay interest on overpayments of royalty.

Most recently, Congress has been addressing these issues in their deliberations on the Budget Reconciliation. The House and Senate have differing versions. Some aspects of each are acceptable, however, neither completely satisfies significant concerns of states and MMS.

Legislation is necessary to provide the Federal government the authority to pay interest to industry on royalty overpayments. **However, based upon a Presidential Executive Order, MMS could promulgate regulations setting in place a six-year administrative limitation on audits and collection actions.** An Executive Order could be used as a means to express explicitly the Administration's support for a six-year limitation as a fall back to legislation should it be vetoed or not pass.

Access to Federal Lands -- As you heard in the meeting with the President, the oil and gas industry believes that it needs more "access" to federal public lands. Industry views the access issue in terms of acreage made available for leasing, the length of the approval process for various permits (including "Applications for Permit to Drill - APD), and the application of special and seasonal stipulation and operational conditions on leases. The Department recognizes that improvements can and should be made.

In considering the industry's concerns, it is important to bear in mind that this Administration has increased the amount of acreage made available for leasing compared to the previous Administration, and has approved more APDs than the previous Administration. Also, in the past, leasing and APD approvals have been accompanied by controversy and litigation from environmental organizations, since oil and gas development on public lands, if not properly planned and managed, can conflict with environmental values. This Administration has been able to carry out a responsive leasing program while at the same time avoiding litigation which in the past has seen the leasing program shut down by the federal courts over vast acreages in the West.

The BLM has an internal policy to process the APDs within 30 days after expiration of a 30 day posting period. Processing time often varies by the need to do environmental analysis -- a simple application may take one hour while an application requiring an Environmental Impact Statement may take much longer. Many processing delays are related to receipt of incomplete APD packages. Nearly all APDs are completed within 30 days from receipt of a "technically and administratively complete" APD and APD decisions that are appealed exceed the 30 day timeframe 100% of the time.

Generally, lease stipulations are designed to allow oil and gas activities to occur while protecting environmental values. Application of lease stipulations are applied individually, but when considered collectively for the purpose of lease operations, can require lease operators to delay their intended activities for up to 9 months. The issue of special and seasonal stipulations, is currently under review by the BLM and preliminary results should be available soon. It is expected that the BLM review will provide a clearer picture of the application, effect and relative benefit of stipulations.

The Department has proposed to create a Federal Advisory Committee to address these issues (APDs, special and seasonal lease stipulations) and others, as they relate to the Greater Green River Basin. Through the proposed advisory committee the Department would take an active role in addressing the issue of "access" and create a venue for all interested parties (industry, environmental community, states and federal government) to work together in managing the multiple resources within the Basin. The results/benefits from the advisory committee could provide a model to address the "access" issue in other areas of the West. Members of the industry are split on this proposal, but there are some who want it. I believe we can best avoid a problem by having a forum which would provide a hearing on those matters of concern. I do not want to have drilling stopped on my watch.

Bruce, we have done a good job in this area. I do not want to be construed as being anti-drilling when we are reviewing more APDs than the Republicans did in their last year in office. We will keep after this. We are committed to a healthy and productive domestic industry presence in the West. With the help of the federal advisory committee we should be able to stay ahead of the game.

I hope this information is useful. Please call me if you would like to discuss these issues in greater detail.

cc: Kyle Simpson, Executive Assistant, DOE

COVER STORY

\$100 billion in surpluses is at stake

Plan reignites
debate over
windfalls

► Debate, 10A

By Anne Willette
USA TODAY

Retiree Fred Kelso has one word for a House proposal to let companies spend excess money in their pension funds: "Immoral."

Kelso speaks from experience. In 1985, three years af-

ter he retired as a research chemical engineer at FMC, the firm took a \$720 million surplus from its pension. That ended any hope Kelso had of ever getting a cost-of-living increase. Since retiring, inflation has cut the value of his pension 40%.

"Once they put the money in the pension plan and take a tax deduction for it, it's no longer their money. It's for the retirees. It's in trust," Kelso argues.

In 1990, Congress essentially stopped companies from terminating pension plans to get at surplus money. It imposed a 50% excise tax on money taken from a plan — 20% if the company starts a new retirement plan — on top of income taxes. This month, the House is expected to pass a measure that would eliminate that excise tax for six months, then cut it to 6.5% until 2000. The outlook in the Senate is uncertain.

At stake: surpluses of \$100 billion in 22,400 pension plans covering 11 million workers and 2 million retirees. House tax writers predict companies would take \$40 billion — twice what they took during the 1980s.

The measure's opponents — led by the Clinton administration, AFL-CIO and American Association of Retired Persons — say the surplus money should be used for cost-of-living raises for retirees or to increase workers' future benefits. Without the surpluses, opponents also fear that companies might reduce future benefits rather than make the huge contributions needed to keep pace with aging baby boomers in their workforce.

Please see COVER STORY next page ►
Continued from 1B

Companies are legally bound to pay retirees and workers the benefits they have earned to date. If they can't, the federal Pension Benefit Guaranty Corp. takes over and makes pension payments. But its insurance only covers benefits up to \$30,886 a year. That means about 20% of pensioners get significantly less than if their plans had survived.

Whose money is it? That question is at the heart of the debate.

Companies say any money beyond what is needed to pay benefits already earned by workers and retirees belongs to them. They voluntarily set up pension plans, take all the investment risk and must make up any shortfalls. So, they say, they should get the windfalls.

Companies want workers and retirees to trust them. They say they could use surpluses to become more competitive and make jobs more secure.

But for more than 20 years, Congress hasn't trusted companies. The House proposal "is really an about-face," says Howard Golden, of benefits consultant Kwasha Lipton. "Congress has suddenly said it's the employer's money."

"I've watched almost aghast over the last 10 to 12 years as the Congress has put obstacles in front of pension plans," says Rep. Bill Archer, the Texas Republican who chairs the Ways and Means Committee. He says the pension-surplus proposal, approved by the committee last

month, would strengthen pensions because companies will be more likely to put money into their plans if they know they can get it out.

But the Clinton administration says the House proposal would expose the pension insurance fund to huge losses that could end in a taxpayer bailout.

"I know, we all know, that most businesses will honor their commitments to their workers. ... These employers will not endanger the funding of their employee pension plans," says Commerce Secretary Ron Brown. But small drops in the stock market or interest rates can dramatically boost a pension plan's liabilities. "A plan that is overfunded today can quickly become underfunded tomorrow," says Labor Secretary Robert Reich.

Twenty companies that took money from pensions in the 1980s have since landed on the government's list

of worst underfunded pensions, according to the PBGC.

Companies say that is unfair. Those firms all have many pension plans. The ones from which they took money are not the ones that became underfunded. But PBGC director Martin Slate argues the companies could have used the surplus from one plan to beef up another. They didn't, and that raises questions about their commitment to their pensions, he says.

Pensions become overfunded when investments perform better than expected, companies make big contributions to avoid taxes or the workforce shrinks through layoffs or early retirements.

Under the House proposal, surpluses would be available only to companies that have so much money in their pension plans that they are prohibited from making any more tax-deductible contributions.

But benefits consultants, who set up and run pension plans for companies, admit they're not entirely comfortable with the minimum surplus required by the House bill — 125% or 150% of the amount needed to pay promised benefits, depending on the age of a company's workforce and the number of retirees.

Consultants say a 25% cushion might be plenty for old industries — steel, rubber, autos — with lots of retirees. But a fast-growing high-tech company with young workers and few retirees should have much more. "Most of the people in my business would think 125% is a little thin," says Richard Joss, of benefits consultant Watson Wyatt.

In the 1980s, corporate raiders targeted companies with fat pension plans. After buying the companies, they terminated the pension plans, bought insurance annuities to cover

promised benefits and kept the surpluses.

Pension assets were used in two-thirds of the biggest buyouts, according to the Investor Responsibility Research Center. Treasury Secretary Robert Rubin, co-chairman of Goldman Sachs before coming to Washington, predicts the House proposal would once again make pensions a factor in buyouts.

Some companies — including FMC, Union Carbide, Phillips Petroleum and Goodyear Tire & Rubber — terminated their own pension plans and took the surpluses to keep raiders away.

In all, about \$20 billion was taken from 2,000 pension plans covering 2.5 million people. Exxon took the most — \$1.6 billion in 1986. Spokesman Ed Burwell says only that the money was used for "general corporate purposes."

Sometimes, companies set up new pension plans. But 60% of the time they didn't, says Karen Ferguson, author with Kate Blackwell of *Pensions in Crisis*. Instead, many firms established 401(k) savings plans and told employees to save for themselves.

The House bill would not require companies to terminate their pension plans to get at a surplus. In that respect, it offers workers and retirees more protection than the practice in the 1980s.

Still, Ferguson believes the House proposal is worse because it would give companies explicit permission to tap pension money. She fears companies would be unable to resist pressure from stockholders to take the surpluses.

In the 1980s, companies had to go through a loophole in pension law to get the money. "At least when there was a moral cloud over it, some companies wouldn't do it," says Ferguson, who also is head of the Pension Rights Center.

Beyond the philosophical issues, the proposal is motivated by money. Companies would have to pay income tax on what they take. House tax writers expect almost \$10 billion to roll into the Treasury to help cut the federal budget deficit. While that is good for the overall economy, it's small comfort to retirees like Kelso. He fought FMC a decade ago, writing letters to the Internal Revenue Service and testifying before Congress.

"When you're 65 years old and you retire, you've got lots of energy to fight it," says Kelso, 74. "Ten years later you've got less, and 20 years later you may not have any. They count on that."

Contributing: Tammi Work

This is good but no action of what we had to do in '94
OCTOBER 3 1995
B.C.

Jim 10-4-95
Send to Tyson + Griffin?
Yes ☒ No ☐

THE PRESIDENT HAS SEEN
10-4-95

What about
our position on this?
B.

Jim -
Send to Tyson?
Yes ✓ (+ within
+ soonish)
No -
C.

Frank R. Wolf

A Close Look at Gambling

The Post recently wrote in an editorial on the subject of gambling that this country "is in the presence of a powerful and growing industry and an important social phenomenon." Twenty years ago, gambling was legal only in Nevada and New Jersey. Today, only Utah and Hawaii have no form of legalized gambling.

A week ago, the House Judiciary Committee held a hearing on legislation I have introduced to establish a National Gambling Impact and Policy Commission. The bill does not outlaw gambling. It does not tax gambling. It does not regulate gambling. It places no new mandates on gambling. It merely recognizes that gambling is spreading throughout the country like wildfire and concludes that it's time to take a hard look at its effects on business, crime, local governments and families.

Many communities have been misled and duped into accepting gambling—left to defend themselves against a well-financed industry that often hires prominent lawyers, lobbyists and political consultants.

In a New York Times column, William Safire wrote, "State-sponsored gambling is a banana-republic abomination that undermines national values." I think he's right—government is supposed to be the protector of society, not a predator upon it. But many cash-strapped local governments find it difficult to resist claims of quick cash to bolster revenues.

* True, casinos pay taxes on their revenues. But a casino's gain is a legitimate business's loss. Consider that within a year of Atlantic City's casinos' offering free food to their patrons, over a third of Atlantic City's restaurants went out of business. Consider that last year gamblers in Mississippi wagered \$29.7 billion, while all taxable retail sales were \$27.6 billion.

Gambling creates no new wealth. Rather, it consumes income that is otherwise spent on tourism, services, movies, recreation and clothing. But how is a small community considering legalizing gambling to know these facts?

Almost every day, we hear about another public official under investigation, under indictment or going to jail because of illicit ties to gambling. Last week, the Associated Press reported that "four vacancies now exist in the 39-member Louisiana Senate after two more senators stepped aside . . . one of them a key figure in the FBI's investigation into the legislative influence wielded by the gambling industry."

In August 1991, 17 South Carolina legislators, lobbyists and other officials were convicted of accepting bribes. In 1990, six Arizona legislators pleaded guilty to accepting bribes in exchange for key votes on gambling. In Kentucky, seven legislators, including the speaker of the Kentucky House of Representatives, were found guilty of accepting bribes, extortion, racketeering under RICO and making false statements. A former West Virginia state lottery director was recently convicted of perjury, mail fraud and wire fraud in the rigging of a state contract for video lotteries. In Pennsylvania, a former state attorney general pleaded

guilty to accepting bribes in exchange for lax enforcement of state gambling control laws.

How can Congress sit idly by as this scenario repeats itself time after time across the nation? The Florida Department of Law Enforcement recently opposed casino gambling because "casinos will result in more Floridians and visitors being robbed, raped, assaulted and otherwise injured." Don't we have an obligation to at least look into gambling's impact and help our communities get all the facts?

In 1993, more people made trips to casinos than to major league baseball parks, in essence, replacing America's pastime with gambling. And that doesn't even count the more than 200,000 minors ejected from casinos. Sports Illustrated recently ran a three-part series chronicling the shocking impact gambling has had on our nation's youth in high schools and colleges. On April 11, The Post described how law-enforcement authorities uncovered a "sophisticated betting operation run by student bookies who not only mimicked the Mob, but also worked with it." Gambling is beginning to take a toll on our nation's youth, too.

Do local governments think that a casino's taxes can cover the cost of additional police, regulators and social services to put back

together the families and lives that casinos shatter?

Maybe they do, but more likely, they aren't sure. The National Gambling Impact and Policy Commission will give them the facts. It will take an objective, credible and factual study of the effects of one of our nation's fastest growing industries.

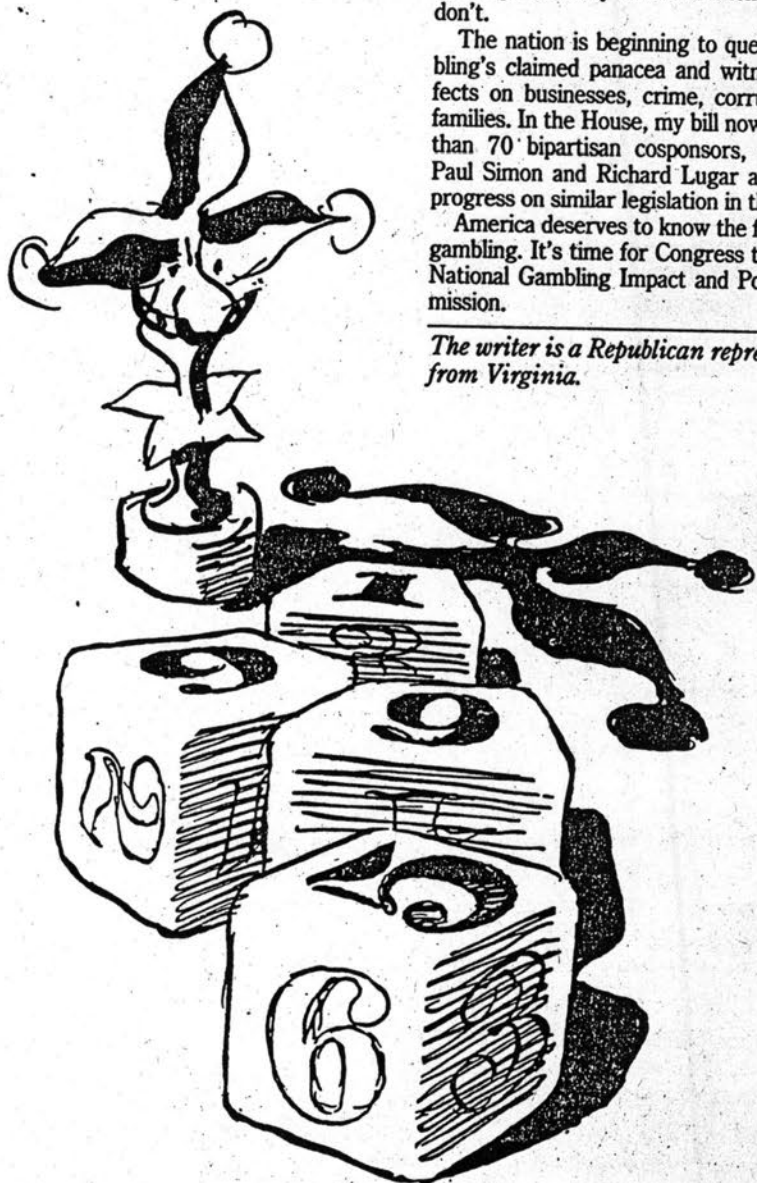
This commission will have three years to study the effects of casino, riverboat, on-line computer and Indian-sponsored gambling in our communities. Local governments should know if tax revenues from casinos will cover the additional crime bill, cover the lost productivity of workers, cover the costs to hire more regulators, bring back the restaurant that has been on the corner for 50 years or stop people like the Illinois mother of two who shot herself because she couldn't pay her gambling debts and the 19-year-old Iowa boy who did the same.

The responsible government that we all strive for, and we tell our constituents we are part of, ought to jump at the opportunity to provide people with a good, honest and objective study about gambling's effects. And why not? What's there to hide? If gambling and casinos are good for our nation's communities, the gambling interests ought to support the commission, which would presumably vindicate them. But they don't.

The nation is beginning to question gambling's claimed panacea and witness its effects on businesses, crime, corruption and families. In the House, my bill now has more than 70 bipartisan cosponsors, and Sens. Paul Simon and Richard Lugar are making progress on similar legislation in the Senate.

America deserves to know the facts about gambling. It's time for Congress to create a National Gambling Impact and Policy Commission.

The writer is a Republican representative from Virginia.



BY OHLSSON

The Washington Post

AN INDEPENDENT NEWSPAPER

Can the United Way Be Rescued?

WHILE IT LASTED, the original concept of the United Way did great things for this region. It raised many millions of dollars in charitable contributions for health and welfare and directed that money to the places where the need was most acute. Now, unhappily, that valuable process is coming rapidly unraveled. Through changes in the basic rules, the focus on need is being lost, just as the focus on health and welfare is being lost.

No one who lives here is unaware that this region's greatest concentrations of poverty, social distress and ill health are in the District of Columbia. No one is unaware that those evils are increasing as the city's financial troubles deepen. But as Tracy Thompson reported in this newspaper, the allocation of United Way funds to the charities serving primarily the District's people has dropped by exactly half over the past two years, from \$4.8 million in 1992 to \$2.4 million last year.

Why is that happening? One reason is that donors, according to United Way, want to designate which organizations get their contributions. A lot of people restrict their gifts narrowly to the communities in which they live—most of the region's people live in the suburbs—and to activities in which they themselves participate. That's a new trend, it's growing, it's self-centered, and

it's unhealthy. Also, the United Way—unwisely, in our judgment—has opened its list of recipients to just about any nonprofit group, from the environmental to the artistic to the frankly political. With the number of organizations rapidly increasing and the total amounts of money raised rising slowly if at all, the average contributed to each organization is steadily falling.

Can anything be done? Yes, but it will take moral leadership—which is always in short supply. If people of stature in this area—beginning with the clergy and the people who head the civic organizations—take notice that the pattern of charity is going askew, that would be the first step. They can point out that in the list of hundreds of designated recipients, there is one—the Community Service Fund of the National Capital Area—that is, under a new name, what the United Way itself used to be. It is a community chest, to which donors can give money with the assurance that it will be distributed by a board of knowledgeable volunteers to social service agencies according to the needs they meet and the effectiveness with which they meet those needs. But amid the cacophony of competing claims for the tax-exempt buck, it will require strong and trusted leadership to persuade people to return to the old tradition of sending their charity to the places where distress is greatest.

Gambling Nation?

ON THE opposite page, Rep. Frank Wolf (R-Va.) makes a strong case for his bill to set up a National Gambling Impact and Policy Commission. His point is hard to refute: If the United States' headlong rush into becoming Gambling Nation is a great idea—good for business, for the social order, for government revenues—surely a fair-minded commission would discover such a thing. And please, no talk about “undue government interference with free enterprise.” As Mr. Wolf points out, there is absolutely nothing in his bill that involves taxing or regulating gambling. He simply suggests that states and localities that get inundated with pro-gambling propaganda—and politicians who get inundated with political contributions from gambling interests—get a chance to see how all the arguments for gambling pan out in reality.

What needs to be understood in this debate is that the central issue is *not* the end to all legalized gambling in America—this is not a replay of the arguments over Prohibition. For better or worse, most Americans seemed to accept the situation that existed some years ago in which large-scale casino operations were confined to the states of Nevada and New Jersey. This sent powerful messages: that casino gambling was not a routine activity and that communities had good reason not to turn themselves over to gambling. The nation effectively accepted that many people liked to gamble, but it also accepted that organized commercial gambling

was not the sort of activity that ought to become a routine part of life. Implicit in this national compact was an understanding that the potential for crime and political corruption ought to be contained. Call it the enclave theory of gambling.

Several things have happened since. One is that popular resistance to taxes has moved governments all over the country to sponsor their own forms of gambling through lotteries and other games. The idea was that a portion of the public treasury would be filled with money “voluntarily” handed over in bets. Once Atlantic City got going, many economically strapped communities that saw no other way to support themselves figured they too should get a piece of the action. Jobs in casinos look mighty attractive to the unemployed and underemployed, and local officials staring at huge local budget problems tend to look kindly on any new revenue sources. Finally, there was the 1987 Supreme Court ruling legalizing gambling on Indian reservations, which opened up whole new areas of the country to gambling—and gave a new moral justification to casinos as Native American leaders argued that their people were at last getting their due.

This is how large social changes happen—in small increments that no one notices much until a big transformation has taken place. Mr. Wolf and his allies are suggesting that on gambling, the country look ahead before it is too late, or too complicated, to turn back.

E. J. Dionne Jr.

The Big Swap

Consider the following statement:

The people in Congress are at it again. They want to take hundreds of billions of your federal tax dollars and hand them over to politicians all over the country. To spend pretty much as they wish. With very little supervision. With very few controls. Think of the possibilities of waste. Of fraud. Of corruption. Is that how you want the Feds to handle your money?

Now you might guess that this is some old Republican campaign advertisement. In fact, it is a reasonably accurate—if melodramatic—description of what the new congressional majority proposes to do with federal money now being spent on the Medicaid and welfare programs.

The same statement can be rendered more calmly, but no more accurately, by saying that the Republicans in Congress want to take all the money that would be spent on Medicaid over the next seven years, cut the amount by close to 20 percent, and then let the states pretty much sink or swim by running their own health programs. As Sen. John Breaux put it, "We might as well just throw the money up in the air and hope it falls down and does good."

The case of welfare and other direct assistance programs is more complicated, partly because the House and Senate welfare bills impose different degrees of federal control and provide different amounts of money. But both bills end the basic guarantee now written into law that the poor have to get some federal welfare assistance. Both turn over large sums to state governments to spend with considerable discretion.

Dumping all this money on the states and praying for the best is justified in the name of Washington's least challenged piety: that the states are wonderful "laboratories of democracy" that always know better than Washington how money should be spent because state governments are automatically "closer to the people."

If you think you believe this yourself, imagine whether you'd like your own—or your mother's or grandmother's—Social Security check dependent on the actions of your state legislature. If dumping new responsibilities on the states is such a brilliant idea, why aren't the Republicans turning the Medicare program into a block grant, too? Congress wouldn't for a moment think about block granting farm programs or veterans' programs—too many powerful constituents would squawk.

What does that tell us? It says that we actually think more highly than we admit of a good many centralized programs aimed at creating reasonably uniform rules across the country. There are things so important to us that we refuse to let state governments get their hands on them. We're willing to leave poor people to the tender mercies of state legislators, but not many other people.

It's perfectly true, of course, that there are many fine state governments. Advocates of decentralization speak ceaselessly of the interesting things being done by Republican governors such as John Engler in Michigan, Tommy Thompson in Wisconsin and George Voinovich in Ohio. Let's stipulate that all three are thoughtful and innovative and that there are many other good governors. Accept further that federal rules should leave room for innovation and that Washington has a thing or two to learn from state successes.

None of this tells you anything about what will happen to all the federal money that will fall like an avalanche onto state governments that aren't so effective or creative. Nor is it clear that state governments are always all that close to the people. In many places, state capitals are far removed from media centers; many state governments get limited coverage in the newspapers or on television and are thus quite mysterious to many attentive citizens. In any event, if government "closer to the people" is the real goal, why aren't we skipping the states and devolving more money to county or municipal governments? Sen. Bill Bradley of New Jersey made a fair point when he asked why it was such a hot idea to move money from federal bureaucrats to state bureaucrats.

There is a serious debate to be had about federalism, but it's not the one we're having. The real issue is whether whole functions should be "swapped" between federal and state governments—whether for example, the feds might take over all health care programs and in exchange end federal involvement in other areas (roads or education or welfare or job training or some combination). At one time or another, Sen. Nancy Kassebaum, Budget Director Alice Rivlin, GOP presidential candidate Lamar Alexander and Ronald Reagan (back in 1976) all wanted such a far-reaching debate.

It's not clear to me that a big swap is the right idea. There's a lot to be said for federal action, especially in the areas of health care, income support and help for the unemployed. Programs in these areas help in modestly evening out the great individual and regional disparities that are the inevitable by-product of economic change. But at least the "swap" debate would force us to examine the strengths and weaknesses of our various levels of government. As it is, we're pretending state governments are utopian peaceable kingdoms. Anyone who's spent time around state legislatures knows that's just not so.

Thus, a modest suggestion: If Congress passes all these block grants, will it please require the General Accounting Office to keep close track of how state governments are spending our federal tax dollars—and to see if all this decentralization is actually working? That's the very least Congress can do when it gambles all those bucks on unexamined preconceptions and untested theories.

Bauer / Brewer
Bauer

THE PRESIDENT HAS SEEN

10-4-95

TO VP

Pls discuss this w/
mm — Bob

Punishment in Guatemala Affair Sparks Angry Backlash at CIA

By R. Jeffrey Smith and Walter Pincus
Washington Post Staff Writers

When CIA director John M. Deutch briefed a large group of employees Friday morning about his plans to punish those responsible for mishandling intelligence reports about Guatemala, many openly expressed dismay. Some even laughed derisively at Deutch's claim to support future "risk-taking" by CIA officers, according to several of those present.

The episode underlined the angry, defensive mood of those in the agency's Directorate of Operations (DO), which has been hit hard by Deutch's decision to fire two senior officials, demote another and reprimand or discipline seven others for actions they took under a different CIA director, in a different era, in the early 1990s.

By imposing tough penalties for actions that he deemed a violation of federal law, Deutch has sought to prove wrong a legion of CIA critics who say that the agency is scornful of the standards of legality and morality that apply to other federal employees.

In doing so, however, he has ignited a backlash among the CIA officers who work in the DO, who conduct the most secretive and sensitive type of U.S. intelligence work and who

are the target of Deutch's lesson. To them, it bespeaks a hasty effort to burnish the CIA's image on Capitol Hill at the expense of a handful of officials wrongfully judged by more precise, contemporary standards.

"I'm concerned about this rush to judgment in what seems to be a Star Chamber," said Richard Kerr, who was deputy director of the CIA from 1989 to 1991, when the alleged CIA misdeeds in Guatemala occurred. "What you're seeing now is a touch of revisionist history" about the activities of those involved, said Kerr, who now is retired.

A current, veteran CIA officer said yesterday that Deutch's disciplinary actions represent "just another step toward doing away with the clandestine service. . . . The congressional people that are pushing this have never forgiven the agency for its role in Iran-contra and Central America."

The clash of views suggests a deep cultural divide between long-standing employees and the new management team at the CIA, many of whom worked previously on Capitol Hill, that will complicate further reform efforts. Additional tensions loom ahead, stemming from an expected critical report by senior CIA officials on the DO's performance in Honduras during the late 1980s.

Some current and former CIA officers say Deutch's success will depend in part on his ability to demonstrate that the actions he takes are based on standards for performance that were clearly articulated at the time of any infraction, not just now.

At issue is whether the disciplined CIA officers failed to comply—or failed to ensure that others in the agency complied—with 1980 legal requirement that the House and Senate intelligence oversight committees be kept "fully and currently informed . . . of any significant intelligence activity and any significant intelligence failure."

The intelligence failure in question concerned a Guatemalan military officer on the CIA's payroll, Col. Julio Roberto Alpirez, who was linked by others in Guatemala to the 1990 murder of a U.S. citizen and the 1992 death of a guerrilla fighter married to an American lawyer. Congress was not told until last winter that Alpirez was a CIA asset, even though the CIA told the Justice Department about it in 1991.

"While there is no evidence that there was a conspiracy not to inform Congress, the essential facts are that Congress was not kept informed as required by law," Deutch told lawmakers on Friday. He said those punished had

direct responsibility for specific acts that abridged "high levels of professional standards."

But some officers in the DO have complained that Deutch acted too harshly in a misguided effort to soothe congressional anger over the refusal of former CIA director R. James Woolsey to fire those who overlooked the lengthy espionage for Moscow by CIA officer Aldrich H. Ames.

Kerr said in an interview that those lawmakers who demanded, for example, that Kerr be held accountable for failing to brief the Hill on the CIA's ties to Alpirez had misunderstood a key CIA document from the period. The document, which appeared in a CIA book prepared to brief Kerr for a hearing, states that "we are attempting to arrange a briefing for the staff director" of one oversight committee about Alpirez's connections with the CIA, Kerr said.

While Sens. Arlen Specter (R-Pa.) and Bob Kerrey (D-Neb.) saw the document as evidence that Kerr knew about the connection and withheld the information, Kerr said that he would never have disclosed it during such a hearing but would have done so in a more confidential setting. He said he is not sure why the plan to brief Congress was never carried

out, but assumes "it slipped through the cracks."

"People knew the obligation [to inform Congress] rather clearly," Kerr said. "The problem is, each time [a scandal erupts] there is another kind of threshold" for disclosure that is applied retroactively while in fact there are "a lot of messy situations that aren't neatly defined as something that must be disclosed."

Kerr also raised a special problem that CIA case officers faced when recruiting agents in countries such as Guatemala and Honduras, particularly during the Reagan and Bush administrations. The emphasis then was on counteracting leftist insurgencies rather than on reporting to Congress on human rights abuses.

In that period, Kerr said, the CIA was doing "hard things with tough people" like the Guatemalans.

In a sign of the current mood at Langley, a retired former high-ranking CIA official said he had received dozens of calls from clandestine officers "who have started looking for other jobs. I've never heard the place so blue."

He said, "I've seen them listen to other directors," and they got "contemptuous" or "angry" on occasion, "but I've never heard them laugh."

THE PRESIDENT HAS SEEN
10-4-95

THE WASHINGTON POST
TUESDAY, OCTOBER 3, 1995

Employment Database Proposal Raises Cries of 'Big Brother'

By William Branigin
Washington Post Staff Writer

Are future employers going to have to call "1-800 BIG BROTHER" to get government approval to hire a job applicant? Or are such fears alarmist reactions to a simple scheme intended to weed out illegal immigrants from people seeking employment in America?

The question lies at the heart of a debate over one of the most controversial provisions of proposed immigration reform legislation now taking shape in Congress.

In a recent vote that pitted conservative Republicans and liberal Democrats against fellow party members, the House Judiciary Committee narrowly rejected an amendment that would have eliminated a requirement that employers check with a government database to verify an applicant's eligibility to work in the United States.

Strong objections to the requirement came from an odd assortment of Republicans and Democrats, business and labor, conservatives and liberals, special interests and libertarians. The narrowness of the vote and the crossing of party lines appeared to foreshadow a tough and potentially divisive floor fight when the bill comes before the full House.

Similar measures are in a Senate bill sponsored by Sen. Alan K. Simpson (R-Wyo.) and in a 1994 report of the bipartisan Commission on Immigration Reform chaired by former Democratic congresswoman Barbara Jordan of Texas.

The House bill, introduced by Rep. Lamar S. Smith (R-Tex.), calls for the attorney general to establish a mechanism by which an employer would call a toll-free number or use a computer to submit a job candidate's name and Social Security number for verification against a database to be run by the Social Security Administration. An Immigration and Naturalization Service database also would be used to check some applicants' alien registration numbers.

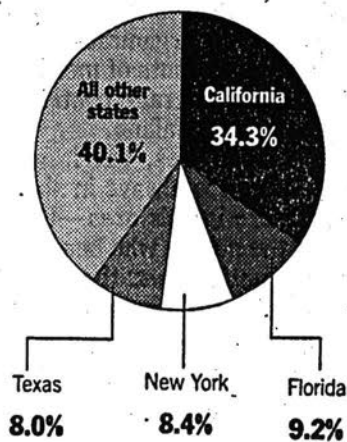
The agencies would have three days to respond to verification requests, and a prospective employee would have 10 days to straighten out any error if the computers failed to match his or her name and number.

The program would start with pilot projects in five states with high populations of illegal aliens and take effect nationwide in October 1999.

Smith said his bill would help reduce document fraud by illegal aliens and "lift the burden of law enforcement on business." It would simplify the process of checking worker eligibility, he said, and absolve employers of liability if a new

FOREIGN-BORN IN THE U.S.

BY STATE OF RESIDENCE, 1994



SOURCE: Bureau of the Census

THE WASHINGTON POST

hire approved by the mechanism turned out to be an illegal alien.

"There is simply no other way to protect American citizens . . . and reduce the magnet of jobs," Smith told the committee. More than 40 percent of the estimated 4 million undocumented immigrants in the United States entered the country legally and overstayed their visas, Smith said. These aliens cannot be stopped at the nation's borders and must be deterred at the workplace, he said.

But critics say that in its zeal to combat illegal immigration, Congress is steering the nation toward an "Orwellian nightmare," an era of all-knowing federal oversight whereby officials will be able to verify citizenship by using high-tech national identification cards.

"This is an unprecedented assertion of federal power," argued Steve Chabot (R-Ohio), who introduced the amendment to eliminate the verification system. He described the toll-free calls to get government approval for new hires as "dialing 1-800-BIG BROTHER."

"It will be costly to operate, it won't work, and it will send exactly the wrong message as to whether the government is to be the master or the servant of the people," Chabot said. "We should get the federal government out of the face of innocent citizens."

Rep. John Conyers Jr. (D-Mich.) charged that the bill would usher in an era of "all-intrusive government" and impose "a massive unfunded mandate on honest businesses and their employees."

Grover G. Norquist, head of Americans for Tax Reform, said, "The right of an American to work should not be con-

tingent upon approval from some brand-new inside-the-Beltway bureaucracy."

A number of critics questioned the wisdom of establishing a system that would affect all Americans in order to identify the 1.5 percent of the population who live and work in the United States illegally. With about 65 million people changing jobs or entering the labor market each year in this country, skeptics also expressed doubt that the Social Security Administration could handle a potential volume of calls exceeding 30,000 an hour.

Supporters of the plan denied it would involve creating any new bureaucracy, computer database or national identification card. The system would serve to check only whether a job-seeker's name matched a Social Security or alien registration number in existing databases, they said.

However, Rep. Bill McCollum (R-Fla.) said he intends to offer an amendment on the House floor to create a "more secure" Social Security card with a photo, a hologram and "perhaps a biometric identifier." Otherwise, he said, an employer would have no way of knowing whether the prospective employee was presenting someone else's Social Security number. Biometric identifiers include fingerprints and retina scans.

"Without hardening that card . . . it's going to be very easy to continue to have fraud in the system," McCollum said. He insisted, however, that he was "not talking about creating a national identification card."

Although many countries have national identification cards—and the Social Security card in many ways serves that purpose now—the idea of instituting such an ID card hits a raw nerve among many Americans who value individual rights. So far, no member of Congress has openly called for a national ID card, at least by that name.

Opponents of the verification plan point to how the Social Security card has evolved beyond its original purpose. Created in 1935 to track contributions to a fund, Social Security numbers now are used as identifiers on job applications, tax returns, driver's licenses, credit forms and a multitude of other documents.

Now, critics say, microchip technology can make ID cards especially intrusive. According to an analysis by the Cato Institute, one newly patented ID card can hold a photo and 1,600 pages of text. Another identification system developed by a major defense contractor consists of a microchip the size of a grain of rice that can be implanted under the skin with a syringe and read with a scanner.

THE PRESIDENT HAS SEEN

10-4-95

Up 7 Culy
 wraps the deal
 10-4-95

By Andrew Cockburn

Swords Into Stock Shares

Next year, the United States will spend at least \$247 billion on defense, a figure that should give pause to those who worry that shuttered bases and silenced production lines are evidence that our military is on short rations.

Military spending peaked at \$311 billion in 1991, the year we won the cold war. Nearly five years later, the budget has decreased by only 21 percent, despite the lack of any real threat. (Unless you agree with the imaginative Lockheed salesmen, who have invoked the potential menace of McDonnell Douglas F-18's in the hands of the Canadian Air Force as partial justification for their new F-22 fighter.)

With such meager budget cuts, how is it that our actual combat forces are disappearing at a much faster rate? The Army has lost about 40 percent of its combat battalions since 1990. Air Force combat strength is down by almost 50 percent. The Navy's active fleet has

Military readiness
 suffers as
 contractors get fat.

shrunk from 546 ships five years ago to 361 today. Sad stories abound of threadbare conditions, such as armored units' training on foot because of lack of money to put gasoline in the vehicles.

The problem is that the apparent goal of our defense effort is to direct as much money as possible into corporate coffers. The Pentagon is thus spending huge sums on high-tech research and development projects; even if they result in any new hardware, it will be far too expensive to build more than a few of them.

The development costs of the F-22 fighter, our ostensible future shield against the Canadian menace, will be \$2.2 billion next year. The F-22 is due to go into production by the end of the century at an average price of at least \$110 million per plane. That at least is cheaper than the disastrous C-17 transport plane, which is unable to ferry the originally required load across the Atlantic without refueling. At \$340 million each, this financial lifeline for McDonnell Douglas is already more than three times as expensive as the more efficient C5B transport, which went out of production in 1989.

The Navy plans not to refuel 688 nuclear submarines in order to generate a need for new and costlier vessels. Small wonder that defense company stocks are up 49 percent this year.

Back in the Reagan days such raids on the Treasury drew obloquy from the press and Congress. Nowadays almost no one seems to care, especially those in the Pentagon and White House. "Don't talk to me about saving money," a high-ranking Clinton Pentagon appointee said of his department's budgetary windfall. "We can't even spend the money we have."

This is not to say that the Pentagon lacks initiative in unloading the cash. When Martin Marietta bought Gen-

Andrew Cockburn is a contributing editor at Vanity Fair.

eral Dynamics' aerospace business in 1994, the Defense Department donated \$60 million toward the costs of the purchase. This year, when Martin Marietta merged with Lockheed, the top executives from both companies announced plans to dismiss 30,000 employees and award themselves \$92 million in bonuses. Incredibly, the Clinton Administration agreed to contribute \$31 million of taxpayers' money toward this payout.

It is unlikely that even former Defense Secretary Caspar Weinberger, helmsman of the Reagan spending spree, would have countenanced such an arrangement. Nor would he have dared retain an interest in a company

receiving Pentagon contracts. Yet Defense Secretary William Perry, his former deputy, John Deutch, who is now Director of Central Intelligence, and Paul Kaminski, the Pentagon's Under Secretary for acquisitions and technology, controlled a Virginia high-tech company called Cambridge Research Associates when it received an \$825,000 defense contract — its first ever — in May.

Cambridge specializes in "virtual reality" computer modeling techniques. In actual reality, the Clinton defense porkfest will leave us with a military whose purpose is largely to service contractors' balance sheets. Let's hope Canada stays friendly. □

Is this true?
 what's the deal?

Is this true?

Battle Plans

In Wake of Cold War, An Intellectual Leads Army in New Missions

Col. McDonough's Brigade Is Likely to Play Big Role In Any Bosnia Operation

Key Weapon: a Sniper's Rifle

By THOMAS E. RICKS

Staff Reporter of THE WALL STREET JOURNAL
HOHENFELS, Germany — Col. James McDonough, the officer most likely to lead American troops into Bosnia, jumps from his Blackhawk helicopter and jogs into the noisy chaos of Landing Zone Bravo.

The U.S. Army's big rehearsal for going into Bosnia is in full swing. Two twin-rotored CH-47 Chinook helicopters thump into the grassy landing zone. An Apache attack helicopter, its 16 Hellfire missiles bristling, hovers just behind them. Overhead, two F-16 jets peel down the Bavarian valley looking for a mortar emplacement. Dozens of flak-jacketed troops, their faces painted in green and black camouflage, run to the Chinooks. Radios crackle with military chatter.

The short, balding colonel surveys the tumult. "Believe it or not," he says with a grin, "this all makes sense."

It better — for his sake and America's. What is happening here is a major step toward creation of the post-Cold War U.S. Army. Col. McDonough is right in the middle of it, first as a theorist who directed the Army's School of Advanced Military Studies and now as the commander of one of its most unusual units. Under his command, the Italy-based, 1,700-man airborne force has evolved in 18 months into one of the Army's hottest units, the one most likely to see action in the near future.

Like his unit, Col. McDonough is unusual: a military analyst who helped reshape the Army's thinking over the past



James McDonough

What's News—

Business and Finance

CIGNA IS EXPECTED to announce a nearly \$800 million charge to sharply boost its loss reserves for pollution claims, making it the fourth major property-casualty insurer in four months to try to close the door on liability from policies reaching back to the 1950s. Cigna also is expected to announce tentative approval of a restructuring of its property-and-casualty operations into two sister companies.

(Article on Page A3)

Investors are balking at terms of a \$400 million debt offering by Globalstar, a mobile-phone satellite system. Similar resistance recently forced rival Iridium to withdraw its offering.

Hughes Electronics filed for FCC approval of an up to \$3 billion expansion of its Galaxy satellite system.

(Articles on Pages A3 and A4)

Federal Reserve officials are preparing to cut interest rates if President Clinton and Congress agree on a deficit-reduction plan, a summary of their August policy meeting shows.

(Article on Page A2)

The economy in the second quarter was a bit healthier than initially believed. Domestic output grew at a revised 1.3% annual rate, up from 1.1%.

(Article on Page A2)

Eli Lilly is selling Hybritech to Beckman Instruments for a price believed to be below \$10 million, a fraction of the \$350 million in cash and warrants Lilly paid for it in 1986.

(Article on Page B4)

David Rockefeller, Goldman Sachs and Jerry Speyer made a \$296 million bid for Rockefeller Center Properties.

(Article on Page A14)

Hewlett-Packard today will introduce the CopyJet, a plain-paper color copier/printer whose price will be less than one-tenth that of most similar

World-Wide

A JURY CONVICTED an Egyptian cleric and nine others on conspiracy charges.

Sheik Omar Abdel Rahman, the blind cleric accused of leading a "war of urban terrorism" against the U.S., was convicted of seditious conspiracy by the federal jury in New York. He and nine other defendants were accused of conducting a wide-ranging conspiracy to bomb important buildings, tunnels and a bridge in New York. The 57-year-old sheik was also found guilty of conspiring to assassinate Egypt's President Mubarak. The defendants are planning to appeal. (Article on Page A3)

The jury convicted one of the defendants, El Sayyid Nosair, in the 1990 slaying of Rabbi Meir Kahane. The sheik and Nosair face life in prison when they are sentenced in January. The rest face 20 to 30 years.

A SENATE PANEL CLEARED a health-care bill and braced for a tax-cut battle.

The Finance Committee completed work early Saturday on an overhaul of Medicare and Medicaid. The GOP health-care measure, which passed on a party-line vote, prompted a renewed assault by Clinton administration officials, who are threatening a presidential veto. Meanwhile, the next big battle for the Finance Committee will be the \$245 billion tax cut agreed upon less than three months ago by House and Senate Republicans. (Article on Page A14)

Majority Leader Dole said Senate Republicans are having second thoughts about the size of the tax cut, and a GOP split has been brewing over the issue.

Gingrich believes that, though a stopgap bill gives Congress and the administration six weeks to agree on the budget, they must reach a deal soon to have time to work out details. The House speaker's comments followed votes Friday blocking spending bills for the Pentagon and the Interior Department. (Article on Page A14)

A U.S.-China summit is to be announced today, a senior U.S. official said. The meeting between Clinton and Jiang is to take place in New York later this month. Though China had been pushing for a full-blown, formal summit in Washington, the Clinton administration refused to host such a session. (Article on Page A6)

likely to see action in the near future. Like his unit, Col. McDonough is unusual: a military analyst who helped reshape the Army's thinking over the past five years and a noteworthy author. His first book was "Platoon Leader," a Vietnam memoir that sold more than 250,000 copies, and became a movie. Then came "The Defense of Hill 781," a textbook on modern mechanized warfare praised by Infantry magazine as "essential reading for professionals." His latest is a novel about the battle of Waterloo that meditates on "The Limits of Glory," its title. In it, he has the Duke of Wellington somberly conclude that war is "a form of ... mass murder." Now he is contemplating a novel about Rwanda, where he led the U.S. task force last year in Kigali, the capital.

'Other Than War'

Most significantly for the action swirling around him on LZ Bravo, Col. McDonough played a key role in producing the 1990s edition of a crucial Army manual, "FM 100-5: Operations" — the basic document describing how the Army conducts business. Army insiders say he waged a long campaign to insert in this service bible for the first time a prescient chapter on "operations other than war." Since then, the U.S. military has been dispatched on just such "contingency operations" to Somalia, Haiti and Rwanda.

Previous editions of "Operations" focused on tanks slugging it out with the Red Army on the plains of Central Europe. Col. McDonough's version envisions a light, helicopter-oriented force ready to travel long distances to fight small wars, monitor peace accords or feed refugees.

Bosnia may provide the first major test of all that theorizing. Whatever the U.S. does there, Col. McDonough's brigade will probably be in the forefront. Pentagon officials expect U.S. troops to extract United Nations peacekeepers or monitor a peace agreement or perhaps both. And they expect that in either case, some rogue armed bands of Serbs and Muslims will violently challenge the American troops.

SWAT Team

For months, Col. McDonough's brigade has been preparing for a mission code-named "Daring Lion," the job of lifting peacekeepers from remote enclaves. In a larger peacekeeping effort involving perhaps 15,000 U.S. troops, his unit — which, among other things, has the Army's only paratrooper battalion with its own artillery — might well be the rapid-deployment force rushed by helicopter to hot spots.

The scenario his brigade rehearses here in Bavaria's forested hills assumes that a peace agreement has been reached but not yet implemented. It preserves the enclave of Gorazde as a Muslim area — but a rogue Bosnian Serb commander is moving armored vehicles toward the town. The colonel's orders are to evacuate U.N. personnel and American citizens.

It is a crucial assignment, but, ironically, it may not do much for his career.

James McDonough began Army life stereotyped as a boxer from Brooklyn. In Vietnam, he recalls, he was always introduced as "the West Point boxing champion" — which he was in 1968 and 1969.

While in Vietnam, he learned how to command troops. When a disgruntled soldier fired a 40mm grenade past his ear,

duce the CopyJet, a plain-paper color copier/printer whose price will be less than one-tenth that of most rivals.

(Article on Page B10)

Chrysler is running print ads defending its record amid attacks by its biggest shareholder, investor Kirk Kerkorian. Separately, U.S. regulators accused Chrysler of misleading consumers about its minivans' safety.

(Article on Page A4)

A group representing big pension funds is targeting 20 firms, including Melville and Morrison Knudsen, as needing to bolster shareholder value.

(Article on Page A4)

The Teamsters strike against Ryder System may be depressing vehicle sales and could force GM to idle some plants. Its impact is likely to show up in auto makers' September U.S. sales reports due out starting today.

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Bonds: Lehman Brothers Treasury index 6185.85, up 69.70.

Commodities: Oil \$17.53 a barrel, off 25 cents. Dow Jones futures index 150.74, up 0.40; spot index 147.57, off 0.13.

Dollar: 99.73 yen, up 0.38; 1.4275 marks, up 0.0080.

Journal Summit in Washington. Administration refused to host session. (Article on Page A6)

France detonated a nuclear warhead at Rangataua Atoll in the South Pacific. French Defense Ministry said the ground blast was more than five times as powerful as a Sept. 5 French test that prompted international criticism. France is planning six to eight more in its current series.

The jury begins deliberations on the O.J. Simpson double murder case in Los Angeles. The jury, sequestered since Sept. 11, chose a foreman in only five days. But analysts expect the trial to take at least 10 days to two weeks to reach a verdict, reviewing over 40,000 pages of testimony and over 1,000 pieces of evidence.

California Gov. Pete Wilson launched a campaign for the Republican nomination for president. After months of difficult negotiations, he said, "To go on would simply mean an unacceptable debt."

Nigeria's military ruler bowed to national pressure and commuted the sentences of alleged coup plotters. Sen. Abacha also announced a timetable to step back to democracy, but not before the end of the year.

Two Algerian men were arrested in France for alleged involvement in a conspiracy and terrorist acts. Suspects are believed to have been accomplices of Khaled Kelkal, 24, who was killed Friday in a gun battle with police.

Portugal's Socialist Party retook power after a decade in opposition, according to incomplete returns from Sunday's elections. The center-left party finished ahead of the ruling Socialists but appeared to have fallen short of an absolute majority in Parliament.

Israel will start withdrawing troops from the West Bank this month, Foreign Minister Peres said. He repeated Israel's commitment to have its troops out of six West Bank towns by the end of the year as part of a peace agreement signed Thursday with the PLO.

U.S. envoy Richard Holbrooke is leading a peace mission to the Croatia-Bosnia border, trying to close the gap between warring sides in Bosnia. But progress appeared slim for a truce anytime soon.

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Dividend News	C16	New Securities Issues	C10
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Enterprise	B2	Small Stock Focus	C7
Foreign Exchange	C16	Stock Data Bank	C2
Front Street	C9	Technology	B10

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ON-LINE: Internet users are a by role of intelligence insider.

IN THE LAB: Designing materials that are soft, wet and intelligent.

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Please Turn to Page A6, Column 5

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Earnings Digest	C16	NYSE Stocks	C3
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HEARD ON THE STREET: Investors clash over Telemundo Group, C.

LAWYERS & CLIENTS: Mudge & R expected to vote to dissolve firm.

ON-LINE: Internet users are spoiled by role of intelligence insiders.

IN THE LAB: Designing materials that are soft, wet and intelligent.

HEALTH JOURNAL: Yes, you can't be too thin, researchers say, B1.

ADVERTISING: Frosted Cheerios soar, even without a campaign.



WORLD WIRE

SUEZ TO SELL GARTMORE STAKE

Paris-based Banque Indosuez plans to sell its 75% stake in London money manager Gartmore PLC. Potential buyers for the stake, valued at almost \$395 million (\$3 million) at current market prices, include National Westminster PLC of the United Kingdom and Merrill Lynch & Co. NationsBank Corp. of the U.S.

ONDON BOURSE EASES RULES

The London Stock Exchange, as expected, removed barriers to its members' participation in markets operated by other organized investment exchanges. Thus, transactions on TradePoint Financial Network PLC aren't subject to the London Exchange's rules. TradePoint last month launched an electronic-equity trading system in competition with the exchange.

FUJITSU TO EXPAND CHIP OUTLAYS

Fujitsu Ltd. said a Japanese news report that the computer maker would spend \$185 billion yen (\$1.86 billion) in the next fiscal year on semiconductor research "sounds about right." That represents a 42% surge from Fujitsu's previous estimate and a 74% jump from its outlays in the year ended March 31. These semiconductor makers have expanded capacity to record levels, responding to soaring world demand for computers and multimedia equipment.

DAIWA BANK COVERS CHARGE

Daiwa Bank Ltd. of Japan logged profit of \$6 billion yen (\$277.9 million) on land to help cover a \$110 billion yen loss from unauthorized bond dealings by a trader at the bank's New York office. The bank reiterated that the charge also will be paid from first-half operating income and securities sales. Daiwa sold five bonds to three affiliates for a total of \$1 billion yen.

FIAT'S PRETAX PROFIT SOARS

Fiat SpA of Italy, an industrial conglomerate, said consolidated first-half pretax profit tripled to 2.153 trillion lire (\$1.34 billion) from 717 billion lire a year earlier. Operating profit surged 61% to 2.017 trillion lire. Revenue climbed 25% to 39.07 trillion lire. Fiat cited sales of new auto models, restructuring, cost containment, new clients and services and expanded markets. But it said the results weren't "fully satisfying" because of inadequate shareholder return and investment needed to be competitive.

ITALIA'S DEFICIT NARROWS

Alitalia, Italy's flagship airline, said its first-half company loss in the first half narrowed to 197 billion lire (\$122.4 million) from 226 billion lire a year earlier. Results were hurt by labor strikes that disrupted flights and canceled flights. Revenue rose to 3.553 trillion lire. Alitalia said it gained about 395 billion lire from

U.K.'s National Power Expected to Bid \$4.42 Billion for Southern Electric PLC

A WALL STREET JOURNAL News Roundup
LONDON — National Power PLC is expected to announce as early as today a \$2.8 billion (\$4.42 billion) friendly bid for Southern Electric PLC, the biggest deal so far in Britain's frenzy of utility takeovers.

National Power's board met Sunday to finalize details of the bid, which analysts say will value Southern shares at as much as £10.15, well above the £9 they fetched Friday on London's stock exchange. Part of the offer will come in the form of a special dividend to shareholders.

The move by National Power, Britain's largest power generator, would mark the seventh acquisition deal this year involving one of the country's 12 regional electricity companies. The utilities, protected by a government takeover prohibition until this spring, have become juicy targets thanks to their hefty cash flows and monopoly markets. Last week, the sector caught the interest of Central & South West Corp. and Houston Industries, two Texas utilities that launched a joint \$2.7 billion bid for Norweb PLC, only to have it trumped the next day by North West Water PLC, Norweb's local water utility.

While neither National Power nor Southern Electric would comment on the latest deal, reports in Britain's Sunday newspapers said National Power also will

announce the sale of three of Southern's power stations for more than £1 billion.

News of the likely National Power bid comes as officials of Britain's ruling Conservative Party have moved to squelch the idea of a windfall tax on privatized electricity and water companies. The opposition Labor Party, hoping to quell some of the deal-making, had called for a tax that would raise as much as £3 billion.

Reports over the weekend, however, indicated that Kenneth Clarke, Britain's chancellor of the exchequer, ruled out the idea after complaints from others within the Tory Party.

Manweb Suitor Withdraws

LONDON — Manweb PLC of Britain, a regional electricity company, said a friendly suitor, believed to be PacificCorp, a U.S. power firm, withdrew from talks to avert a hostile takeover of Manweb by Scottish Power Group PLC, which now holds 19.4%. Manweb said Scottish Power, a regional electricity group, was likely to top any rival bid. Scottish Power offered £10.25 (\$16.19) a share, or £1.1 billion (\$1.7 billion), but the bid's value has fallen to 998 pence, which Manweb deems too low.

Army Prepares for New Missions

Continued From First Page
he wrote in "Platoon Leader," "I tried hard to feel my legs so I would remember them after they were blown off."

His books, and a degree in political science from Massachusetts Institute of Technology, changed his image from boxer to intellectual — not necessarily a step up in the eyes of his peers. Despite his influence, few expect him to make general. To put it bluntly, he is deemed too much of a thinker to be invited into the club. "The Army has a hard time with that sort of person," says Raoul Alcala, a retired colonel. "Generals tend to select people in their own image — heroic, good leaders, but not particularly cerebral."

Retired Gen. John Galvin, a former West Point English professor who became the top U.S. commander in Europe, calls Col. McDonough "one of the best thinkers" in the service. It seemed only natural when the colonel became director of Fort Leavenworth's School of Advanced Military Studies, where the best and brightest think about how to conduct future campaigns.

Two years ago, Col. McDonough's success in revamping Army thinking was rewarded with what seemed a booby prize: command of an airborne unit at an Italian post known as a waiting room for retirement because, during the Cold War, paratroopers had no real role in Europe. Even worse, he was put on the sleepy side of the Alps, far from Central Europe. For decades, U.S. troops in Italy simply guarded nuclear weapons — which were removed in 1992. "Until recently, it was sort of the lost brigade — everybody knew they were there but nobody knew why," says Ben Covington, a retired Army colonel.

"Now," he adds, "they are being

tween two wildly different "rules of engagement" — the orders governing the use of force. First, the company is deposited in a deadly firefight at a landing zone. Creeping through woods to rescue some besieged "British peacekeepers," they unleash their M-60 machine guns and quickly "kill" the six members of the "Danubian National Army" threatening them.

An hour later, the company finds itself under far more restrictive rules as it protects the perimeter of another landing zone from curious "civilians" and gun-toting "militiamen" who may or may not be friendly. As the civilians approach — they and the militiamen really are role-playing soldiers — the troops yell the Serbo-Croatian phrase each has on a yellow "rules of engagement" card: *Stani ili pucam* — "stop or I'll shoot." In the mouths of the young soldiers, still pumped with adrenaline from the firefight, this becomes "stolly olly poochie" and then a simple: "Get the f— down."

When one civilian persists, a soldier "shoots" him in the leg. Another squad watches and critiques the action. "That wasn't hostile enough" for him to be shot, one disgusted soldier says.

Essentially, the soldiers are practicing making national policy at the squad level. "There's a sense that any encounter, at the lowest level, could be on the front pages of tomorrow's newspaper," Capt. Bill Burleson, Alpha's 29-year-old commander, says later. "Shooting things and blowing things up is what they learn from the day they come in the Army. This is a gray area between combat and peace, and it really requires mental gymnastics." When Lt. Jason Joose, who leads Alpha's 1st platoon, concludes the lesson of today's exercise is that you should shoot anybody who threat-

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service and canceled flights. Revenue rose 3.7% to 3.553 trillion lire. Alitalia said capital gains of about 395 billion lire from an asset sale would help it post net income for 1995, after an operating loss.

CHINA RAISES A TRADE HURDLE

China added 38 household appliances and other products to its list of imports that must have safety licenses, ranging from vacuum cleaners to fire alarms. It said the move would protect consumers from substandard goods, but foreign traders said the motive was to make imports more expensive and less competitive. The higher trade barrier comes as China is under pressure to widen access to its markets as a condition to joining the World Trade Organization.

BRITISH STEEL CONTROLS AVESTA

British Steel PLC raised its stake in the Anglo-Swedish stainless-steel maker Avesta Sheffield AB to 51%. Avesta's main plants are in Britain, Sweden and the U.S. The British steelmaker said it paid \$12 million (\$19 million) for 1.7 million shares, increasing its holding to 80.5 million shares, and didn't plan to buy more.

POSTSCRIPTS...

Kumagai Gumi Co., a big Japanese contractor, said it would have a one-time loss of 9.4 billion yen (\$94.7 million) from liquidating its Australian real-estate unit but left unchanged its fiscal-year unconsolidated-profit estimate of 1 billion yen.

The U.S. and Hong Kong wound up eight years of negotiations by initialling a new air agreement that opens up direct routes between the British colony and 14 American cities.

—Compiled by Richard L. Holman

Ford Forms Subsidiary With South Korea's Kia

By a WALL STREET JOURNAL Staff Reporter
DEARBORN, Mich. — Ford Motor Co. said it formed a distribution subsidiary with South Korean partner Kia Motors Corp. in what is believed to be the first joint venture of its type in Korea.

Ford announced its Ford Motor Co. of Korea Friday, a day after the U.S. struck an accord on auto trade with South Korea. Although the Kia venture had been in the works, Ford used the announcement to praise the accord.

The two other U.S. auto makers didn't announce any changes in their Korea strategies. General Motors Corp.'s Delphi unit continues to build batteries at a plant in South Korea, and Chrysler Corp. is selling more than 700 vehicles a year there through a local distributor.

Ford's unit is to begin importing vehicles mostly from the U.S. to South Korea next April. Ford will hold a 90% controlling stake in the venture.

ton, a retired Army colonel.

"Now," he adds, "they are being looked on as the tip of the spear."

That change occurred over the past year, but not easily. Col. McDonough's assignment was to expand a battalion into a full-scale brigade capable of supporting itself as it carried out contingency operations. He relished the job, which he saw as a chance to put his ideas into practice.

But on arriving in January 1994, he recalls, "I didn't see a corresponding smile on the U.S. Army in Europe." He was told no office space was available, so he set up temporary headquarters in his bedroom. The new brigade had no flag, so his sergeant major made a plaque—only to get orders forbidding that it be posted.

Col. McDonough began building his unit from bones of the old Army in Europe, scrounging antiaircraft missiles, trucks and communications gear from units leaving for the States. To staff his headquarters, he even invited old friends in the National Guard to resume active duty for a few months. He also reached out to other U.S. military units. Navy SEALs parachuted in exercises with his unit and set up an "assault command post," which put him in touch with the flight deck of the Saratoga, a U.S. carrier then in the Adriatic, nine minutes after he jumped. (Now 49 years old, he still parachutes with his troops about once a month.)

Into Africa

The preparation paid off in July 1994, when his brigade was abruptly ordered to Rwanda. In 72 hours, he had troops on the ground. The relief mission vindicated his work on the Army's new doctrine, he says: "It was a force-projection operation, moving a great distance to conduct an operation other than war that required creative leadership and unorthodox solutions."

Moreover, Rwanda was a radical departure from the 1980s Caspar Weinberger/Colin Powell doctrine of hitting the ground with overwhelming force. In the colonel's view, the weight of all that power can mire some operations. He kept most of his combat force in nearby Uganda.

In some ways, Rwanda was an out-of-town rehearsal for Bosnia. Knowing when and how to use force is the biggest challenge Col. McDonough and his troops face in getting ready for the main event, and it is the core of their weeklong sojourn here in Bavaria. It calls for a far different set of skills than those that paratroopers traditionally need—the old ability to jump into an area, seize an objective and kill anybody trying to stop them.

The exercise concentrates just about every recent Balkan nightmare into just four hours: Mortar shells begin hitting refugees in an enclave. Shoulder-fired missiles are launched against incoming U.S. helicopters. A U.N. vehicle turns its machine gun on U.N. troops.

The infantrymen of the brigade's Alpha Company are purposely whipsawed be-

Jason Joose, who leads Alpha's 1st platoon, concludes the lesson of today's exercise is that you should shoot anybody who threatens you, the captain quietly warns him away from sudden escalation. If any shooting is required, he says later, it probably will be done by an American sniper looking over the company's shoulder.

While the nuclear warhead was the characteristic weapon of the Cold War, the sniper's rifle may best define the new era. "Recent years, all the conflicts we've been in, the lesson learned is that snipers are worth their weight in gold," says Lt. Col. Mike Scaparrotti, the colonel's battalion commander. If sent into Bosnia, he plans to use them liberally to protect his men.

Fire When Really Ready

Even big artillery pieces are fired in a careful way. At one point, the exercise has U.S. troops shelled by a mortar hidden in the "oldest castle in the Balkans," an important cultural monument. The brigade's fire-support officer asks Capt. Edward Hayes, the staff lawyer, whether they can hit back. He clears the use of five shells. But after most land on target, he says next time he would recommend only two—"the minimum force necessary."

Hearing a little too much talk about "minimal force," Col. McDonough uses a commander's briefing to hammer home the formulation he prefers: "the judicious use of force." He tells the brigade staff: "Fires, though judiciously applied, will be devastating. Scare the s— out of them—and then kill them."

The next day, the colonel shows his men what he means. During the full-scale exercise, a company of "Bosnian, Serb" armored vehicles threatens the landing zone. Col. McDonough orders six Apache helicopters to blast them—and they end the threat. The evacuation goes smoothly.

It is a tricky environment the Army couldn't have handled 20 years ago, says the brigade's top sergeant, Sgt. Maj. Gerald Parks. "I come from an Army that was full of drugs," the 24-year veteran says. "I wouldn't have trusted a lot of those soldiers to do this job. These soldiers have got to be trained and disciplined enough to deal with high-intensity conflict and then go use the minimum force necessary to take control of another situation."

Col. McDonough, soldier and scholar, is well-suited to train and lead troops in ambiguous, post-Cold War situations, says Andrew Krepinevich, a former Army strategist who now directs the Defense Budget Project, a Washington think tank. Mr. Krepinevich has heard the Pentagon gossip that Col. McDonough won't make general, and he worries about the signal that sends. "The Army may require a very different kind of officer in the future than it has in the past," he says, "as we move into these fuzzy situations that put a premium on commanders with a cultural sensitivity and an ability to adapt rapidly."

Col. McDonough also has heard the gossip. Good soldier that he is, he stoically says he doesn't expect to become a general: "I don't believe I am among the very best that the Army will pick from."

Sheik Omar Is Found Guilty of Conspiring

plans to expand into service to hand-held

Investors Balk at Debt Offering

Continued From Page A3

THE WHITE HOUSE
WASHINGTON

October 3, 1995

Doug/Harold:

Please have your office coordinate a response with Jim Dorskind (x67610).

President's note says:

"10/2 - He was at breakfast today -- we have to decide how to respond. I wish it was that simple!"

Thank you.

Phil Caplan

cc: Jim Dorskind

WILLIAM SCOTT McNAMEE

333 WESTOVER DRIVE
CLARKSDALE, MISSISSIPPI 38614

(601) 624-9064

1 cas (Sami) 17/2

He was at
breakfast
today - we
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how to respond.
with it was this subject.
Be

WILLIAM SCOTT McNAMEE
333 WESTOVER DRIVE
CLARKSDALE, MISSISSIPPI 38614

October 2, 1995

Dear President Clinton -

How very nice to meet and visit with you today. I believe that you are the best equipped man to be President since Franklin Roosevelt, but you are carrying a very heavy load imposed on you by the media.

Please, please read this short article about the media and the Democratic Party and you. I know how busy you are, but I beg of you, do not give this article to a staffer to read to decide whether you ought to read it or not. Please give it the 10 minutes or so and read it yourself.

~~It~~ It is interesting to you I have much more that you ought to hear and I would like very much to meet with you in private to discuss this major, major national problem. I am a retired editor & publisher and have devoted a great deal of time to this subject. Call me if interested.

Not only do I understand the problem but I also know what to do about it. This is not something that can be "blurted out" as Nixon did, but there is a sound, responsible solution that could solve this problem for all time and win the 1946 election for you at the same time.

What I would suggest is that I meet with you and your highly intelligent wife in the White House living quarters with ~~not~~ others present and hash this around for about one hour, perhaps some night so that it would be completely confidential.

This, and this alone, has the potential for turning the current bad political situation completely around. The only other thing I can think of would be another Great Depression. And this time we might get David Duke instead of Roosevelt.

Sincerely

Bill McNamee

I believe that the progress of our nation, the progress of the American people, even the progress of the world could be impacted most favorably by serious attention to this core problem. We cannot do anything or stop anything in this country without public opinion behind it.

If such a media mechanism exists then it can, among a multitude of things, decide arbitrarily whether President Clinton is to have a second term or become "another Jimmy Carter." I believe the media supported Clinton against Bush shrewdly thinking that we must elect a Democrat occasionally to protect the secret. They felt that they could control what he did, even with a Democratic Congress, and that they could see that he served only one term. I believe that the media followed this same process with President Carter.

It is, in my view, the responsibility of the Democratic Party to see that the American people know what's going on in this respect. And it should be an on-going process.

If this effort were made by Democrats the United States of America would become a better place in which to live and both our people and our corporations would be more prosperous.

Many polls show that people have a sense that something is deeply wrong in this nation. This is what is wrong. This is the master source of gridlock. This is America's greatest problem and it isn't going to go away until the Democratic Party recognizes it and confronts it.

(The following article expresses one man's privately held opinion. It has not been published nor submitted for publication.)

There is a bigger problem in America than health care. Bigger than crime, bigger than drugs, bigger than the deficit.

But unlike those problems, the American people do not know that it exists.

It is the concentration of the ownership of the media in the hands of one party, The Republican Party. The founding fathers did not anticipate this development and it sits astride our political process and makes a mockery of democracy.

The essential genius of our Constitution is the system of checks and balances. Those who drafted this excellent document visualized an informed electorate as perhaps the most critical check and balance of all. Jefferson, particularly, emphasized in his writings the role of newspapers in keeping citizens informed about the great issues of the day. It would be up to the people, ultimately, to determine the course of the democracy. Newspapers were the media in those days before radio and television.

He believed that each political party would insist on something very near parity in publicizing their positions and ideas. But Jefferson did not know about or anticipate an ability to slant and manipulate the news. He lived in a simpler time. We now live in a media era and the concentration of ownership on the Republican side has tilted the balance not slightly but overwhelmingly to the Republicans. Big business is Republican, big business owns the media. Big media manipulates the news to favor the Republican

Party. That they would do this is not surprising at all, but it is surprising that the Democratic Party would sit passively by and never complain.

Knowing, as we all do, that the best defense is a good offense, Republicans say repeatedly that the media is liberal. The Democratic Party doesn't even object to that absurdity.

The basic political choice in this nation is between liberal Democrats, such as Franklin Roosevelt, Harry Truman, John Kennedy and Lyndon Johnson, who believed in the use of the federal government to solve problems and provide leadership, and the majority of Republicans who believe that the federal government should assume only a very minimal role and let the free market determine our course. This is a fair and reasonable choice for the nation and there may be a time for each philosophy to govern. But due to their ownership of the media the balance has shifted so markedly to the Republicans that the future of our democracy is seriously threatened.

My basic thesis is that at least 90% of the media in the United States of America today, in terms of circulation and viewership, is controlled by approximately 17 large corporations. I believe, but cannot prove, that these corporations act as an oligopoly, the goal of which is to control and direct American public opinion. The ownership of U.S. media becomes more and more concentrated as the years go by. The more concentrated it becomes the easier it is to coordinate and direct.

The CEOs of the giant media corporations know that they can control American public opinion, but take the simplistic, long-

standing Republican view that if major corporations prosper, everything else will fall into place by trickle-down. We now have a hundred years of experience that shows that it does not. I doubt if these fast-track, essentially anonymous, businessmen have time to think much beyond the exigencies that affect them and their corporations.

I cannot prove that this situation exists. But it is not necessary to prove anything. I am not suggesting legal action, but fundamental changes that would add the benefit of new checks and balances in this vitally important part of our political process. The very highest priority is for the Democratic Party to recognize that this situation exists.

No one has ever bothered to prove that the media is liberal, but Republicans have said it often enough to cause it to become conventional wisdom. The Democratic Party lets it pass.

Corporate leaders are not the best situated individuals to run the country but they are running the country.

Having our media take on a highly partisan political face promulgates division and discontent. In addition to this, it advocates public policies that are certainly weakening, if not destroying, the middle class and the enormous market that it provides.

It is at the heart of my view of the media that slanting and manipulating of the news is coordinated nationwide.

This is a development of long standing but one which has become infinitely more sophisticated and more clever and more effective with each passing year. The absolute bottom line in this

matter, and a point without which nothing would work, is that the whole thing remains a secret. I don't know why it's a secret; it seems obvious enough. But clearly it is a secret to the Democratic National Committee and to a long succession of Democratic presidents and presidential nominees. Perhaps it's because the daily use of such a coordinated mechanism is more esoteric than I, as a former editor and publisher, might realize. You would have to know something, but not very much, about how newspapers and television news programs are put together.

Harry Truman and Adlai Stevenson spoke often of the "one-party press" but nothing much has been said in the last 35 years, a period during which the ownership of the media has become more concentrated and partisan slanting more flagrant.

The case of Harry Truman is very much to the point. After Truman won over Dewey in 1948, the press attacked him daily for the next four years and had his approval rating down to 23% by 1952. He got nothing in the way of a favorable press until after he died, but he is now considered the eighth greatest President in our history. The media had their way, but they were wrong. This is a recurring theme; that the media not only controls the agenda and the course of the nation, but that they are wrong.

I believe that the details of media bias and current slanting techniques would be very persuasive if a way were found, perhaps through a coordinated Democratic effort, to present them to the American people. This accusation needs to be made in order to begin to rectify this critical imbalance.

There is material of book length that could be presented to

the nation detailing how modern media manipulation works, but a short synopsis would surely contain these thoughts:

The slanting to which I refer usually does not involve by-line reporters. It involves only a very small number of basically anonymous editors and producers. These people are situated at the choke-points of the news as the public receives it. They are chosen as biased Republicans with the necessary editing or producing skills. Once this step is taken very little else is necessary to insure the desired "spin" on the news. They know what to do and their ultimate bosses have, in effect, winked at them.

Emphasis is probably the most important tool, but there is a steady drumfire of Republican propaganda mixed in with the news. If Democrats do not see this bias then the word that comes to mind is naive. Talk radio becomes more important every day and is primarily right-wing Republican. No one complains about this either.

Regular reading of the Washington Post may be preventing those inside the beltway from being aware of this problem. The Post is mildly liberal, but it reaches fewer than one million readers per day. One hundred and four million people voted in the last presidential election, so the Post is not a drop in the bucket in influencing U.S. public opinion. There are, still, a smattering of Democratic outlets, such as the Boston Globe, but the percentages are overwhelmingly Republican. The New York Times, which used to be stringently objective, now leads the pack against President Clinton. And the Times now owns the Globe.

In most cases Congress tends to do what they perceive that their constituents want done. Public opinion drives the process.

The media drives public opinion. The media is owned and controlled by Republicans.

A flagrant example was the first three months of the Clinton presidency when he was pounded night and day by all four major television networks and the vast majority of print media and talk radio. Of course he has trouble getting things done. They took away his public support as soon as he took office. It was totally obvious and it was coordinated. They never even gave him a chance.

Who decided, for example, that President Clinton's tarmac haircut should be a major story in every newspaper and on every TV broadcast for a solid two weeks? The same people who sent the word down to emphasize President Carter's encounter with a "giant rabbit." Although those matters clearly hurt the popularity of both Presidents and thus their effectiveness, a more serious example can be projected. Suppose by the fourth year of Mr. Clinton's presidency he has the deficit down to \$100 billion annually? I predict that if that happens the news media will simply switch to other matters, de-emphasize the deficit, giving him no credit, and it will go unnoted by the American people. Thus this very important achievement will be of little help to Mr. Clinton in his re-election campaign.

Unless the media emphasizes an issue it is not an issue.

These same people obviously instructed their key editors and producers to protect Ronald Reagan providing what came to be known as the "Teflon effect." This eight-year effort could not possibly have been spontaneous or accidental. Who set in motion a bad press for Truman, Stevenson, Humphrey, McGovern, Carter, Mondale, Duka-

kis and Clinton? And they keep some of the other good candidates, such as Mario Cuomo, from ever making it to the general election.

The media can also drive foreign policy by what they choose to cover and emphasize. They can also make foreign policy a big problem for Democrats. They could make President Clinton seem heartless and timid for not going into Bosnia and then like a foolish blunderer if he does go in. No matter what he does they make him look bad.

And manipulation is by no means restricted to political campaigns. It deals with everything, every day. It creates and maintains the "political atmosphere." For example, the average American believes he pays high taxes when he doesn't. Our taxes are the lowest in the industrialized world, but the media systematically suppresses that information. They have also downplayed the depletion of the ozone layer which affects the survival of the planet and human life itself.

If this is going on, as it seems clear to me, then people outside of the democratic process are setting the nation's agenda. As Democrats try to "get the message out" they are being edited by Republicans in both print and broadcast, the ultimate dirty trick. It is pitiful to watch them try.

High on a list of many bad aspects of a one-party media is that it cuts us off from essentially all liberal solutions. We need to raise taxes across the board on the traditional graduated basis. The Reagan tax cuts have the nation at the point where we can't do anything about anything because, even with a \$6.6 trillion economy, we have no money. We need full federally paid cam-

campaign finance to take the private money out of the process completely. We need a federal ban on the ownership and possession of hand guns. We need a massive federal program to employ young blacks which would solve or ameliorate a multitude of problems such as crime, violence, drugs and poverty. We need to rebuild our infrastructure and buy high speed rail. We need to spend a great deal more money on education. We need to ban violence on television and in the movies which would also reduce crime.

But these are all liberal solutions to major problems which cannot even be considered because the media creates such an adverse "political environment." Again, the media dominates policy and the media is wrong. These are the kind of solutions that would truly solve major problems, such as crime, by getting to the source.

All of these suggestions would actually help big business, not hurt.

If we had a 50-50 break in the ownership and control of the media all these things would be possible.

Failing that, if the American people merely knew that this huge imbalance existed the situation would improve considerably. The Democratic Party should be screaming its head off.

It is certainly possible to slant the news, to emphasize whatever you want to emphasize. And emphasis is not the only option. There are hundreds. If it's possible to do this in one newspaper or on one evening newscast, then it's possible to do it on all or most. If an oligopoly, or shared monopoly, can bring together a number of corporations in a common effort, as every sophisticated politician knows it can, then this is highly possible.

A television network producer could, to cite a recent example, send out camera crews and reporters to get spontaneous, on-the-street interviews. They might interview 50 people and then the producer would choose three or four that said the most effectively negative things about a bill President Clinton is trying to pass. Who would stop them from doing this grossly unfair thing? Millions are strongly influenced every day by such techniques. And then they report their opinion to their Representative or Senator and down goes the bill. Surely the connection between such slanting techniques and low approval ratings should be obvious as well.

We have no protection against this, only the integrity of a small number of individuals with a perceived vested interest in the outcome. We have to depend on their personal sense of what is right and what is wrong. What else of a serious nature depends solely on the integrity and sense of right and wrong of a small number of people on one side of the bargain?

Nothing. That is why we have contracts and lawyers and appeals courts and Congresses.

In my view this "small number of people" are the CEOs of the giant media corporations. They're human, they have biases, they have political opinions, they have an opportunity, most are Republican. In a system which depends on checks and balances, one of our major checks is missing. The American people believe that someone, the government or someone, is riding herd on the media. They believe that it would be impossible to put something in print or on the air that people cannot trust. But, in fact, there are no laws that even begin to address this problem.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
10/2/95

95 SEP 29 P 6 : 16

SEPTEMBER 29, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*

SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
SEPTEMBER 24-OCTOBER 1, 1995

DEPARTMENT OF TREASURY

- **G-7 Ministers Meeting:** On Friday, October 6, Secretary Rubin will participate in a press conference on the G-7 and will also participate in a roundtable with Secretary Christopher on the President Zedillo visit. On Saturday, October 7, Secretary Rubin will host the G-7 Finance Ministers Meeting in Washington, D.C. and on October 7 he will host the G-10 Meetings.
- **Interpol 64th General Assembly Session in Beijing:** On October 2-10, Interpol will convene its annual meeting in Beijing, China. Under Secretary for Enforcement Noble, a member of Interpol's Executive Committee, will lead the U.S. delegation.
- **Reauthorization of Federal Law Enforcement:** The House Subcommittee of Crime of the Judiciary Committee plans to hold hearings on October 18 and November 8 on reauthorizing duplication in law enforcement efforts. The second day will investigate the proper jurisdiction and basic structure of law enforcement which will likely include an examination of moving ATF to the Department of Justice.
- **Militia Hearing:** On November 2, the full House Judiciary Committee will hold hearings on the militia movement. These hearings were requested by Representative Conyers during the recent Waco hearings.
- **Establishing a Port of Entry at San Jose:** Customs has submitted a final regulation that would designate the four county area surrounding San Jose, California as a port of entry. San Jose has been determined to meet the criteria used by Customs to establish a port of entry. This proposal has been issued at the request of the city and has the support of local politicians, corporations, and associations.

DEPARTMENT OF COMMERCE

- **Supreme Court Grants *Certiorari* in Census Case:** On September 27, the Supreme Court granted *certiorari* in *City of New York v. Department of Commerce*, a case involving the 1990 Census. The court decided to review an August, 1994 Second Circuit Court of Appeals decision that could have resulted in an adjustment of the 1990 decennial census. Legal briefs must be filed by November 9, 1995. Oral argument has not yet been scheduled.
- **Order Re: Timber Levels for Washington:** Commerce is drafting an order which would establish the level of timber from state lands in Washington subject to export restriction after January 1, 1996. The Forest Resources Conservation and Shortage Relief Amendments Act requires that Secretary Brown issue the order prior to September 30.
- **Income & Poverty Report to be Issued:** On Thursday, October 5, the Census Bureau will release its annual report on income and poverty in the U.S. for 1994. The report details median family income and poverty as compared with the prior year, in general and demographically.
- **Under Secretary Garten Resigns:** Under Secretary for International Trade Jeffrey Garten submitted his resignation on Wednesday, September 27, to take a position with Yale's business school.
- **Commerce will Release the Following Economic Data:**

Gross Domestic Product for 2nd quarter 1995 (final)	September 29
Composite Indexes of Leading, Coincident and Lagging	
Economic Indicators for August 1995	October 4
Advance Retail Sales for September 1995	October 13
- **Endangered Species Listings:** 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 segment under the Endangered Species Act. Commerce also expects to clear a proposed rule to reclassify the Steller sea lion as two distinct populations: a western population to be listed as endangered, and an eastern population to continue its listing as threatened under the Endangered Species Act.
- **First NAFTA Panel on Mexican Anti-Dumping (AD) Case:** The NAFTA binational panel invalidated the Mexican government's AD order on steel only as to the complainants (Bethlehem and USX) and not as to others U.S. steel producers/exporters who participated in the investigation but not the panel. Mexico's regulations provide for a mini-proceeding in such situations, which could allow the other parties to establish why they also should benefit from this relief. Commerce is waiting for the Mexican government to respond to the NAFTA panel, which they are to do by September 29.
- **National Export Strategy Report:** Secretary Brown will release the Third Annual Report to Congress on the National Export Strategy within the next week. Commerce is working to plan a press event, Congressional hearings (tentatively October 12) and a possible Presidential release, to highlight the coordinated efforts of the Administration to increase exports and create jobs.

DEPARTMENT OF LABOR

- **Labor Ministers Conference in Argentina:** Secretary Reich will be in Buenos Aires, Argentina on October 1-2 to attend and deliver remarks at the 10th Inter-American Conference of Ministers of Labor. The theme of this year's conference will be "Hemispheric Economic Integration and Employment." While in Argentina, he will also hold private meetings with Argentinean Minister of the Economy Cavallo.
- **Numbers Day:** On Friday, October 6, the Bureau of Labor Statistics (BLS) will issue its monthly report on the national employment and unemployment situation.
- **Caterpillar-UAW Negotiations:** Direct negotiations between Caterpillar and the United Auto Workers are scheduled for September 28-29 in Peoria, IL. Speculation continues that the UAW will call for a return-to-work while efforts to reach a settlement continue. About 9,000 UAW members remain on strike since June 20, 1994. Some 171 unfair labor practices complaints have been filed against the company. The last negotiated agreement between Caterpillar and the UAW expired September 30, 1991.
- **Boeing-Machinists Negotiations:** 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 time for union members to consider a contract offer. The Machinists represent some 32,000 hourly employees at Boeing facilities in Seattle and Spokane Washington, Wichita, Kansas, and Portland, Oregon.

DEPARTMENT OF TRANSPORTATION

- ✓ **Chicago Transit Authority (CTA) Innovative Financing Transaction:** On Monday, October 2, Federal Transit Administrator (FTA) Linton will join Chicago Transit Authority (CTA) officials to announce the largest innovative financing transaction ever approved by the FTA. CTA will enter into a leveraged sale or leaseback of approximately \$831 million in rail cars. Under this transaction, CTA will sell the rail cars to Wachovia Leasing Corporation and lease them back for a twenty-year period. CTA will pay \$3.8 million in transaction expenses and receive approximately \$47 million in benefits from the transaction.
- ✓ **Heightened Security Measures in the U.S.:** The FAA has informed airlines and airports that they must be ready to be placed at Security Alert Level III and to commence implementation of corresponding increased security measures by September 26. To ensure that the industry is fully informed of the threat circumstances requiring the increased measures, FAA is arranging a classified threat briefing for airline and airport CEO's on October 5. The Detroit Airport has stated it will not comply with this order, and thus risks temporary closure by the FAA.
- ✓ **International Aviation -- U.S. - U.K.:** Continuing negotiations with the United Kingdom are scheduled for October 16 here in Washington.

- **National Highway System (NHS):** House and Senate conferees on the National Highway System bills held their first meeting on Tuesday, September 26. Senator Warner was named chairman of the conference committee. Conferees representing the Senate Environment and Public Works and Commerce Committees and the House Transportation and Infrastructure Committees were in attendance. There is wide disagreement among the members on the two bills and little progress has been made in resolving the differences. At the same time, a provision approving the National Highway System remains in the Senate DOT appropriations bill, but no further action on NHS has occurred in the appropriations conference.
- **Termination of Funding for Air Traffic Control Towers (ATCT):** Members of Congress representing 20 locations in which ATCTs may have funding terminated were notified today of the analysis of the most recent cost/benefit ratio. Locations that do not meet a 1.0 cost/benefit ratio will be closed. They were originally notified in November 1994 that the Federal Aviation Administration would withdraw federal funding on December 31, 1995 from any tower that did not meet a 1.0 cost benefit ratio by October 1, 1995.
- ✓ **Chicago Bridges:** DOT has drafted a Final Rule on the Chicago Drawbridge issue. While the rule was being drafted, representatives from the City of Chicago and the boat yards agreed upon a temporary schedule to accommodate the return of recreational sailboats from Lake Michigan for winter storage. The final rule will be published in the Federal Register (October 6) and will become effective on November 19.
- **Los Angeles Airport:** On September 22, DOT determined that a significant dispute over rates exists regarding the complaint filed on August 25, 1995, by the Air Transport Association of America and fifty-nine airlines against the City of Los Angeles, the City of Los Angeles Department of Airports, and the Los Angeles Board of Airport Commissioners (collectively the City), and thus assigned the matter to an administrative law judge (ALJ) for an oral evidentiary hearing. The order directed the ALJ to issue a recommended decision by Wednesday, November 22, 1995.
- **Los Angeles Subway Construction:** On Tuesday, September 26, Federal Transit Administrator (FTA) Linton met with California State Senator Tom Hayden to discuss the future of the Red Line subway project. Hayden requested enhanced oversight, or, if possible, the complete shut-down of the subway project. FTA pledged commitment to the continued and strengthened oversight of the quality and safety of the project. At present, FTA is awaiting the Los Angeles Metropolitan Transportation Authority's updated project management plan due on October 1.

DEPARTMENT OF JUSTICE

- ✓ **First Anniversary Of Operation Gatekeeper:** On October 5, Commissioner Meissner will join the Attorney General in San Diego, to mark the first anniversary of the border control initiative called Operation Gatekeeper. They will announce the next steps the Administration plans to take to secure the border in California.
- **Senate Waco Hearings Scheduled For October:** The Senate Judiciary Committee hearings on the actions of the federal agencies involved in the raid on the Branch Davidian compound in Waco, Texas, are now scheduled for October.

- **Defendant Sentenced In "Three Strikes" Case:** Robert Lee Willis was sentenced in the District of Kansas to life in prison under the "three strikes" provision of the Crime Bill for aggravated assault and conspiring to commit bank larceny. Willis, who had been previously convicted of four armed robberies, had been out of prison a total of 15 months since 1971 and was out of prison only five months before committing this crime.

- **Operation SouthPAW Nets More Than 4,000 Apprehensions:** On September 26, INS held a news conference to announce the final results of Operation SouthPAW (Protect America's Workers). Agents surveyed and inspected more than 300 work sites in Alabama, Arkansas, Florida, Georgia, Mississippi, and Tennessee, apprehending 4,044 illegal workers from 45 different countries, initiating 20 criminal investigations, and fining 10 employees for violations of immigration law. According to District Office reports, the operation removed illegal workers from jobs paying combined wages of more than \$55.7 million, at an average of \$7.00 per hour. Surveyed employers reported filing more than 2,400 of those jobs with legal workers.

BOP Population: Since July 25, there has been a net increase of 1,010 inmates in Bureau of Prisons custody, making the current population 100,689 (including contract facilities). Based on a total BOP population of 89,983 (which excluded inmates in contract facilities), the BOP is currently operating at 126 percent of its total institution rated capacity. The BOP population was 88,473 in 1993, 94,907 in 1994 and 100,689 in 1995.

U.S. TRADE REPRESENTATIVE

- **Announcements on Super 301:** Ambassador Kantor made three announcements related to Section 310 of the Trade Act of 1994 (Super 301) which is in effect pursuant to an executive order. The Administration submitted to the Senate Finance and House Ways and Means committees a report on U.S. trade expansion priorities and identification of major barriers or trade distorting practices affecting U.S. trade and services. On September 28, Ambassador Kantor announced that the United States had reached an agreement with the Korean Government to increase market access for U.S. and foreign autos into the restrictive Korean market. He stated that with the conclusion of a Memorandum of Understanding (MOU) between Korea and the U.S., Korea would not be identified as a Priority Foreign country (PFC) in this year's Super 301 Report, but that the U.S. would vigorously monitor Korea's compliance with the terms of the agreement. Ambassador Kantor announced that on September 27 you signed an executive order extending Super 301 for 2 years.

SMALL BUSINESS ADMINISTRATION

- **US Export Assistance Center Opening:** On September 28, the Administrator joined Deputy Secretary of Commerce Dave Barram, Governor Zell Miller, and Mayor Bill Campbell for the opening of the USEAC in Atlanta, Georgia. USEACs provide easy access to export promotion and trade finance services particularly for small and medium-sized businesses. While in Atlanta, he met with Billy Payne of the Atlanta Committee for the Olympic Games to discuss SBA's involvement with the Games.

OFFICE OF PERSONNEL MANAGEMENT

- **Career Transition Assistance:** OPM was represented on a panel at the Greater Washington Board of Trade which looked at the effect of federal downsizing on the Washington area economy. The private sector was invited to become a partner in the government-wide career transition program. The Board of Trade established a Task Force to work with the Interagency Advisory Group (IAG) effort. Career transition was the major topic in a teleconference with Federal Executive Boards. FEB's were asked to take the lead in their geographic area in developing programs and liaising with local and state governments as well as regional DOL offices.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

disc
✓ **Approval of Oklahoma Medicaid Demonstration:** HHS expects to announce its approval of Oklahoma's statewide section 1115 Medicaid demonstration, SoonerCare, within the next few weeks.

✓ **Approval of Welfare Proposals for WA and IL:** The Washington State proposal, *Success Through Employment*, is a statewide waiver that would eliminate the rule limiting unemployed parents receiving AFDC to 100 hours of work in order to maintain eligibility; impose a ten percent grant reduction for AFDC recipients who have received assistance for 48 out of 60 months thereafter; and hold the food stamp benefit level constant for cases whose AFDC benefits are reduced due to length of stay on assistance.

✓ **Illinois Welfare Demonstrations:** *The School Attendance Demonstration* requires caretakers to participate in a plan to improve poor elementary school attendance. Failure to improve poor attendance would result in the establishment of a protective payee and the removal of the caretaker's portion of the AFDC grant. The state's second proposal, *Work and Responsibility*, limits AFDC benefits to 24 months when the youngest child is 13 years or older; require new job-ready applicants with children between five and 12 to participate in job search for up to six months; imposes a family cap; limits basic education or GED exemptions to two years; and requires a self-sufficiency plan as a condition of eligibility. In selected sites, the demonstration will require cases with earned income to report income quarterly.

✓ **Teen Pregnancy Grants to be Announced:** On September 29, HHS announced \$4.2 million in grants for innovative programs aimed at preventing early teenage sexual activity and reducing teen pregnancy.

✓ **Report to Congress on Out-of-Wedlock Births:** On September 29, HHS issued a Report to Congress on Out-of-Wedlock Births, as required by the Violent Crime Control and Law Enforcement Act of 1994.

✓ **Approval of North Dakota Welfare Waiver:** On September 29, HHS approved North Dakota's proposal, the *Training, Education, Employment and Management Project*, requires families in 9 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.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

• **CHA Update:** On September 27, demolition began on the first of three buildings to be torn down at Cabrini Green. A total of 660 units will be demolished and a mixed income townhouse community will be built in its place.

✓ **Public Housing Grants:** On September 28, Secretary Cisneros announced this year's \$103 million HOPE VI grant to Baltimore, Boston, Cleveland, Pittsburgh, and San Francisco. HOPE VI is the Administration's primary tool for providing maximum federal commitment but minimal federal control to demolish and rebuild the worst public housing developments in the country. Baltimore Mayor Kurt Schmoke, Pittsburgh Mayor Tom Murphy, Senator John Kerry, Senator Joseph Kennedy, Congressman William Coyne, and Congresswoman Nancy Pelosi participated in the press conference.

✓ **Goals for Education Technology:** During the HOPE VI announcement, Secretary Cisneros announced HUD's program to make computers accessible to residents of public housing. Several of the grant recipients, like Cleveland, have computers linking residents to the information superhighway as an integral part of their plans for rebuilding public housing communities. The Secretary will host a conference in November to guide public housing authorities in creating "Communities of Learners."

4-H Grants Awarded: On September 29, Secretaries Glickman and Cisneros announced a \$3.5 million HUD grant to expand 4-H after school programs in public housing communities.

Possible Media Story re. Riverside County's Country Village Development: HUD anticipates that the *L.A. Times*, will print a story soon on the alleged mishandling of an approved FHA-insured mortgage for Country Village, a 1,200-unit apartment complex for the elderly in Riverside County, California. HUD initiated an enforcement action against the owners earlier this month for financial, management, and physical problems with the development.

OFFICE OF NATIONAL DRUG CONTROL POLICY

Anti-Drug Coalition Steering Committee: On September 26, Director Brown participated in an Anti-Drug Coalition Steering Committee meeting in Cincinnati at the request of Rep. Portman of Ohio and Jim Burke of the Partnership for a Drug Free America.

DEPARTMENT OF EDUCATION

• **Ohio Selection for Ed Flex Program:** On September 27 the Department announced the selection of Ohio as the fourth state to participate in the Education Flexibility Partnership Demonstration Program. Under this program, the Department can authorize six states to waive certain federal statutory or regulatory requirements as needed to facilitate the state's implementation of its school improvement plan. Oregon, Kansas, and Massachusetts have previously been selected. The Senate appropriations bill contains a proposal by Senator Hatfield to expand this program to include six more states.

- **Civil Rights Policy Guidance:** The Office for Civil Rights has distributed draft guidance on the Department's enforcement of Title IX of the Education Amendments of 1972, which prohibits institutions from discriminating in their provision of intercollegiate athletic opportunities to men and women. The Department has requested comment on the draft guidance, which was disseminated to schools as well as to several Members of Congress who had indicated their interest in this issue.

✓ **Higher Education Conference:** On October 8 and 9, Secretary Riley will participate in a national conference the Department is organizing on higher education funding. Senator Kassebaum and Congressman Goodling are expected to attend.

DEPARTMENT OF THE INTERIOR

✓ **Environmental Message Receives Much Media Coverage:** The coordinated message from the Department and the White House last week generated excellent press articles and editorials nationwide. The environmental battle was placed at the forefront with the combination of your announcement that you would veto reconciliation if it contained drilling in ANWR. Editorials supporting the environment came from some unexpected sources, including the *Kansas City Star*, the *Denver Post* and the *Portland Oregonian*.

✓ **Secretarial Travel:** To highlight park closure, Secretary Babbitt visited Chattahoochee National Park in Newt Gingrich's district. The visit received much press coverage; CNN and *Time Magazine* covered the event. The House leadership was upset over the Georgia press coverage that the Secretary's visit received and is threatening retaliation on UDCA's appropriations bill.

ENVIRONMENTAL PROTECTION AGENCY

✓ **Administrative Reforms of Superfund:** On Monday, Secretary Browner will announce the third round of administrative reforms of the Superfund program at a press briefing. For two and a half years, EPA has worked reforms to make the Superfund program faster and more efficient for the one in four Americans who live within four miles of a toxic waste dump.

- **The Ozone Transport Commission:** On September 28, EPA announced a proposed rule that would create the regulatory framework for a 49-state clean car. This rule will allow states and automakers voluntarily to adopt national standards for cleaner cars that will bring important environmental and public health benefits to every state.

- **Renewable Fuels Events:** This week, EPA participated in two ethanol-related events. Yesterday, Secretary Browner conducted a radio news conference with Secretary Glickman to reiterate the Clinton Administration's efforts to promote renewable fuels such as ethanol. The press conference reached a number of important midwestern media outlets. The Secretaries communicated the Administration's opposition to Congressional efforts to eliminate tax incentives for ethanol. On September 28, Secretaries Glickman and Browner testified at a Senate Agriculture Committee hearing regarding the Administration's efforts to promote renewable fuels.

- **Dioxin Reassessment:** Secretary Browner will receive the Science Advisory Board's (SAB) review of EPA's reassessment of the risks from dioxin. Dioxin is a toxic chemical that has been linked to negative health effects, including cancer. The SAB's comments fall into two categories: their review of our exposure assessment and comments on the risk assessment. They suggest that EPA may have overstated the risks from dioxin. EPA is already working to incorporate SAB's comments and will send a revised assessment to the SAB next year.
- **Proposed Guidance on the Acquisition of Environmentally Preferable Products:** In response to Presidential Executive Order 12873, EPA had developed guidance to help Federal agencies become "environmental performance of products, it creates an incentive for manufacturers to complete on that basis in the marketplace. Industry will find this approach preferable to "green labeling".

DEPARTMENT OF AGRICULTURE

✓ **Pacific Northwest Economic Adjustment Initiative/Forest Plan:** The USDA Forest Service continues to actively implement the timber salvage provisions of the Rescission Act, and salvage sales are on schedule. As of September 15, 1,406 million board feet of timber has been offered for sale nationally. This compares to 1,140 million board feet as of August 30 and a planned amount of 1,731 million board feet for FY95. To date, there have been five lawsuits filed against salvage sales.

DEPARTMENT OF ENERGY

- **Announcement on the Provision of Tritium:** On October 5, Secretary O'Leary will announce the DOE's preferred alternatives to meet the nation's tritium requirements to maintain the nuclear weapons stockpile. The Secretary will announce two options that will be evaluated over a two-year period to determine the cheapest and most viable alternative before selecting the primary alternative. She will not be announcing the construction of a new large facility. The congressional delegations of Nevada and South Carolina are extremely interested in this issue.

Carrying over from 9/29/94
N
Issues Affecting Rates charged to Customers in the Pacific Northwest: On September 28, Secretary O'Leary instructed the Administrator of the Booneville Power Administration (BPA) to attempt to renegotiate contracts with its aluminum customers over the next few days. Contracts were offered by BPA to its industrial customers with provisions providing permanent relief from any stranded investment costs that may focus on the BPA system as a result of customers leaving the system to get cheaper power. We believe that this had the potential to damage the interests of smaller customers who may have had to cover the costs of such investments. Given the volatility of such potential rate increases and perceived subsidies provided to larger customers, this issue will receive significant media attention.

- **Announcement of the Advisory Committee on Human Radiation Experiments Report:** Next week, Secretary O'Leary will participate in an announcement of the Advisory committee's release of its report on October 3. The report will receive significant media attention.

UNITED STATES INFORMATION AGENCY

- **Okinawa Rape Coverage:** The alleged rape of a twelve-year-old Japanese girl by US servicemen prompted negative Japanese media commentary on the Status of Forces Agreement. The USIS Tokyo Press Office worked diligently with major Japanese and international news organizations to correct a widespread misinterpretation of your statement regarding US willingness to review the Status of Forces Agreement which he made on a radio town meeting in Los Angeles. Because of USIS efforts, Reuters, the Associated Press, and Kyodo printed clarifications of or corrections to their stories.

GENERAL SERVICES ADMINISTRATION

- 
- **Empowerment Zones/Enterprise Communities:** This week, Administrator Johnson met with HUD Deputy Secretary Andrew Cuomo to discuss his campaign to promote the Clinton Administration's designated Empowerment Zones/Enterprise Communities. Since April, the Administrator has toured ECs/Ezs located all across the country, and continues to do so. In each city, he meets with local politicians and community leaders and then follows up with a business outreach event, urging CEO's to become a "full partner" with the Clinton Administration in developing their local ECs/EXs.

DEPARTMENT OF DEFENSE

- **Russia and Bosnia:** It is clear from initial discussions with the Russians that they expect to participate in IFOR and generally play a major and visible role in implementing a Balkan peace settlement. Public warnings coming out of Moscow that NATO expansion and lack of prior consultation on Western policies in Bosnia will not be cost-free have been accompanied by the MOD's decision to cancel or freeze the previously scheduled military contacts and events with the U.S. and other NATO countries.
- **Persian Gulf:** In light of U.S. CINCCENT's recent request for additional enhancements to respond to a near-term "window of vulnerability," Defense Department officials have reviewed the changes in their force posture in the Persian Gulf since October 1994. DoD has significantly enhanced its posture in the Gulf since Operation Vigilant Warrior, including adding 72 additional strike aircraft, and expanding and better managing prepositioned assets both afloat and ashore. Operation Vigilant Sentinel demonstrated U.S. increased responsiveness. However, there are areas that need further improvement principally prepositioning precision guided munitions in the Gulf. DoD have determined the number and type of munitions required and they are making progress in reaching an agreement with the Saudis on prepositioning.
- **NATO Defense Ministerial:** On October 4-7, Secretary Perry will host the NATO Informal Defense Ministerial in Williamsburg, Virginia.

DEPARTMENT OF STATE

- **Middle East Peace/Next Steps:** On Thursday, September 28, Secretary Christopher chaired the Ad Hoc Liaison Committee and helped to sensitize the major donors to the need to move quickly on infrastructure and private sector development projects that will have a rapid and visible impact in the West Bank and Gaza. State Department officials are urging contributors to identify specific projects, in such areas as water supply, housing, or the creation of industrial zones, to which they will pledge funding at upcoming meetings. Meanwhile, Secretary Christopher will meet Syrian FM Shara next week in Washington to continue his efforts to move the Syrian-Israeli track forward.
- **Bosnia Peace Process:** In a series of meetings with me and Dick Holbrooke in New York, the parties worked out a statement of Further Agreed Basic Principles, building on those reached in Geneva. These principles address elections, the role of the central government, and establishment of a constitutional court. The Serbs backed off insistence that the central government manage only foreign affairs, settling for determination of central government functions at a later date. Following Secretary Christopher's phone call to President Izetbegovic, the Bosnians backed off demands for popular elections settling for "full, democratic elections."
- **Russia:** On Tuesday, September 26, in New York, FM Kozyrev assured Secretary Christopher that Yeltsin wants a successful Hyde Park meeting. Kozyrev promised some movement on bilateral issues before then. He accepted the need to try to resolve the CFE problem before Hyde Park, although he thought some aspects of the issue could be deferred. Most important, Kozyrev suggested that our militaries consult on how Russia could engage in the Bosnia implementation plan, and that we need to talk more about NATO enlargement. The suggestion seemed clear (although he has publicly denied it): if we come to terms on Bosnian implementation, they will lower the rhetoric on NATO enlargement.
- **Progress with the Chinese:** The United States may have turned a corner after Secretary Christopher's meeting in New York with Chinese FM Qian. This cautious optimism comes both from the atmospherics of the meeting and from the positive tone of President Jiang's letter to the President, which Qian handed Secretary Christopher at the meeting. Qian seemed to have put the Taiwan visits issue to one side, at least for the time being. Instead, he signaled that China is very interested in rebuilding the relationship and is trying hard to produce a summit. One indication of this was Qian's assurance that China does not plan to sell nuclear reactors to Iran.
- **Nominations:** On Tuesday, September 26, Senator Kassebaum was the only participant at a short, non-controversial confirmation hearing for Ambassadors-designate Joseph (South Africa) and Twining (Cameroon). Senator Kassebaum promised she would try to move the nominations as quickly as possible, but could offer no guarantees. Senator Helms' office has begun calling the nominees still on hold to urge them to press us to move on consolidation. After a meeting September 27 with Ambassador-designate to China Sasser, Senator Helms scheduled a confirmation hearing for him October 12.

UNITED NATIONS

- **Secretary Christopher's Visit:** The United Nations 50th General Assembly convened last week and Secretary Christopher delivered the U.S. address. Secretary Christopher spent most of the week in New York for bilateral meetings. His visit went extremely well, punctuated by the difficult, but ultimately successful, negotiations with the foreign ministers of Bosnia. Secretary Christopher and Ambassador also held a series of fruitful bilateral meetings. Although large elements of their proposals for reform were embraced by a number of delegations, many -- including the British and the Germans -- criticized them for failure to meet their current assessed obligations.
- **Bosnia Peace Initiative:** While talks progressed in New York early this week, one of Ambassador Albright's senior advisers joined a small team of USG officials who toured four European capitals to discuss political and military elements of the peace implementation plan. They make progress on planning for IFOR and responded to European concerns about the limited role the UN envisage for the United Nations.
- **Pope's Visit:** On October 4, Ambassador Albright will join you and other Cabinet members in welcoming His Holiness Pope John Paul II to the United States. On October 5, the Pope will address the United Nations.
- **Briefing Congress on Bosnia:** On September 29, Ambassador Albright is scheduled to participate in a briefing hosted by the President for Congressional leaders concerning the status of peace negotiations in Bosnia.

CENTRAL INTELLIGENCE AGENCY

- **Bolstering Support to NATO Allies:** On Tuesday, September 27, Director Deutch and Secretary Perry approved a number of actions to further U.S. support to NATO operations in Bosnia. The most significant decisions from an intelligence perspective were to share sensitive imagery products with NATO forces involved in combat operations to eliminate controls on intelligence products.
- **NRO's Forward Funding:** On Wednesday, September 28, George Tenet, Keith Hall, and Jeff Harris went before the Senate Select Committee on Intelligence to discuss concerns over the NRO's financial management practices. The Senators expressed a number of concerns about the NRO's forward funding practices. Although Director Deutch believes there has been no wrongdoing on the part of the NRO, he and Secretary Perry have asked the Inspectors General of DoD and CIA to provide a thorough audit of "forward funding" practices of the NRO, and he will promptly provide the results of this audit when completed. Director Deutch will also be sending a letter to you expressing his concern over the recent severe reductions in NRO's funding requests by the FY 1996 Appropriations conference. Director Deutch worry further that recent Congressional actions will have a severe impact on U.S. ability to complete major upgrades to our satellite reconnaissance systems.

THE WHITE HOUSE

WASHINGTON

September 27, 1995 95 SEP 27 P9:48

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Letter to Father O'Donovan, President of
Georgetown University

Purpose

To reply to a letter from Father O'Donovan, President of
Georgetown University.

Background

Father O'Donovan wrote to invite you to inaugurate the Quandt
Lecture Series "on a topic of crucial international
significance." Your response at Tab A thanks Father O'Donovan
for the invitation but regrets that your schedule does not permit
you to attend.

RECOMMENDATION

That you sign the letter at Tab A.

Attachments

Tab A Letter to Father O'Donovan

Tab B Incoming correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Father O'Donovan:

Thank you for your letter inviting me to inaugurate the Quandt Lecture Series.

Although the series is an excellent initiative which will add further luster to Georgetown's prominence in international relations, I regret that my schedule does not permit me to attend.

With all good wishes,

Sincerely,

A handwritten signature in black ink, appearing to read "Bill", followed by a period.

The Reverend Leo J. O'Donovan, S.J.
President
Georgetown University
Washington, D.C. 20057



GEORGETOWN UNIVERSITY

Billy
cc: NH —

Office of the President

August 31, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President,

During the fall semester, Georgetown University will be celebrating creation of a vital new endowment program in the Center for German and European Studies, of the School of Foreign Service. As part of this important initiative, the University will inaugurate the Quandt Lecture, a principal lecture series focusing on a topic of crucial international significance. Each year, a Quandt Lecture will be delivered by a renowned statesman or leader in a field of worldwide relevance.

With great hope that you will be able to join us, and with deep admiration for your eloquent remarks on prior occasions at Georgetown, I am writing to invite you to deliver the first Quandt Lecture.

This initial event and the endowment have been made possible through the generosity of BMW, and the Quandt Lecture is named after a prominent BMW official. Nonetheless, the lecture is envisioned as having predominantly scholarly and diplomatic -- not commercial -- dimensions.

The overall theme for the lecture series will be the importance of U.S.-German relations. As always, however, your address could focus on pertinent issues of your choice. Should you be able to participate, we hope that Chancellor Kohl may be able to join us as well.

At your convenience, the Quandt Lecture can be scheduled for any time after mid-October. (We expect to formally announce the BMW endowment itself around September 20th.)

Mr. President, we would be very honored to have you return to our campus to assist us on this noteworthy occasion and present the first Quandt Lecture.

WASHINGTON D.C. 20057

202-687-4134

The President
August 31, 1995
Page Two

If you have any questions, please do not hesitate to contact me. I look forward to hearing from your office soon. Until then, I extend my very best wishes and profound appreciation for your service to our country.

God bless.

A handwritten signature in cursive script, appearing to read "Leo".

Leo J. O'Donovan, S.J.

LJO'D/lsa

THE PRESIDENT HAS SEEN
10/3/95

-- 9/19/95 from Lanny J. Davis, thanking for your note about his desire to help in campaign. He looks forward to working with Harold. (Copy already sent to Harold Ickes.)

He encloses for you and POTUS an op ed piece he's trying to get published -- about Sen. Bill Bradley and the mythical "third way" that he, Gen. Powell and others are flirting with.

Your speech in China was outstanding.

☒ See
☒ Respond
☒ cc to POTUS
☐ File; NRN

THE PRESIDENT HAS SEEN
10/3/95

THE WHITE HOUSE

September 28, 1995

Cher
let's discuss
Bye

Mr. Lanny J. Davis
12517 Bracken Hill Lane
Potomac, Maryland 20854

Dear Lanny:

Thank you for sending me a copy of your op ed piece. You have made some keen observations which I appreciated reading. I have shared it with the President.

With best regards, I am

Sincerely yours,

Hillary
Hillary Rodham Clinton

Lanny J. Davis
12517 Bracken Hill Lane
Potomac, Maryland 20854
202-457-6490

September 19, 1995

Hillary Clinton
The White House
Washington, D.C. 20500

Dear Hillary:

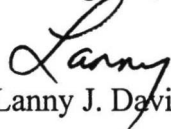
Thanks for your kind note about my desire to help the President in the campaign. I understand that the President wants to take his time getting formally organized, and I agree with that. But I look forward to working with Harold as soon as possible, especially in building an effective field organization and in any speech-making, talk shows, etc., that I can.

I thought you and the President would be interested in the op ed piece I am in the process of trying to get published somewhere. It's about Mr. Bradley and the mythical "third way" that he, General Powell and others are flirting with.

I am heading for New Haven in three weeks for the 25th reunion. It's hard to believe so many years have past.

By the way, I thought your speech in China was truly outstanding.

Best regards,


Lanny J. Davis

Enclosure

Bill Bradley and the Fantasy of the Third Way

By Lanny J. Davis¹

The conventional wisdom about Senator Bill Bradley's announcement that he would not seek reelection for a third term and would consider a presidential race as an independent coalesced in record-breaking speed. Editorial and op ed writers, talking heads and pundits from coast to coast acclaimed Bradley's "thoughtful" decision to reject the traditional politics of both major parties and his willingness to consider an independent presidential bid. His decision, it was said, added significant momentum to a formidable third party ticket in 1996.

But wait. Before everyone gets too carried away, read the Bradley announcement and his post-announcement interviews closely. You may find that here, as in other of life's circumstances, fantasy is likely to be better than reality.

For example, Bradley's widely quoted "triangulation" formulation went like this: Liberal Democrats are too much in love with government, conservative Republicans are too much in love with the free market. So what is the third way? The answer, he said, is neither of these. The answer is...the answer is...what?

Senator Bradley groped at something, referring to the "third leg" of the stool: "Civil society." Say again? Aside from sounding very much like George Bush's "thousand points of light", does anyone know what the Senator is talking about? He certainly gave us no further details. He offered no instances of specific differences on issues or programs with his fellow Democrats or President Clinton to justify his trashing of a Democratic Party which nurtured him, supported him, financed him, and stood by him loyally through three election campaigns, including his razor thin victory in 1988 over a then unknown Republican named Christine Todd Whitman.

Mr. Bradley is too intelligent not to know that his dichotomy between too much government and too much market suffers from the classic fallacy of the false choice. The answer to that dichotomy, as everyone knows, is easy and obvious: There must be a *mixture* of government and the free market. The real question--the one which Mr. Bradley and other third force potential political leaders haven't sufficiently addressed in detail--is: What specific mix of government and the market are we talking about? And to answer that question honestly it is necessary to describe, specifically, who receives and who pays--who are the winners and who are the losers.

¹ Mr. Davis is a former three term Maryland Democratic National Committeeman and is currently a regular commentator on Maryland politics on WAMU/88.5 FM, a D.C. affiliate of National Public Radio.

It is here that the great debate between Gingrich and the congressional Republicans and Clinton and the congressional Democrats is now occurring. The answers are not easy to find nor popular sentiment easy to discern. Voters clamor for tax cuts and smaller government, yet demand government services to be maintained. They applaud the private market--but demand that its excesses be regulated to protect the environment and public health and safety. They agree there must be winners and losers--as long as someone else are the losers.

Politics in a democracy, particularly one as geographically and ethnically diverse as ours, is messy. It's not as neat as an NBA championship game--the ultimate pleasurable memory recalled by Senator Bradley in his announcement statement--where there are rules, referees, penalties immediately enforceable at the foul line, and most importantly, a winner and loser declared without anyone having to use fine-tuned judgments as to what is best for most of the people not just today but for tomorrow as well.

But that's not the way it works in the political arena, as Senator Bradley should well know. Not only do the rules change regularly--from election to election, from one volatile poll or legislative coalition to another. But also, the crowd in the political arena expects the players to decide on what plays to use by listening to the contradictory shouts of the fans. It's frustrating, confusing, and not pretty to look at.

After all of his distinguished years in the Senate, Senator Bradley may have finally discovered that there is a better way. But he hasn't explained it very well yet. Ross Perot may have gotten 19% of the vote in 1992, but he couldn't carry a single state. Meanwhile, far from the responsibility of building an enduring political coalition to govern the country, Perot has the luxury of promising that the budget can be balanced, social security saved, and Medicare costs restrained--all without significant pain and sacrifice by large segments of the American people.

Colin Powell, whose media hype surrounding his book promotion tour and flirtation with a presidential race even exceeded that which followed Bradley's announcement, at least has begun to define himself: A social liberal (pro-choice, gun control and affirmative action, anti-school prayer) and an economic conservative (reinventing government, leaner, not meaner, government. Wait a minute: Sounds familiar. If anyone can explain where Colin Powell differs from Bill Clinton (or Bill Bradley, for that matter) on the issues, I'd be real interested. Even on foreign policy, Powell's attempt at criticizing the President seems mild, even strained. And he is yet to give Mr. Clinton credit, as he inevitably must, over extraordinary foreign policy successes in Haiti and Bosnia (so far), and in international trade (NAFTA, the GATT, facing down the Japanese, etc) under the leadership of what most observers are saying is one of the most effective, if not the most effective, U.S. Trade Representative ever to hold that office, Mickey Kantor.

Despite Bradley's and Powell's closeness to President Clinton's positions on all the major issues, millions of Americans are still enamored with the thought that between the warring Democrats and Republicans, between liberal big government and conservative laissez faire, there is somewhere out there a non- partisan, non-ideological--and relatively painless--third solution to all our problems, and a "third force" leader who can lead them into the promised land.

But Gingrich and Clinton, Dole, Gephardt and Bonior, and most of the other inside-the-Beltway Democratic and Republican politicians who are currently left to govern the country, as much as they would love to believe in the same fantasy, know better. They know that such a neat above-the-fray vision is not the way American democracy works--or has ever worked.

Clearly they too are prone to obscure the real pain--higher taxes and reduced services and benefits--that they know must be administered in the years ahead. And there is little doubt that partisan posturing, enhanced by the coming presidential campaign, big money and powerful lobbies are gridlocking government and appear to be leading us to the feared train wreck of suspended government within the next several weeks.

But at least these folks are willing, and have been willing through their years of public service, to stay in the trenches slugging it out, taking the heat and making their choices, trying to figure the right mix of government and the private market and how to persuade a majority of Americans to accept the unpleasant medicine.

They also know that at some point, Senator Bradley--if he is serious--is going to have to re-join them there, General Powell is going to have to get his uniform dirty, and the American people are going to have to leave Fantasy Land and return to the real world of real choices.

THE PRESIDENT HAS SEEN
10/1/95

THE WHITE HOUSE
WASHINGTON

September 30, 1995

MR. PRESIDENT:

The Advisory Committee on Human Radiation Experiments, which you appointed in January 1994, is scheduled to present its report to you on October 3.

The attached memo, which Phil Caplan prepared and cleared with Leon, briefly reviews the work of the Committee and seeks your approval of recommended actions and statements to make in response to the Committee's report.

Todd
Todd Stern

Has CP been over
this - still in his
but looking for us
RSC

THE PRESIDENT HAS SEEN
10/1/95

THE WHITE HOUSE
WASHINGTON
September 30, 1995

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: LEON PANETTA

FROM: PHIL CAPLAN 

RE: Advisory Committee on Human Radiation Experiments



I. PURPOSE

To approve several recommended actions to be taken on Tuesday, October 3, when you are scheduled to receive the Advisory Committee's final report.

II. BACKGROUND

You appointed this Committee in January 1994 after Secretary O'Leary made public a number of revelations of the government's conduct during the 1940s and 50s with regard to radiation experiments using human research subjects. You issued an Executive Order charging the Committee with reviewing the records of the Federal agencies and providing expert advice on several issues, including 1) whether human radiation experiments sponsored or conducted by the government from 1944-1974 met the ethical and scientific standards of the time and those that exist today; and 2) whether current human subject research safeguards are adequate to prevent recurrence of such ethical abuses.

The Committee's work essentially falls into three categories: 1) a review of experiments from 1944 -1974, 2) a survey of current human subjects research and 3) a review of secrecy and openness guidelines.

1) 1944 - 1974: The Committee found conclusive evidence that the government sponsored a very large number of human radiation research experiments from 1944-1974. Because of the large number, the Committee did not focus on the particulars of the hundreds of experiments, but rather on identifying the ethical standards that applied to the government and the medical profession. The Committee did examine a few experiments in-depth (those that involved children, vulnerable populations, etc.) and found, (i) that most were not harmful to the subjects, but (ii) that the government did not effectively implement policies to ensure that consent was obtained from the subjects.

The Committee will recommend financial compensation in two categories: 1) For the families of the 18 subjects of the plutonium injection experiments (the *Albuquerque Tribune* won the Pulitzer for uncovering this story). Though it is unlikely physical harm was suffered, this was the most egregious example of the government purposefully concealing the nature of an experiment from an experiment's subjects; 2) For a larger class of people who were subjects of experiments, were harmed to some degree, were not in a position to benefit medically, and did not give the proper informed consent. Experiments in this category include the testicular irradiation of prisoners, and the total body irradiation conducted in Cincinnati. There could be several thousand people in this category, but the number cannot be determined with any precision because many of the records have been destroyed. Nevertheless, the number of people who eventually are compensated will be a small percentage -- probably less than 10% of the total subjects -- because most were not harmed. **OMB is working with the agencies on several options for a compensation scheme. It is premature for you to comment with any specificity at this time, although we recommend that you endorse the Committee's principle of compensating those harmed.**

2) Current Human Subject Research: 1974 - present: The Committee reviewed 125 current or recently federally-funded studies (not limited to radiation research). It interviewed patients at leading hospitals in order to gauge the adequacy of procedures for obtaining informed consent from subjects; evaluated the research risks of the experiments; and sampled attitudes towards human subject research.

While the Committee found that most of the protections and informed consent were up to standard, it did find that some 25% of the experiments were "troubling" in terms of the informed consent and the risks involved in the research. The Committee has notified each of the sponsoring institutions (mostly university research hospitals) of these problems and asked each of the institutions to strenuously review their procedures. **We have prepared a proposed Executive Order directing federal agencies which sponsor human subject research to review their policies and procedures in light of the Committee's report to ensure that such research meets ethical standards.**

3) Secrecy and Openness: The Committee found that there are gaps in the informed consent system that could lead to the conduct of classified research on humans without their knowledge. The Committee's recommendations suggest: 1) additional safeguards for the protection of human subjects involved in classified research, and 2) environmental oversight of classified programs. While you are not in a position to comment on this set of recommendations because DoD and CIA are still reviewing them, preliminary conversations indicate that there should not be any problem in implementing the recommendations easily and quickly.

III. RECOMMENDATIONS

The Administration is officially seeing the final report for the first time, although we have been working closely with the Committee. You are not yet in a position to respond with a great deal of specificity about the Committee's report, but you can lay out a set of

principles that should guide the Administration in implementing the Committee's recommendations. **The theme of your remarks should be that your Administration has "done the right thing," lifting the veil of secrecy on the government's conduct of radiation experiments during the Cold War in order to right the wrongs done to innocent citizens, restore trust in government and ensure that future research meets the highest ethical standards.**

I recommend you take the following actions at the event on October 3rd:

1) Acknowledge the wrong done by the federal government to thousands of Americans and convey your empathy with those who were mistreated. Note that there will be representatives of victims rights groups at the event. By ordering this exhaustive review of the government's conduct, you have placed yourself squarely on the side of those who were wronged and this should come through both at the event and in the press coverage.

2) Endorse the principle that people harmed as subjects in unethical experiments are entitled to compensation, and pledge that your Administration work closely with the Congress to establish a streamlined compensation scheme. **This will be the first time you have substantively commented on this subject and your comments will receive the most media attention out of the event.**

3) Issue an Executive Order that 1) directs all federal agencies to review their policies and procedures with regard to human subject research and 2) establishes the National Bioethics Advisory Committee to, among other things, examine the issue of human subjects research, and develop more rigorous guidelines for informed consent to fill in the gaps that the Committee has found. **A draft Executive Order is attached.**

IV. DECISIONS:

- 1) ☒ Approve general approach: acknowledgement of government's mistakes and endorse principle of compensation
☐ Reject general approach
☐ Discuss further
- 2) ☒ Approve Executive Order
☐ Reject
☐ Discuss

PROTECTION OF HUMAN RESEARCH SUBJECTS AND
CREATION OF NATIONAL BIOETHICS ADVISORY COMMISSION

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Review of policies and procedures. (a) Each executive branch department and agency that conducts, supports or regulates research involving human subjects shall promptly review the protections of the rights and welfare of human research subjects that are afforded by the department's or agency's existing policies and procedures. In conducting this review, departments and agencies shall take account of the recommendations contained in the report of the Advisory Committee on Human Radiation Experiments.

(b) Within [120] days of the date of this order, each department and agency that conducts, supports or regulates research involving human subjects shall report the results of the review required by paragraph (a) of this section to the National Bioethics Advisory Commission, created pursuant to this order. The report shall include an identification of measures that the department or agency plans or proposes to implement to enhance human subject protections. As set forth in section 5 of this order, the National Bioethics Advisory Commission shall pursue, as its first priority, protection of the rights and welfare of research subjects.

(c) For purposes of this order, the terms "research" and "human subject" shall have the meaning set forth in the 1991 Federal Policy for the Protection of Human Subjects.

Sec. 2. Research ethics. Each executive branch department and agency that conducts, supports or regulates research involving human subjects shall, to the extent practicable and appropriate, develop professional and public educational programs to enhance activities related to human subjects protection, provide forums for addressing ongoing and emerging issues in

human subjects research, and familiarize professionals engaged in nonfederally-funded research with the ethical considerations associated with conducting research involving human subjects. Where appropriate, such professional and educational programs should be organized and conducted with the participation of medical schools, universities, scientific societies, voluntary health organizations, or other interested parties.

Sec. 3. Establishment of National Bioethics Advisory Commission. (a) There is hereby established a National Bioethics Advisory Commission ("NBAC"). NBAC shall be composed of not more than 15 members to be appointed by the President. NBAC shall be subject to the Federal Advisory Committee Act, as amended, 5 U.S.C. App. 2.

(b) The President shall designate a Chairperson from among the members of NBAC.

Sec. 4. Functions. (a) NBAC shall provide advice and make recommendations to the National Science and Technology Council and to other appropriate entities regarding the following matters: (1) the appropriateness of departmental, agency, or other governmental programs, policies, assignments, missions, guidelines, and regulations as they relate to bioethical issues arising from research on human biology and behavior; and (2) applications, including the clinical applications, of that research.

(b) NBAC shall identify broad principles to govern the ethical conduct of research, citing specific projects only as illustrations for such principles.

(c) NBAC shall not be responsible for the review and approval of specific projects.

(d) In addition to responding to requests for advice and recommendations from the National Science and Technology Council, NBAC may also accept suggestions of issues for consideration from both the Congress and the public. NBAC may also identify other bioethical issues for the purpose of providing advice and recommendations, subject to the approval of the National Science and Technology Council.

Sec. 5. Priorities. (a) As a first priority, NBAC will direct its attention to consideration of: protection of the rights and welfare of research subjects; and issues in the management and use of genetic information, including but not limited to, human gene patenting.

(b) NBAC shall consider four criteria in establishing the other priorities for its activities:

1. the public health or public urgency of the bioethical issue;
2. the relation of the bioethical issue to the goals for Federal investment in science and technology;
3. the absence of another entity able to deliberate on the bioethical issue; and
4. the extent of interest in the issue within the government.

Sec. 6. Administration. (a) The heads of executive departments and agencies shall, to the extent permitted by law, provide NBAC with such information as it may require for purposes of carrying out its functions.

(b) NBAC may conduct inquiries, hold hearings and establish subcommittees, as necessary. The Assistant to the President for Science and Technology and the Secretary of Health and Human Services shall be notified upon establishment of each subcommittee, and shall be provided information on the name, membership (including chair), function, estimated duration, and estimated frequency of meetings of the subcommittee.

(c) NBAC is authorized to conduct analyses and develop reports or other materials. In order to augment the expertise present on the NBAC, the Secretary of Health and Human Services may contract for the services of non-governmental consultants who may conduct analyses, prepare reports and background papers or prepare other materials for consideration by the NBAC, as appropriate.

(d) Members of NBAC shall be compensated in accordance with Federal law. Members of NBAC may be allowed travel expenses, including per diem in lieu of subsistence, to the extent

permitted by law for persons serving intermittently in the government service (5 U.S.C. 5701-5707).

(e) To the extent permitted by law, and subject to the availability of appropriations, the Department of Health and Human Services ("DHHS") shall provide NBAC with such funds as may be necessary for the performance of its functions. The Secretary of Health and Human Services shall provide management and support services to NBAC.

Sec. 7. General Provisions. (a) Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act that are applicable to NBAC, except that of reporting annually to Congress, shall be performed by the Secretary of Health and Human Services, in accordance with the guidelines and procedures established by the Administrator of General Services.

(b) NBAC shall terminate two years from the date of this order unless extended prior to that date.

(c) This order is intended only to improve the internal management of the executive branch and it is not intended to create any right, benefit, trust, or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

THE WHITE HOUSE,

THE PRESIDENT HAS SEEN

10/31/95



95 SEP 29 P 4:34

THE UNIVERSITY OF ARKANSAS

J. William Fulbright College of Arts and Sciences
Commemorative Year, 1981-82

Department of Political Science

To: Erskine Bowles
 From: Diane Blair
 Re: Proposed "Seminar" on Presidential Elections

As discussed, attached is a list of political scientists who would provide the President with a very rich and stimulating discussion session on presidential elections. Each of those listed is very smart, very articulate, and has authored numerous works considered to be seminal in their particular area of expertise (which I have identified).

I would ask each of them to come prepared a) to briefly outline, from the particular perspective of their scholarship, what are known to be the major factors and dynamics driving contemporary presidential elections (and in particular what they know that confounds or contradicts conventional wisdom; b) to offer observations on specific factors which may be especially powerful or problematic in 1996; and c) to interact with their colleagues and the President.

I do not know the politics of most of those listed, but certainly none are known to be partisan Republicans.

I worked hard on providing the right mix of different essential areas of expertise. If someone cannot participate, please let me know as I have a backup list of someone also extremely strong in that particular area.

Since most on this list are active faculty members, a Saturday or Sunday session would probably work best. Dates that would preclude some of the key people from participating are October 18-22, November 9-10, November 30-December 3.

Please keep me posted, and let me know what else is needed.

MR. President -

Diane Blair tells
 me you want to
 do this. If so,
 I'll set it up
 after you review &
 we vet the list.

September 29, 1995

IF NOT, I'll call
 her & say you want
 to do it - we just can
 schedule it bef.

1996

Erl

(All to be addressed as Professor)

Larry M. Bartels (Presidential primaries; media)
Robertson Hall
Princeton U.
Princeton, NJ 08544-1013
(609-258-4794)

Thomas E. Mann (Immediate past chair, National Election Study;
Forecasting)
Director, Governmental Studies
The Brookings Institution
1775 Massachusetts Ave. NW
Washington, DC 20036-2188
(202-797-6050)

Thomas E. Patterson (Media)
Department of Political Science
Syracuse U.
Syracuse, NY 13244-1090
(315-443-2416)

Samuel L. Popkin (Public opinion; voting behavior)
U. of California, San Diego
5441 Soledad Road
LaJolla, CA 92037

Wendy M. Rahn (Political psychology; public "mood")
Department of Political Science
1414 Social Science Bldg.
267 19th Ave. S.
U. of Minnesota
Minneapolis, MN 55455
612-624-4144

Raymond E. Wolfinger (Political participation; vote turnout)
Survey Research Center
U. of California, Berkeley
2538 Channing Way
Berkeley, CA 94720
(510-642-2062)

John R. Zaller (Voting behavior; Perot)
Department of Political Science
UCLA
405 Hilgard Ave.
Los Angeles, CA 90024-1472
310-825-5074

(While I am no presidential election scholar, I think the President wants me present, so better put me on the list)

Diane D. Blair

Department of Political Science

428 Old Main

University of Arkansas

Fayetteville, AR 72701

(501-575-3356)

Also please include Sheilah Mann, Director of Education, American Political Science Assn., whose knowledge of these people and their research was indispensable in compiling this list. Additionally, she is a strong Clinton supporter whose ability to locate whatever particular expertise is wanted (either state or national), or to recommend thoughtful "talking heads" or analysts to the media, could be extremely useful.

Dr. Sheilah Mann

Amer. Political Science Assn.

1527 New Hampshire Ave., NW

Washington, DC 20036

(202-483-2512)

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9/2/95

95 SEP 29 P 6 : 16

SEPTEMBER 29, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *for KH*

SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
SEPTEMBER 24-OCTOBER 1, 1995

DEPARTMENT OF TREASURY

- **G-7 Ministers Meeting:** On Friday, October 6, Secretary Rubin will participate in a press conference on the G-7 and will also participate in a roundtable with Secretary Christopher on the President Zedillo visit. On Saturday, October 7, Secretary Rubin will host the G-7 Finance Ministers Meeting in Washington, D.C. and on October 7 he will host the G-10 Meetings.
- **Interpol 64th General Assembly Session in Beijing:** On October 2-10, Interpol will convene its annual meeting in Beijing, China. Under Secretary for Enforcement Noble, a member of Interpol's Executive Committee, will lead the U.S. delegation.
- **Reauthorization of Federal Law Enforcement:** The House Subcommittee of Crime of the Judiciary Committee plans to hold hearings on October 18 and November 8 on reauthorizing duplication in law enforcement efforts. The second day will investigate the proper jurisdiction and basic structure of law enforcement which will likely include an examination of moving ATF to the Department of Justice.
- **Militia Hearing:** On November 2, the full House Judiciary Committee will hold hearings on the militia movement. These hearings were requested by Representative Conyers during the recent Waco hearings.
- **Establishing a Port of Entry at San Jose:** Customs has submitted a final regulation that would designate the four county area surrounding San Jose, California as a port of entry. San Jose has been determined to meet the criteria used by Customs to establish a port of entry. This proposal has been issued at the request of the city and has the support of local politicians, corporations, and associations.

DEPARTMENT OF COMMERCE

- **Supreme Court Grants *Certiorari* in Census Case:** On September 27, the Supreme Court granted *certiorari* in *City of New York v. Department of Commerce*, a case involving the 1990 Census. The court decided to review an August, 1994 Second Circuit Court of Appeals decision that could have resulted in an adjustment of the 1990 decennial census. Legal briefs must be filed by November 9, 1995. Oral argument has not yet been scheduled.
- **Order Re: Timber Levels for Washington:** Commerce is drafting an order which would establish the level of timber from state lands in Washington subject to export restriction after January 1, 1996. The Forest Resources Conservation and Shortage Relief Amendments Act requires that Secretary Brown issue the order prior to September 30.
- **Income & Poverty Report to be Issued:** On Thursday, October 5, the Census Bureau will release its annual report on income and poverty in the U.S. for 1994. The report details median family income and poverty as compared with the prior year, in general and demographically.
- **Under Secretary Garten Resigns:** Under Secretary for International Trade Jeffrey Garten submitted his resignation on Wednesday, September 27, to take a position with Yale's business school.

- **Commerce will Release the Following Economic Data:**

Gross Domestic Product for 2nd quarter 1995 (final)	September 29
Composite Indexes of Leading, Coincident and Lagging Economic Indicators for August 1995	October 4
Advance Retail Sales for September 1995	October 13

- **Endangered Species Listings:** 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 segment under the Endangered Species Act. Commerce also expects to clear a proposed rule to reclassify the Steller sea lion as two distinct populations: a western population to be listed as endangered, and an eastern population to continue its listing as threatened under the Endangered Species Act.
- **First NAFTA Panel on Mexican Anti-Dumping (AD) Case:** The NAFTA binational panel invalidated the Mexican government's AD order on steel only as to the complainants (Bethlehem and USX) and not as to others U.S. steel producers/exporters who participated in the investigation but not the panel. Mexico's regulations provide for a mini-proceeding in such situations, which could allow the other parties to establish why they also should benefit from this relief. Commerce is waiting for the Mexican government to respond to the NAFTA panel, which they are to do by September 29.



National Export Strategy Report: Secretary Brown will release the Third Annual Report to Congress on the National Export Strategy within the next week. Commerce is working to plan a press event, Congressional hearings (tentatively October 12) and a possible Presidential release, to highlight the coordinated efforts of the Administration to increase exports and create jobs.

DEPARTMENT OF LABOR

- **Labor Ministers Conference in Argentina:** Secretary Reich will be in Buenos Aires, Argentina on October 1-2 to attend and deliver remarks at the 10th Inter-American Conference of Ministers of Labor. The theme of this year's conference will be "Hemispheric Economic Integration and Employment." While in Argentina, he will also hold private meetings with Argentinean Minister of the Economy Cavallo.
- **Numbers Day:** On Friday, October 6, the Bureau of Labor Statistics (BLS) will issue its monthly report on the national employment and unemployment situation.
- **Caterpillar-UAW Negotiations:** Direct negotiations between Caterpillar and the United Auto Workers are scheduled for September 28-29 in Peoria, IL. Speculation continues that the UAW will call for a return-to-work while efforts to reach a settlement continue. About 9,000 UAW members remain on strike since June 20, 1994. Some 171 unfair labor practices complaints have been filed against the company. The last negotiated agreement between Caterpillar and the UAW expired September 30, 1991.
- **Boeing-Machinists Negotiations:** 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 time for union members to consider a contract offer. The Machinists represent some 32,000 hourly employees at Boeing facilities in Seattle and Spokane Washington, Wichita, Kansas, and Portland, Oregon.

DEPARTMENT OF TRANSPORTATION

- **Chicago Transit Authority (CTA) Innovative Financing Transaction:** On Monday, October 2, Federal Transit Administrator (FTA) Linton will join Chicago Transit Authority (CTA) officials to announce the largest innovative financing transaction ever approved by the FTA. CTA will enter into a leveraged sale or leaseback of approximately \$831 million in rail cars. Under this transaction, CTA will sell the rail cars to Wachovia Leasing Corporation and lease them back for a twenty-year period. CTA will pay \$3.8 million in transaction expenses and receive approximately \$47 million in benefits from the transaction.
- **Heightened Security Measures in the U.S.:** The FAA has informed airlines and airports that they must be ready to be placed at Security Alert Level III and to commence implementation of corresponding increased security measures by September 26. To ensure that the industry is fully informed of the threat circumstances requiring the increased measures, FAA is arranging a classified threat briefing for airline and airport CEO's on October 5. The Detroit Airport has stated it will not comply with this order, and thus risks temporary closure by the FAA.
- **International Aviation -- U.S. - U.K.:** Continuing negotiations with the United Kingdom are scheduled for October 16 here in Washington.

- **National Highway System (NHS):** House and Senate conferees on the National Highway System bills held their first meeting on Tuesday, September 26. Senator Warner was named chairman of the conference committee. Conferees representing the Senate Environment and Public Works and Commerce Committees and the House Transportation and Infrastructure Committees were in attendance. There is wide disagreement among the members on the two bills and little progress has been made in resolving the differences. At the same time, a provision approving the National Highway System remains in the Senate DOT appropriations bill, but no further action on NHS has occurred in the appropriations conference.
- **Termination of Funding for Air Traffic Control Towers (ATCT):** Members of Congress representing 20 locations in which ATCTs may have funding terminated were notified today of the analysis of the most recent cost/benefit ratio. Locations that do not meet a 1.0 cost/benefit ratio will be closed. They were originally notified in November 1994 that the Federal Aviation Administration would withdraw federal funding on December 31, 1995 from any tower that did not meet a 1.0 cost benefit ratio by October 1, 1995.
- ✓ **Chicago Bridges:** DOT has drafted a Final Rule on the Chicago Drawbridge issue. While the rule was being drafted, representatives from the City of Chicago and the boat yards agreed upon a temporary schedule to accommodate the return of recreational sailboats from Lake Michigan for winter storage. The final rule will be published in the Federal Register (October 6) and will become effective on November 19.
- **Los Angeles Airport:** On September 22, DOT determined that a significant dispute over rates exists regarding the complaint filed on August 25, 1995, by the Air Transport Association of America and fifty-nine airlines against the City of Los Angeles, the City of Los Angeles Department of Airports, and the Los Angeles Board of Airport Commissioners (collectively the City), and thus assigned the matter to an administrative law judge (ALJ) for an oral evidentiary hearing. The order directed the ALJ to issue a recommended decision by Wednesday, November 22, 1995.
- **Los Angeles Subway Construction:** On Tuesday, September 26, Federal Transit Administrator (FTA) Linton met with California State Senator Tom Hayden to discuss the future of the Red Line subway project. Hayden requested enhanced oversight, or, if possible, the complete shut-down of the subway project. FTA pledged commitment to the continued and strengthened oversight of the quality and safety of the project. At present, FTA is awaiting the Los Angeles Metropolitan Transportation Authority's updated project management plan due on October 1.

DEPARTMENT OF JUSTICE

- ✓ **First Anniversary Of Operation Gatekeeper:** On October 5, Commissioner Meissner will join the Attorney General in San Diego, to mark the first anniversary of the border control initiative called Operation Gatekeeper. They will announce the next steps the Administration plans to take to secure the border in California.
- **Senate Waco Hearings Scheduled For October:** The Senate Judiciary Committee hearings on the actions of the federal agencies involved in the raid on the Branch Davidian compound in Waco, Texas, are now scheduled for October.

OFFICE OF PERSONNEL MANAGEMENT

- **Career Transition Assistance:** OPM was represented on a panel at the Greater Washington Board of Trade which looked at the effect of federal downsizing on the Washington area economy. The private sector was invited to become a partner in the government-wide career transition program. The Board of Trade established a Task Force to work with the Interagency Advisory Group (IAG) effort. Career transition was the major topic in a teleconference with Federal Executive Boards. FEB's were asked to take the lead in their geographic area in developing programs and liaising with local and state governments as well as regional DOL offices.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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• **Approval of Oklahoma Medicaid Demonstration:** HHS expects to announce its approval of Oklahoma's statewide section 1115 Medicaid demonstration, SoonerCare, within the next few weeks.

• **Approval of Welfare Proposals for WA and IL:** The Washington State proposal, *Success Through Employment*, is a statewide waiver that would eliminate the rule limiting unemployed parents receiving AFDC to 100 hours of work in order to maintain eligibility; impose a ten percent grant reduction for AFDC recipients who have received assistance for 48 out of 60 months thereafter; and hold the food stamp benefit level constant for cases whose AFDC benefits are reduced due to length of stay on assistance.

• **Illinois Welfare Demonstrations:** *The School Attendance Demonstration* requires caretakers to participate in a plan to improve poor elementary school attendance. Failure to improve poor attendance would result in the establishment of a protective payee and the removal of the caretaker's portion of the AFDC grant. The state's second proposal, *Work and Responsibility*, limits AFDC benefits to 24 months when the youngest child is 13 years or older; require new job-ready applicants with children between five and 12 to participate in job search for up to six months; imposes a family cap; limits basic education or GED exemptions to two years; and requires a self-sufficiency plan as a condition of eligibility. In selected sites, the demonstration will require cases with earned income to report income quarterly.

• **Teen Pregnancy Grants to be Announced:** On September 29, HHS announced \$4.2 million in grants for innovative programs aimed at preventing early teenage sexual activity and reducing teen pregnancy.

• **Report to Congress on Out-of-Wedlock Births:** On September 29, HHS issued a Report to Congress on Out-of-Wedlock Births, as required by the Violent Crime Control and Law Enforcement Act of 1994.

• **Approval of North Dakota Welfare Waiver:** On September 29, HHS approved North Dakota's proposal, the *Training, Education, Employment and Management Project*, requires families in 9 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.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **CHA Update:** On September 27, demolition began on the first of three buildings to be torn down at Cabrini Green. A total of 660 units will be demolished and a mixed income townhouse community will be built in its place.

✓ **Public Housing Grants:** On September 28, Secretary Cisneros announced this year's \$103 million HOPE VI grant to Baltimore, Boston, Cleveland, Pittsburgh, and San Francisco. HOPE VI is the Administration's primary tool for providing maximum federal commitment but minimal federal control to demolish and rebuild the worst public housing developments in the country. Baltimore Mayor Kurt Schmoke, Pittsburgh Mayor Tom Murphy, Senator John Kerry, Senator Joseph Kennedy, Congressman William Coyne, and Congresswoman Nancy Pelosi participated in the press conference.

✓ **Goals for Education Technology:** During the HOPE VI announcement, Secretary Cisneros announced HUD's program to make computers accessible to residents of public housing. Several of the grant recipients, like Cleveland, have computers linking residents to the information superhighway as an integral part of their plans for rebuilding public housing communities. The Secretary will host a conference in November to guide public housing authorities in creating "Communities of Learners."

✓ **4-H Grants Awarded:** On September 29, Secretaries Glickman and Cisneros announced a \$3.5 million HUD grant to expand 4-H after school programs in public housing communities.

✓ **Possible Media Story re. Riverside County's Country Village Development:** HUD anticipates that the *L.A. Times*, will print a story soon on the alleged mishandling of an approved FHA-insured mortgage for Country Village, a 1,200-unit apartment complex for the elderly in Riverside County, California. HUD initiated an enforcement action against the owners earlier this month for financial, management, and physical problems with the development.

OFFICE OF NATIONAL DRUG CONTROL POLICY

✓ **Anti-Drug Coalition Steering Committee:** On September 26, Director Brown participated in an Anti-Drug Coalition Steering Committee meeting in Cincinnati at the request of Rep. Portman of Ohio and Jim Burke of the Partnership for a Drug Free America.

DEPARTMENT OF EDUCATION

- **Ohio Selection for Ed Flex Program:** On September 27 the Department announced the selection of Ohio as the fourth state to participate in the Education Flexibility Partnership Demonstration Program. Under this program, the Department can authorize six states to waive certain federal statutory or regulatory requirements as needed to facilitate the state's implementation of its school improvement plan. Oregon, Kansas, and Massachusetts have previously been selected. The Senate appropriations bill contains a proposal by Senator Hatfield to expand this program to include six more states.

- **Defendant Sentenced In "Three Strikes" Case:** Robert Lee Willis was sentenced in the District of Kansas to life in prison under the "three strikes" provision of the Crime Bill for aggravated assault and conspiring to commit bank larceny. Willis, who had been previously convicted of four armed robberies, had been out of prison a total of 15 months since 1971 and was out of prison only five months before committing this crime.

- **Operation SouthPAW Nets More Than 4,000 Apprehensions:** On September 26, INS held a news conference to announce the final results of Operation SouthPAW (Protect America's Workers). Agents surveyed and inspected more than 300 work sites in Alabama, Arkansas, Florida, Georgia, Mississippi, and Tennessee, apprehending 4,044 illegal workers from 45 different countries, initiating 20 criminal investigations, and fining 10 employees for violations of immigration law. According to District Office reports, the operation removed illegal workers from jobs paying combined wages of more than \$55.7 million, at an average of \$7.00 per hour. Surveyed employers reported filing more than 2,400 of those jobs with legal workers.

BOP Population: Since July 25, there has been a net increase of 1,010 inmates in Bureau of Prisons custody, making the current population 100,689 (including contract facilities). Based on a total BOP population of 89,983 (which excluded inmates in contract facilities), the BOP is currently operating at 126 percent of its total institution rated capacity. The BOP population was 88,473 in 1993, 94,907 in 1994 and 100,689 in 1995.

U.S. TRADE REPRESENTATIVE

- **Announcements on Super 301:** Ambassador Kantor made three announcements related to Section 310 of the Trade Act of 1994 (Super 301) which is in effect pursuant to an executive order. The Administration submitted to the Senate Finance and House Ways and Means committees a report on U.S. trade expansion priorities and identification of major barriers or trade distorting practices affecting U.S. trade and services. On September 28, Ambassador Kantor announced that the United States had reached an agreement with the Korean Government to increase market access for U.S. and foreign autos into the restrictive Korean market. He stated that with the conclusion of a Memorandum of Understanding (MOU) between Korea and the U.S., Korea would not be identified as a Priority Foreign country (PFC) in this year's Super 301 Report, but that the U.S. would vigorously monitor Korea's compliance with the terms of the agreement. Ambassador Kantor announced that on September 27 you signed an executive order extending Super 301 for 2 years.

SMALL BUSINESS ADMINISTRATION

- **US Export Assistance Center Opening:** On September 28, the Administrator joined Deputy Secretary of Commerce Dave Barram, Governor Zell Miller, and Mayor Bill Campbell for the opening of the USEAC in Atlanta, Georgia. USEACs provide easy access to export promotion and trade finance services particularly for small and medium-sized businesses. While in Atlanta, he met with Billy Payne of the Atlanta Committee for the Olympic Games to discuss SBA's involvement with the Games.

- **Civil Rights Policy Guidance:** The Office for Civil Rights has distributed draft guidance on the Department's enforcement of Title IX of the Education Amendments of 1972, which prohibits institutions from discriminating in their provision of intercollegiate athletic opportunities to men and women. The Department has requested comment on the draft guidance, which was disseminated to schools as well as to several Members of Congress who had indicated their interest in this issue.
- ✓ **Higher Education Conference:** On October 8 and 9, Secretary Riley will participate in a national conference the Department is organizing on higher education funding. Senator Kassebaum and Congressman Goodling are expected to attend.

DEPARTMENT OF THE INTERIOR

✓ **Environmental Message Receives Much Media Coverage:** The coordinated message from the Department and the White House last week generated excellent press articles and editorials nationwide. The environmental battle was placed at the forefront with the combination of your announcement that you would veto reconciliation if it contained drilling in ANWR. Editorials supporting the environment came from some unexpected sources, including the *Kansas City Star*, the *Denver Post* and the *Portland Oregonian*.

✓ **Secretarial Travel:** To highlight park closure, Secretary Babbitt visited Chattahoochee National Park in Newt Gingrich's district. The visit received much press coverage; CNN and *Time Magazine* covered the event. The House leadership was upset over the Georgia press coverage that the Secretary's visit received and is threatening retaliation on UDPA's appropriations bill.

ENVIRONMENTAL PROTECTION AGENCY

✓ **Administrative Reforms of Superfund:** On Monday, Secretary Browner will announce the third round of administrative reforms of the Superfund program at a press briefing. For two and a half years, EPA has worked reforms to make the Superfund program faster and more efficient for the one in four Americans who live within four miles of a toxic waste dump.

- **The Ozone Transport Commission:** On September 28, EPA announced a proposed rule that would create the regulatory framework for a 49-state clean car. This rule will allow states and automakers voluntarily to adopt national standards for cleaner cars that will bring important environmental and public health benefits to every state.

- **Renewable Fuels Events:** This week, EPA participated in two ethanol-related events. Yesterday, Secretary Browner conducted a radio news conference with Secretary Glickman to reiterate the Clinton Administration's efforts to promote renewable fuels such as ethanol. The press conference reached a number of important midwestern media outlets. The Secretaries communicated the Administration's opposition to Congressional efforts to eliminate tax incentives for ethanol. On September 28, Secretaries Glickman and Browner testified at a Senate Agriculture Committee hearing regarding the Administration's efforts to promote renewable fuels.

- **Dioxin Reassessment:** Secretary Browner will receive the Science Advisory Board's (SAB) review of EPA's reassessment of the risks from dioxin. Dioxin is a toxic chemical that has been linked to negative health effects, including cancer. The SAB's comments fall into two categories: their review of our exposure assessment and comments on the risk assessment. They suggest that EPA may have overstated the risks from dioxin. EPA is already working to incorporate SAB's comments and will send a revised assessment to the SAB next year.
- **Proposed Guidance on the Acquisition of Environmentally Preferable Products:** In response to Presidential Executive Order 12873, EPA had developed guidance to help Federal agencies become "environmental performance of products, it creates an incentive for manufacturers to compete on that basis in the marketplace. Industry will find this approach preferable to "green labeling".

DEPARTMENT OF AGRICULTURE

✓ **Pacific Northwest Economic Adjustment Initiative/Forest Plan:** The USDA Forest Service continues to actively implement the timber salvage provisions of the Rescission Act, and salvage sales are on schedule. As of September 15, 1,406 million board feet of timber has been offered for sale nationally. This compares to 1,140 million board feet as of August 30 and a planned amount of 1,731 million board feet for FY95. To date, there have been five lawsuits filed against salvage sales.

DEPARTMENT OF ENERGY

- **Announcement on the Provision of Tritium:** On October 5, Secretary O'Leary will announce the DOE's preferred alternatives to meet the nation's tritium requirements to maintain the nuclear weapons stockpile. The Secretary will announce two options that will be evaluated over a two-year period to determine the cheapest and most viable alternative before selecting the primary alternative. She will not be announcing the construction of a new large facility. The congressional delegations of Nevada and South Carolina are extremely interested in this issue.

Carrying over from FY94
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Issues Affecting Rates charged to Customers in the Pacific Northwest: On September 28, Secretary O'Leary instructed the Administrator of the Booneville Power Administration (BPA) to attempt to renegotiate contracts with its aluminum customers over the next few days. Contracts were offered by BPA to its industrial customers with provisions providing permanent relief from any stranded investment costs that may focus on the BPA system as a result of customers leaving the system to get cheaper power. We believe that this had the potential to damage the interests of smaller customers who may have had to cover the costs of such investments. Given the volatility of such potential rate increases and perceived subsidies provided to larger customers, this issue will receive significant media attention.

- **Announcement of the Advisory Committee on Human Radiation Experiments Report:** Next week, Secretary O'Leary will participate in an announcement of the Advisory committee's release of its report on October 3. The report will receive significant media attention.

UNITED STATES INFORMATION AGENCY

- **Okinawa Rape Coverage:** The alleged rape of a twelve-year-old Japanese girl by US servicemen prompted negative Japanese media commentary on the Status of Forces Agreement. The USIS Tokyo Press Office worked diligently with major Japanese and international news organizations to correct a widespread misinterpretation of your statement regarding US willingness to review the Status of Forces Agreement which he made on a radio town meeting in Los Angeles. Because of USIS efforts, Reuters, the Associated Press, and Kyodo printed clarifications of or corrections to their stories.

GENERAL SERVICES ADMINISTRATION

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- **Empowerment Zones/Enterprise Communities:** This week, Administrator Johnson met with HUD Deputy Secretary Andrew Cuomo to discuss his campaign to promote the Clinton Administration's designated Empowerment Zones/Enterprise Communities. Since April, the Administrator has toured ECs/Ezs located all across the country, and continues to do so. In each city, he meets with local politicians and community leaders and then follows up with a business outreach event, urging CEO's to become a "full partner" with the Clinton Administration in developing their local ECs/EXs.

DEPARTMENT OF DEFENSE

- **Russia and Bosnia:** It is clear from initial discussions with the Russians that they expect to participate in IFOR and generally play a major and visible role in implementing a Balkan peace settlement. Public warnings coming out of Moscow that NATO expansion and lack of prior consultation on Western policies in Bosnia will not be cost-free have been accompanied by the MOD's decision to cancel or freeze the previously scheduled military contacts and events with the U.S. and other NATO countries.
- **Persian Gulf:** In light of U.S. CINCCENT's recent request for additional enhancements to respond to a near-term "window of vulnerability," Defense Department officials have reviewed the changes in their force posture in the Persian Gulf since October 1994. DoD has significantly enhanced its posture in the Gulf since Operation Vigilant Warrior, including adding 72 additional strike aircraft, and expanding and better managing prepositioned assets both afloat and ashore. Operation Vigilant Sentinel demonstrated U.S. increased responsiveness. However, there are areas that need further improvement principally prepositioning precision guided munitions in the Gulf. DoD have determined the number and type of munitions required and they are making progress in reaching an agreement with the Saudis on prepositioning.
- **NATO Defense Ministerial:** On October 4-7, Secretary Perry will host the NATO Informal Defense Ministerial in Williamsburg, Virginia.

DEPARTMENT OF STATE

- **Middle East Peace/Next Steps:** On Thursday, September 28, Secretary Christopher chaired the Ad Hoc Liaison Committee and helped to sensitize the major donors to the need to move quickly on infrastructure and private sector development projects that will have a rapid and visible impact in the West Bank and Gaza. State Department officials are urging contributors to identify specific projects, in such areas as water supply, housing, or the creation of industrial zones, to which they will pledge funding at upcoming meetings. Meanwhile, Secretary Christopher will meet Syrian FM Shara next week in Washington to continue his efforts to move the Syrian-Israeli track forward.
- **Bosnia Peace Process:** In a series of meetings with me and Dick Holbrooke in New York, the parties worked out a statement of Further Agreed Basic Principles, building on those reached in Geneva. These principles address elections, the role of the central government, and establishment of a constitutional court. The Serbs backed off insistence that the central government manage only foreign affairs, settling for determination of central government functions at a later date. Following Secretary Christopher's phone call to President Izetbegovic, the Bosnians backed off demands for popular elections settling for "full, democratic elections."
- **Russia:** On Tuesday, September 26, in New York, FM Kozyrev assured Secretary Christopher that Yeltsin wants a successful Hyde Park meeting. Kozyrev promised some movement on bilateral issues before then. He accepted the need to try to resolve the CFE problem before Hyde Park, although he thought some aspects of the issue could be deferred. Most important, Kozyrev suggested that our militaries consult on how Russia could engage in the Bosnia implementation plan, and that we need to talk more about NATO enlargement. The suggestion seemed clear (although he has publicly denied it): if we come to terms on Bosnian implementation, they will lower the rhetoric on NATO enlargement.
- **Progress with the Chinese:** The United States may have turned a corner after Secretary Christopher's meeting in New York with Chinese FM Qian. This cautious optimism comes both from the atmospherics of the meeting and from the positive tone of President Jiang's letter to the President, which Qian handed Secretary Christopher at the meeting. Qian seemed to have put the Taiwan visits issue to one side, at least for the time being. Instead, he signaled that China is very interested in rebuilding the relationship and is trying hard to produce a summit. One indication of this was Qian's assurance that China does not plan to sell nuclear reactors to Iran.
- **Nominations:** On Tuesday, September 26, Senator Kassebaum was the only participant at a short, non-controversial confirmation hearing for Ambassadors-designate Joseph (South Africa) and Twining (Cameroon). Senator Kassebaum promised she would try to move the nominations as quickly as possible, but could offer no guarantees. Senator Helms' office has begun calling the nominees still on hold to urge them to press us to move on consolidation. After a meeting September 27 with Ambassador-designate to China Sasser, Senator Helms scheduled a confirmation hearing for him October 12.

UNITED NATIONS

- **Secretary Christopher's Visit:** The United Nations 50th General Assembly convened last week and Secretary Christopher delivered the U.S. address. Secretary Christopher spent most of the week in New York for bilateral meetings. His visit went extremely well, punctuated by the difficult, but ultimately successful, negotiations with the foreign ministers of Bosnia. Secretary Christopher and Ambassador also held a series of fruitful bilateral meetings. Although large elements of their proposals for reform were embraced by a number of delegations, many -- including the British and the Germans -- criticized them for failure to meet their current assessed obligations.
- **Bosnia Peace Initiative:** While talks progressed in New York early this week, one of Ambassador Albright's senior advisers joined a small team of USG officials who toured four European capitals to discuss political and military elements of the peace implementation plan. They make progress on planning for IFOR and responded to European concerns about the limited role the UN envisage for the United Nations.
- **Pope's Visit:** On October 4, Ambassador Albright will join you and other Cabinet members in welcoming His Holiness Pope John Paul II to the United States. On October 5, the Pope will address the United Nations.
- **Briefing Congress on Bosnia:** On September 29, Ambassador Albright is scheduled to participate in a briefing hosted by the President for Congressional leaders concerning the status of peace negotiations in Bosnia.

CENTRAL INTELLIGENCE AGENCY

- **Bolstering Support to NATO Allies:** On Tuesday, September 27, Director Deutch and Secretary Perry approved a number of actions to further U.S. support to NATO operations in Bosnia. The most significant decisions from an intelligence perspective were to share sensitive imagery products with NATO forces involved in combat operations to eliminate controls on intelligence products.
- **NRO's Forward Funding:** On Wednesday, September 28, George Tenet, Keith Hall, and Jeff Harris went before the Senate Select Committee on Intelligence to discuss concerns over the NRO's financial management practices. The Senators expressed a number of concerns about the NRO's forward funding practices. Although Director Deutch believes there has been no wrongdoing on the part of the NRO, he and Secretary Perry have asked the Inspectors General of DoD and CIA to provide a thorough audit of "forward funding" practices of the NRO, and he will promptly provide the results of this audit when completed. Director Deutch will also be sending a letter to you expressing his concern over the recent severe reductions in NRO's funding requests by the FY 1996 Appropriations conference. Director Deutch worry further that recent Congressional actions will have a severe impact on U.S. ability to complete major upgrades to our satellite reconnaissance systems.

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to Mr. [unclear]

We have also received the following information items:

① ● **Immigration Message.** An editorial in the September 16 *Washington Post* on "Immigrants With Skills" talked of the need to put American workers first and cited some suggestions from Barbara Jordan on this subject. You noted that this message "needs to become a more explicit part of our message." In response, Rahm reports that he advised Commissioner Meisner and Secretary Reich to incorporate this message into their testimony at Senate immigration hearings on September 28.

● **9th Circuit decision on religion in schools.** From Steve Neuwirth. On Friday, the court ruled that a public high school receiving federal funds could not prohibit a student religious club from meeting on high school premises during the lunch period, when other extracurricular student clubs are permitted to meet. The court's decision was based on the Equal Access Act and confirmed a key principle in Secretary Riley's guidance to schools; DOJ filed an amicus brief in the case supporting the position the court took. The Christian Legal Society issued a statement praising the Administration's participation in the case stating, "[t]his was teamwork at its best, religious advocates and the White House successfully fighting the pervasive discrimination against free religious expression."

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● **Vesco extradition from Cuba.** From Richard Nuccio via Harold. Cuba never offered to extradite Vesco. When our government indicated an interest in having him, Cuba backed off. Castro has publicly stated that it would be "immoral" to extradite him. While we are still interested in Vesco, we would not back off our embargo to secure his return.

● **Return of Hope, Arkansas Pilot's Remains.** From Tony Lake. The remains of Lieutenant Commander John F. Barr, USN, from Hope were among those of 18 servicemen from Vietnam and Laos returned to Travis AFB in California on September 27 from the processing center in Hawaii (which you have visited). Barr was previously unaccounted for after his aircraft was lost during a strike over North Vietnam on October 18, 1967. Barr's remains were returned to Hawaii in 1988 and recently positively identified based on a match of blood samples from his mother and sister. He will be interred with full military honors October 18 at National Cemetery in Houston, where his family lives. Also, a set of group remains to be buried at Arlington October 12 includes those of Captain Earl R. Michles, USA, of Pocahontas, Arkansas. He was in a helicopter shot down on June 13, 1968.

C.T. Schroeder

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The family is
of the family
also the family
successful effort

LAIRZ

THE WHITE HOUSE

WASHINGTON

September 29, 1995

95 SEP 29 P4: 48

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE

SUBJECT:

Return of Hope, Arkansas Pilot's Remains

The remains of 18 American servicemen missing in Vietnam and Laos were returned to the USAF mortuary at Travis Air Force Base, California, on September 27, 1995. Included in this group are the remains of Lieutenant Commander John F. Barr, USN, of Hope, Arkansas. LCDR Barr was previously unaccounted for after his aircraft was lost during a strike over North Vietnam on October 18, 1967.

LCDR Barr's remains were repatriated to the U.S. in 1988. The following year, additional remains along with his military identification card and various other personal effects were returned. His remains were unidentifiable through traditional means. LCDR Barr was identified by matching the mitochondrial DNA (MtDNA) obtained from the remains with the MtDNA obtained from blood samples provided by his mother and sister. He will be interred with full military honors at Houston National Cemetery on October 18. His family currently lives in the Houston area.

Included in a set of group remains are those of Captain Earl R. Michles, USA, of Pocahontas, Arkansas. Captain Michles was a passenger on a helicopter shot down on June 13, 1968. While some of his remains were recovered and individually identified in 1968, additional remains were recovered during joint U.S./Vietnamese investigations in 1993. The group burial will be in Arlington National Cemetery on October 12.

Given that LCDR Barr is from Hope, Arkansas, we wanted to let you know of the return in case you knew the family personally.

cc: Vice President
Chief of Staff