

To Doug
Sosnick

THE WHITE HOUSE

WASHINGTON

November 2, 1995

Doug --

This is the young woman I mentioned to you a couple weeks ago. She worked for me and Cathy Russell on Senator Leahy's Judiciary Subcommittee and also did some work for me during the Clinton transition when I was preparing memos on potential Cabinet nominees.

She is terrific. Bright, competent, reliable, hardworking, totally trustworthy and discrete and a complete pleasure to have around. She's at what I'd describe as a mid-level -- not ready to run a state or a major department, but well past the stage of being a phone-answering assistant. Given some direction and responsibility, she'll get a job done.

She'd love to get into the campaign. If you have any ideas, want to talk to her, have any questions, whatever, let me know.

Todd

JANE FRANCAVILLA

316 East 77th Street, Apartment 2A
New York, NY 10021
212-472 4833

EXPERIENCE:

ZURICH CENTRE INVESTMENTS

Account Manager, Centre ReSource, April 1995-present

Corporate communications. Develop, design and deliver marketing campaigns and materials for a group of financial and insurance companies. Develop appropriate agendas, messages and presentation materials for client-sponsored events, conferences, and meetings.

Investor relations. Coordinate with the director of investor relations to administer shareholder relations program and provide customer service to shareholders. Respond to inquiries, coordinate press releases, update company analyses, and implement yearly plan for management to meet with analysts, shareholders and potential investors.

Business Development Analyst, Zurich Reinsurance Centre, January 1994-April 1995

Managed the development of information on client and broker activity and supported the cultivation of positive broker and client relationships. Contributed to the development and design of the annual marketing plan.

OFFICE OF SENATOR PATRICK LEAHY

Legislative Correspondent, March 1992-December 1993

Conducted research, prepared memoranda, attended hearings and monitored legislation on economic, tax, banking, trade, energy and transportation issues. Assisted Vermont businesses and non-profit organizations with grant applications to federal government agencies. Responded to all constituent inquiries in relevant issue areas. Maintained detailed database on Senator Leahy's voting record.

UNITED STATES SENATE JUDICIARY COMMITTEE SUBCOMMITTEE ON TECHNOLOGY AND THE LAW

Staff Assistant, January 1991-March 1992

Primary responsibility for District and Circuit Court nominations, including briefing and staffing Senator Leahy. Assisted legislative counsels in preparation of memoranda, speeches and hearing materials. Coordinated and responded to constituent mail, and conducted basic legislative research. Responsible for various administrative duties.

CAMPAIGN EXPERIENCE:

Clinton for President, 1992

Canvassed for Governor Clinton in New Hampshire. Assisted team that researched prospective cabinet appointments. Aided in research and preparation of briefing book for Transition of the First Lady.

Vermont Coordinated Democratic Campaign, October 1992-November 1992

Aided in coordinating get-out-the-vote activities for Governor Clinton, state and local candidates in Bennington County, Vermont.

EDUCATION:

Franklin and Marshall College, Lancaster, PA

Bachelor of Arts, May 1990

Government Major, strong concentration in Physical Sciences

Honors include Dean's List for four years and Pi Sigma Alpha Political Honor Society

To Ann LEWIS
C/G Re-elect

THE WHITE HOUSE
WASHINGTON

November 2, 1995

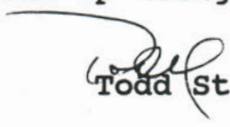
Ann --

This is the young woman I mentioned to you a couple weeks ago. She worked for me and Cathy Russell on Senator Leahy's Judiciary Subcommittee and also did some work for me during the Clinton transition when I was preparing memos on potential Cabinet nominees.

She is just terrific. Bright, competent, reliable, hardworking, totally trustworthy and discrete and a complete pleasure to have around. She's at what I'd describe as a mid-level -- not ready to run a state or a major department, but well past the stage of being a phone-answering assistant. Given some direction and responsibility, she'll get a job done.

She'd love to get into the campaign. If you have any ideas, want to talk to her, have any questions, whatever, let me know.

Meanwhile, I hope things are going well for you and I'm very glad you're on board. I hope we end up doing some work together.


Todd Stern

JANE FRANCAVILLA

316 East 77th Street, Apartment 2A

New York, NY 10021

212-472 4833

EXPERIENCE:

ZURICH CENTRE INVESTMENTS

Account Manager, Centre ReSource, April 1995-present

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Honors include Doan's List for four years and Pi Sigma Alpha Political Honor Society

TIME WARNER

95 OCT 20 P6:15

10/20/95

TO: Todd Stern

Tod:

The attached is a thank
you for the President
for ENDA.

Thanks.

TIME WARNER

Tim

*Do reply
for me to sign*

*To
Dorskind*

*for Reply original
to Dorskind*

Timothy A. Boggs
Senior Vice President
for Public Policy

Time Warner Inc.
800 Connecticut Avenue NW
Suite 800
Washington, DC 20006
Tel 202 457 8582
Fax 202 457 8861

THE PRESIDENT HAS SEEN
11-2-95

TIMOTHY A. BOGGS

Mr President -

*Bravo! Your endorsement
of ENDA is a proud and historic
step. It is also a brave and
senior policy statement that
will always be part of the
Clinton record. As always -*

October 20 1995

Tim

We have also received the following information items.

✓ **HHS memo on South Carolina cocaine babies program.** Forwarded by Erskine at your request. South Carolina AG accused HHS of shutting down state program designed to help unborn children of cocaine-addicted women. Article distorted HHS's role. Under the program, pregnant women fitting a certain profile were tested for substance abuse. Those who tested positive had to attend counseling and were jailed if they failed to do so. HHS investigated program under Title VI because it heard that nearly all the jailed women were black. Medical University of South Carolina, sponsor of program, voluntarily terminated practice of jailing pregnant women after being notified of the HHS investigation, but before formal investigation started. HHS accepted voluntary agreement only after consulting with Public Health Service to ensure that no other aspect of the drug treatment program would be affected.

✓ **Thank you note from Liz Carpenter.** Thanks you for coming to Austin and "lifting our spirits and conscience." Says Austin fell in love with you and that papers were full of praise and pictures. Guero's Restaurant named your "high-caloried Tex-Mex order 'El Presidente' and doubled its clientele." She says people are telling her you will carry Texas; Liz and Jake Pickle are putting together a Clinton-Gore Democratic Revival Tour with the organ you signed and campaign choir.

✓ **Congressional Correspondence.** 1) Rep. Martin Meehan (D-MA): Says that you did a great job on tobacco, has been great to work with your Administration and looks forward to another four years. Wished you well on your weekend trip to Martha's Vineyard. 2) Rep. Pat Schroeder (D-CO): Sends you and the First Lady belated anniversary greetings. Says "we all belong in a marriage hall-of-fame for longevity."

✓ **Thank you note from Tim Boggs.** Tim thanks you for your endorsement of ENDA calling it a "proud and historic step...it is also a brave and serious policy statement that will always be part of the Clinton record."

✓ **Note from Oscar Wyatt.** Via Mack. Urges you to "never make excuses" about your Houston speech because it was "well received" and "stimulated a lot of marginal Democrats to start thinking." Says "it was a hell of a speech....[y]ou admitted you might have made some mistakes, but your results were excellent, the delivery was excellent". Note that the *National Journal* article forwarded at Tab L describes Wyatt as being on the Texas presidential campaign steering committee for Bob Dole.



November 2, 1995

BY HAND

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

Dear Mr. President:

The 7,500 Inupiat Eskimo shareholders of the Arctic Slope Regional Corporation (ASRC) appreciate the opportunity to participate in the signing ceremony for H.R. 402, which contains technical amendments to the Alaska Native Claims Settlement Act (ANCSA). This same Act mandated that ASRC pursue economic development activities to benefit its North Slope Eskimo shareholders. This Congressional mandate for self-responsibility has been thwarted by our inability to responsibly develop the only lands we own which have oil-bearing potential: our 92,000 acres located at the Village of Kaktovik in the small Coastal Plain Arctic National Wildlife Refuge (ANWR).

Your Administration has issued statements of a veto threat if the budget reconciliation bill contains provisions to open up the Coastal Plain of ANWR to oil and gas leasing. The Administration continues to ignore the interests of the Inupiat Eskimos, the 90,000 Native Americans represented by the Alaska Federation of Natives, Governor Tony Knowles of the State of Alaska and our Congressional Delegation on this issue.

Environmentally responsible oil and gas development can occur on the Coastal Plain, as it has at Prudhoe Bay, and provide needed revenue to the state and federal governments to reduce the deficit, provide needed jobs and reduce our dependence on foreign oil. Oil development on the North Slope has provided my people their only economy and created a tax base for essential public services and enabled us to leave third world conditions behind and move into the twentieth century.

We urge your reconsideration of your position on this critically important issue to the Inupiat Eskimo people.

Sincerely,

Alma M. Upicksoun
Assistant House Counsel

Jim Dorskind

Please coordinate
the reply.

ORIGINAL
sent to
Dorskind

S
11/2

11/2

To NSC for appropriate handling,
- for POTUS Reply ~~yes~~

~~for appropriate handling~~

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11/02/95

TO: NSC

FROM: Staff Secretary

For appropriate handling.

Thanks.

95 NOV 2 P3:26

Staff Sec.
POTUS has not
seen.

TELECOPY

Milan Panic

**Chairman of the Board, President and
Chief Executive Officer**

**ICN Pharmaceuticals, Inc.
Costa Mesa, California**

Prime Minister 1992- 1993

**Federal Republic
of Yugoslavia**

TO: President William Clinton

TELECOPY: (202) 456-6703

DATE: November 2, 1995

PAGES: 2 - including cover page

**ICN Pharmaceuticals, Inc., 3300 Hyland Avenue, Costa Mesa, California 92626
Telephone (714) 545-0100 Telefax (714) 641-7228**

Republique Federale de Yougoslavie
le Premier Ministre (1992-93)
Milan Panic

95 NOV 2 P3:26
November 1, 1995

Dear Mr. President:

I write to inform you of certain important perceptions and conditions in Belgrade as the peace talks in Dayton, Ohio commence.

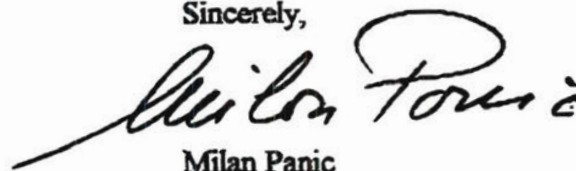
As you know the economic conditions in Serbia are terrible and there is a large potential for civil unrest. It was generally perceived that the sanctions would be lifted before the peace talks began. Indeed, the common perception is that this was offered by the United States so that all three parties could participate as equals. However, since this has not been done, one of the three parties does not sit as an equal partner at the peace table.

Unfortunately this has lead to the Belgrade perception that the United States is not dealing fairly with all parties—only one is under economic sanctions.

As you also know there are significant disagreements among Serbs, both inside and outside Serbia. If sanctions are continued during the peace talks, the Belgrade government will be weakened which will make the Dayton talks and our quest for peace more difficult and the implementation of peace accords uncertain.

Therefore, I urge you to seek a formula that would permit the suspension of the sanctions (in full or in part) against Serbian Montenegro during the talks. In my opinion, an opportune time to do this would be after your forthcoming meeting with Mr. Milosevic.

Sincerely,



Milan Panic

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

November 1, 1995

very interesting

Thanks for your letter and for sharing with me ~~your informative~~ National Conversation resource kit. *you're*

I'm grateful for your support and send my best wishes.

Sincerely,

~~→ I + ...~~

~~our thought - should check to see if my~~

~~edits are correct - does our budget eliminate this program?~~

~~it's most important~~

aimed at a most important
+ worthy goal -- facilitating
= genuine dialogue between
+ among our people.

~~T- See my edits
then back to
Karl~~

To
J.D.

(J. m. Dorstkind)

11/2/95

Pam / Jim 24



NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506

October 12, 1995

THE CHAIRMAN

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

Dear Mr. President:

I enclose a copy of David Broder's column that appeared yesterday urging you to take advantage of the reaction to the O.J. Simpson jury's verdict to get Americans thinking and talking about "where we are and where we are going." Insomuch as the NEH's "National Conversation on American Pluralism and Identity" seeks to do exactly what Mr. Broder advises, and since it is now well underway, I write to offer any help I might be able to give you.

I talked with your staff at various at various times last spring and summer about your "common ground" campaign, which I continue to think is a terrific theme for you. Using an NEH-funded program in the "National Conversation" as a backdrop or an occasion for you to make your leadership in this area even more visible is an attractive possibility.

I enclose also a resource kit for our "National Conversation" for your information, and summary sheets on three conversations already in place and going on. Obviously, we also could design a suitable event for national television coverage.

I stand ready to help.

Sincerely,

A handwritten signature in cursive script that reads "Sheldon".

Sheldon Hackney

Enclosures

r e a s o n i n g t o g e t h e r

inity

oices

*A National
Conversation*

ON AMERICAN
PLURALISM AND
IDENTITY

w e t h e p e o p l e

conversing,

sharing

deliberating,

our

questioning,

histories,

listening

our

philosophies,

complex

our

issues,

tough

values

October 25, 1995 95 OCT 25 P12: 59

MEMORANDUM FOR TODD STERN

FROM: ~~TIM SAUNDERS~~
Executive Clerk

SUBJECT: Certificate for Paul Weinstein

We are preparing a White House Office certificate for Paul Weinstein. A question has arisen regarding his title, OA personnel lists his official title as **Special Assistant to the President**, while in a conversation with me he called himself **Special Assistant to the President for Domestic Policy** (He does of course work in OPD).

We normally prepare the certificates using the official title provided to us from Management.

Perhaps it would be best to wait until this settles out.

11/2/95

OK - But Jodie's
shop should control
& Paul should work
it out with her,
don't you think?

NOVEMBER 1995 USA \$5.95 CANADA \$7.95

ERONY

50th



An
President
Clinton,
Former
President
Ford,
Carter
And Bush
Coretta
Scott King,
Maya
Angelou,
Quincy
Jones,
Bill Cosby
And Other
On 50 Years
That
Changed
America

To ALEXIS
The Pres. wants
you to see this.
nm

50
Who
Changed
Black And
White
America

11-2-95
Todd -
Send to Alexis Herman -
Keep copy of front cover
in chron -

Yes ☒
No ☐
c

Why
Almost
Everybody
Loves

COLIN
POWELL

A JOHNSON PUBLICATION



Call to 15015
Bullock re
Texas politics
THE PRESIDENT HAS SEEN
11-2-95
To Be made
ASAP

THE PRESIDENT HAS SEEN
11-2-95

September 28, 1995 95 SEP 29 P7:59

RECOMMENDED TELEPHONE CALL FOR POTUS

TO: Bob Bullock (D)
Texas Lieutenant Governor
W: 512/463-0001

DATE: As soon as possible

RECOMMENDED BY: Doug Sosnik and Ray Martinez, Office of Political Affairs

PURPOSE: Courtesy phone call regarding Texas politics.

BACKGROUND: Texas Land Commissioner Gary Mauro (D) and Former Deputy Secretary of Energy Bill White have both recommended that you call Lieutenant Governor Bullock immediately. With the departure of former Governor Ann Richards from the Governor's office, Bob Bullock is the ranking elected Democrat in Texas. Although reluctant to do so in the past, Bob Bullock has expressed renewed interest in playing a major role in state Democratic party politics. This is an opportunistic time for you to touch base with Bullock and seek input from him regarding the current political landscape in Texas. Although it is well known in the state the Gary Mauro heads your political efforts in Texas, it would be politically beneficial for you if Bullock is seen as taking a more visible and active role in advocating for administration policies and for your re-election in '96.

TOPIC OF DISCUSSION: You may want to thank him for his participation in your upcoming fundraisers in Dallas and Houston, October 16 & 17, respectively. Recently, all five statewide elected Democrats in Texas, including Bullock got together and signed a letter calling on the immediate resignation of current State Party Chairman Bob Slagle, and endorsed the expected candidacy of Bill White. You may also want to ask Bullock, what role he would like to play in your Texas re-election efforts in 1996.

DATE OF
SUBMISSION:

September 28, 1995

ACTION:



THE WHITE HOUSE

WASHINGTON

11-2-95

Dear Bob—

I want to Thank you
for the supportive remarks you
made of my trip to Texas and
for the visit we had —

I need your support and
am grateful for it —

Sincerely,
Bill Clinton

Strom
su m. n. 11:15
Be

THE PRESIDENT HAS SEEN

11.2.95

THE WHITE HOUSE

WASHINGTON

95 OCT 31 P7:04

October 30, 1995

RECOMMENDED TELEPHONE CALLS

TO: Congressman Frank Pallone, Jr.

DATE: November 1, 1995 is preferred;
by November 3 at the latest

RECOMMENDED BY: Patrick Griffin *g y*

PURPOSE: To discuss the impact of Medicare and Medicaid reform on New Jersey. Pallone is anxious to report to you on his efforts to get out the Democratic message.

BACKGROUND: As a co-chair of the Democratic Caucus Task Force on Health Care and Medicare Reform, Pallone has been an instrumental opponent of the Republican plans. Pallone also organized a successful Medicare Express Bus Tour in New Jersey. Of the six Republicans who voted against the "Medicare Preservation Act" (H.R. 2425) four are from New Jersey. (The four Republicans are as follows: Frank LoBiondo, Jim Saxton, Christopher Smith, and Dick Zimmer.)

TOPICS OF DISCUSSION: Medicare and Medicaid

CONTACT PERSON AND PHONE NUMBER(S): Rob Garagiola
(202) 225-4671

DATE OF SUBMISSION: October 30, 1995

ACTION: _____

①

✓ V. imp. to election

*do something in NJ on
Medicare -*

② *Things Primary to WH or to
su m. n. 11:15*

③ *wants to play WH in
campaign - chair of business / Asian-Asian
council -*

CC ?

Laurie

Carol

Leon

George

Stiglitz

also
send
to

J. Klein

+ cc back to me
just if my
cover note T.

~~back to me~~

THE PRESIDENT HAS SEEN
11-2-95

THE WHITE HOUSE
WASHINGTON

October 31, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*
SUBJECT: Medical Savings Accounts

*This is a letter to my 4 options
reasons - - - but would be
willing to discuss private demonstration
project.*

The attached Tyson/Rasco memo seeks your guidance on the position we should take toward proposals for medical savings accounts (MSAs), which are included in both the House and Senate budget bills.

MSAs could be introduced in the private market or as a Medicare alternative. In the Medicare context, subscribers would receive an annual voucher equal to the amount Medicare pays for an average beneficiary (about \$5,200 in 1995); the voucher would be used to purchase a high-deductible (essentially, catastrophic) insurance policy, with the balance deposited in a Medicare MSA. Withdrawals would be tax free for medical expenses and taxable for other expenses.

Supporters claim MSAs would help control health care costs by forcing individuals to bear more of the direct costs. But there are serious downsides: "adverse selection" -- MSAs would attract healthier, wealthier people (who could risk high deductibles), leaving a pool of poorer and sicker people in comprehensive insurance coverage; a shift of Medicare money to those choosing MSAs, because the "average" voucher would be more than they'd get under Medicare (since they're healthier than average); administrative difficulties; a loss in tax revenues; no expansion of coverage; possible reduced spending on preventive care because of the high deductibles.

NEC, DPC, OMB, HHS and Treasury oppose Medicare MSAs; CEA sees some possible benefit. **Laura and Carol present three options: (A) oppose MSAs and threaten a veto, at most suggesting possibility of private market demonstration project; (B) oppose but leave open possibility of compromise, such as private market or Medicare demonstration project; (C) express preliminary interest in the idea. Leon favors option B. George favors a variation of B -- he would strongly oppose MSAs, but sees no need at this stage either to mention a veto or to suggest a demonstration project.**

- A: Oppose, suggesting veto _____
- B: Oppose, leaving open possibility of compromise _____
- George's variation: Oppose, don't mention veto or compromise _____
- (C) Indicate interest _____

THE WHITE HOUSE

WASHINGTON

95 OCT 13 P4:29

October 13, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: ^{SDT} LAURA TYSON AND ^{WJC} CAROL RASCO

RE: Medical Savings Accounts

PURPOSE:

To reach a decision on an Administration position on the use of Medical Savings Accounts for the private insurance market and the Medicare program.

OVERVIEW AND BACKGROUND:

A few nights ago, CBS News broadcast a scathing attack on Medical Savings Accounts (MSAs), suggesting that their popularity was due largely to the financial contributions of their backers rather than their actual merit. Yet, while concerns about the concept have also been raised by the elite print media, by CBO, and by Lewin-VHI, MSAs continue to ride a wave of support in the Congress.

Both the House and Senate budget bills contain some version of an MSA option. The concept has also received strong support from certain elements of the insurance industry, particularly those firms that once excelled at the traditional underwriting method of "cherry picking" beneficiaries from low-risk populations. While these methods have been rejected by the public and by policy makers, MSAs offer a subtle way of accomplishing much the same effect. Given the depth of financial and Congressional support behind this concept, some form of MSA proposal likely will be included in any reconciliation bill that reaches your desk.

Medical Savings Accounts, as their name suggests, are special accounts used primarily to pay personal medical expenses. Typically, these accounts offer tax benefits or other financial incentives. But, in return, they impose one basic requirement: Participants must switch their health insurance from a "comprehensive" plan to a "catastrophic" plan with a high deductible, sometimes as high as \$10,000.

Supporters in Congress contend that, by forcing individuals to bear more of the direct costs of health care, MSAs discourage the use of unnecessary or excessively costly medical procedures, thus reducing medical expenditures. Opponents counter that the plans simply allow healthy and well-to-do populations to self-select out of the traditional insurance pools -- thereby increasing costs for those left behind. Other criticisms are that MSAs: (1) are untested; (2) are extremely difficult to administer; and (3) may discourage use of cost-effective preventive care.

DISCUSSION:

In general, MSAs have been proposed for both the private health insurance market and the Medicare system. These two options are described briefly below. The pros and cons of the MSA concept are then examined in greater detail.

Private Market MSAs

Various MSA proposals have been introduced for the private (under 65) insurance market. One of the most significant, Representative Archer's proposal (H.R. 1818), allows individuals to open an MSA whenever they enroll in a health plan with a minimum deductible of \$1,500 for a single plan and \$3,000 for a family plan.

H.R. 1818 provides a significant benefit for individuals who open an MSA: Not only are employer and employee contributions into an MSA deemed tax exempt, but withdrawals from an MSA for medical expenses are also tax free. By comparison, under current law, an individual must generally spend after-tax dollars on medical expenses (with a few exceptions).

Medicare MSAs

Both the House and Senate Medicare plans allow beneficiaries to withdraw from the traditional fee-for-service system and set up a Medicare MSA account. When a beneficiary opens an MSA, Medicare gives the subscriber a voucher equal to the amount of money that the Medicare program spends on the average beneficiary per year -- roughly \$5,200 per beneficiary in 1995. (Under some proposals, this average would be "risk adjusted" to take into account the beneficiary's demographic characteristics, like age or gender). This voucher can be used only for the purchase of a high deductible insurance policy -- with deductibles ranging from up to \$3,000 in the Senate version to up to \$10,000 in the House version. Any remaining credit is then deposited into the Medicare MSA.

MSA funds can be used to pay for both medical and non-medical expenses. When used for medical expenses, withdrawals from the account are tax-free. However, when used for non-medical expenses, the withdrawals are taxed as income and, under the House plan, subject to an additional penalty whenever the MSA balance falls below a specified threshold (60% of the deductible amount).

GENERAL PROS AND CONS

Pros -- Private Market and Medicare MSAs

The advantages of the MSA concept for the Medicare and private market system are relatively straightforward:

- More Choice. MSAs may offer new options for private health insurance consumers and Medicare beneficiaries.

- Ideological appeal. MSAs resonate with the anti-government mood of the 104th Congress. Medicare MSAs, for example, appear to eliminate the federal middle-man in the Medicare system -- replacing a government-run insurance program with what seems to be a more market-oriented one. Moreover, MSAs in general enable individuals to decide how to cut costs, rather than imposing institutional rules such as those found in managed care programs.
- Incentives to reduce unnecessary procedures. By requiring individuals to bear more of the direct cost of medical expenses, MSAs probably lead people to become more cost-conscious consumers. A reduction in the use of unnecessary procedures would reduce aggregate health care spending and could benefit the entire economy. As such, MSAs provide an initial attraction to many economists who worry that the existing preferential tax treatment encourages the purchase of excessively comprehensive insurance coverage. Nonetheless, the effect on medical expenditures is unlikely to be as dramatic as some proponents claim: MSAs do not address the principal cause of increased spending -- the rising costs of catastrophic illness. Roughly 20% of individuals account for 70% of all medical spending. MSAs would do little to reduce spending on the small number of very sick individuals responsible for most medical expenditures.
- Popular among certain segments of the population. MSAs appeal particularly to the healthier and wealthier segments of the population, and their inclusion in a final budget package would avoid confrontation with their fierce supporters on Capitol Hill.

Cons -- Private Market MSAs

The MSA concept raises a number of concerns when applied to the private insurance market.

- Untested. The MSA concept is a largely untested concept. It makes little sense to implement the idea nationally without better understanding its implications.
- Adverse Selection. Adverse selection is one of the most significant defects associated with MSAs in general. Adverse selection refers to the fact that MSAs will likely attract wealthier and healthier beneficiaries -- those rich enough to risk a high deductible and healthy enough to be confident that they will do better with their own catastrophic policy than in a comprehensive pool of riskier and sicker individuals. Adverse selection could lead to a situation where people left in comprehensive insurance coverage are sicker than average, leading to increasing costs for such coverage as the risk pool shrinks and becomes less favorable. This problem is a variation on cost-shifting, but it does not necessarily mean that aggregate spending on health care increases. It is unclear how severe the adverse selection problem would be in the private market because employers who provide MSAs as part of a benefit package would have some flexibility to adjust an employee's wages or other fringe benefits in order to limit the amount of adverse selection that occurs. (Existing flexible spending accounts and cafeteria plans are not associated with large adverse selection problems.)

- Possible reduction in preventive care. High deductible policies may discourage families from spending funds on certain services, like preventive care, that have short term costs, but long-term benefits. In many cases, providers may be better positioned to recognize the benefits of cost-conscious and medically effective preventive care.
- Administrative problems. According to the Treasury Department, private market MSAs will lead to significant administrative problems, increase the paper-work burden on taxpayers, and create the potential for significant non-compliance. (Imagine the difficulties in distinguishing between a legitimate medical expense and a feigned one.)
- Loss of federal revenues. Since private market MSAs allow individuals to pay for medical expenses with tax-free dollars, a significant revenue loss for the Treasury can be expected. The Joint Tax Committee projects that H.R. 1818 will cost \$1.8 billion over 7 years. The Treasury Department estimates that the seven-year loss would be \$3.5 billion.
- No significant increase in coverage. Private market MSAs are unlikely to expand insurance coverage to any significant extent. Although some individuals who are currently uninsured may participate in an MSA plan, others who are currently in comprehensive health insurance plans may drop coverage because of changes in the risk pool. Moreover, by encouraging healthy and wealthy individuals to self-select into segregated insurance groups, MSAs would probably make it more difficult in the future to achieve comprehensive health care reform that depends on large community-rated insurance pools.

Cons -- Additional Concerns about Medicare

While the Medicare MSA has many of the same drawbacks as the private market version, most health policy analysts (including Alain Enthoven and others with influence with the Democratic Leadership Council) have pointed out that adverse selection problems will pose a particularly serious problem for the Medicare system:

- Under both the House and Senate Medicare plans, an MSA subscriber receives a voucher equal to what the average beneficiary costs the Medicare system each year -- even though these healthy subscribers cost the system far less than average. In this way, MSAs boost spending on healthy beneficiaries, thus increasing costs. The only way to address the adverse selection problem is by adjusting the Medicare contribution to more accurately reflect a subscriber's cost. As Lewin-VHI notes, however, such "risk adjustment" methods are "still under development and largely untested." Moreover, modifying Medicare contributions based on factors like gender or age would likely face serious obstacles in the political process. Because it is skeptical about the development of an effective risk-adjustment method, Lewin-VHI projects that Medicare MSAs will cost between \$15 and \$20 billion over 7 years.
- The GOP Medicare plan imposes an overall entitlement cap on Medicare expenditures. As a result, the higher cost of Medicare MSAs must be offset by cuts of an equal magnitude in Medicare's pay-for-service program.

- The GOP Medicare plan allows MSA-holders to transfer back into the traditional pay-for-service system on an annual basis. As a result, subscribers will be tempted to enroll in MSAs during their healthy years, and then opt back into the traditional pay-for-service program when their health declines. This feature exacerbates the adverse selection problem. To address this problem, some have suggested extending the "lock-out" period beyond one year, but such proposals obviously would prove unpopular with beneficiaries.

Taken together, the negative effects of MSAs should be a concern for the overall health insurance market. But adverse selection problems raise particularly serious questions for the Medicare system. Even Senator Dole has expressed some misgivings about Medicare MSAs. Acknowledging reports about the cost of MSAs, Senator Dole recently said,

"I picked up the paper this morning, the New York Times said the Medical Savings Accounts are a rip-off, when it costs \$2.9 billion. They're only for healthy people. Well, should we spend \$2.9 million (sic)? I don't think so. We're going to check it out." (quoted at the Business Week Symposium of Chief Executive Officers, 9/28/95).

CONCLUSION AND RECOMMENDATIONS

There is opposition to the concept of Medicare MSAs throughout the Administration (NEC, DPC, OMB, HHS, Treasury), although the CEA sees some possible benefit. Similar concerns have also been raised about MSAs for the private market, but with the exception of the Treasury Department division with responsibility for administering MSAs, the depth of this opposition is not as great.

In all likelihood, some form of the MSA concept will likely pass the Congress. The question arises how best to position the Administration on this issue to ensure that the final compromise is acceptable. There are a range of options available to the Administration, including the following:

OPTION A: Oppose MSA concept for both Medicare and private industry and suggest that proposals might attract a veto. At most, suggest possibility of establishing a demonstration project for the private market.

OPTION B: Oppose Medicare MSAs and raise concerns about private market MSAs, but leave open the possibility of compromise -- perhaps a demonstration project for MSAs in either the Medicare or private market.

OPTION C: Indicate need for more information to evaluate proposals, but express preliminary interest in MSAs as a concept.

DECISION:

OPTION A ☐ OPTION B ☐ OPTION C ☐ DISCUSS ☐

THE WHITE HOUSE
WASHINGTON

November 2, 1995

MEMORANDUM FOR ANN FLEISCHMAN

FROM: CAROL CLEVELAND *Carol*
Office of the Staff Secretary

SUBJECT: New Staffing Memorandum

We would like to order 250 of the attached revised staffing memorandum and of course we need them as soon as possible. Thank you.

Attachment
Revised Staffing Memorandum

WHITE HOUSE STAFFING MEMORANDUM

DATE: _____ ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	McGINTY	☐	☐
PANETTA	☐	☐	NASH	☐	☐
McLARTY	☐	☐	QUINN	☐	☐
ICKES	☐	☐	RASCO	☐	☐
BOWLES	☐	☐	SOSNIK	☐	☐
RIVLIN	☐	☐	STEPHANOPOULOS	☐	☐
BAER	☐	☐	STIGLITZ	☐	☐
CURRY EMANUEL	☐	☐	TYSON	☐	☐
GIBBONS	☐	☐	WEBSTER	☐	☐
GRIFFIN	☐	☐	WILLIAMS	☐	☐
HALE	☐	☐	VALLEY	☐	☐
HERMAN	☐	☐	STREETT	☐	☐
HIGGINS	☐	☐		☐	☐
LAKE	☐	☐		☐	☐
LINDSEY	☐	☐		☐	☐
MIKVA	☐	☐		☐	☐
McCURRY	☐	☐		☐	☐

REMARKS:

RESPONSE:

KLAIN

THE WHITE HOUSE
WASHINGTON

October 30, 1995

R. Alan Hall
Bill Harbert International
Construction, Inc.
Post Office Box 531390
Birmingham, Alabama 35253

Dear Alan:

Thanks for your letter of October 11 about Social Security reform. I appreciate what you said about the Personal Investment Plan Act and will keep your thoughts in mind. Also, I have passed your letter along to my domestic policy staff to let them know of your concerns.

Thanks, too, for your confidence in me. We have a lot of work to do in the coming months, and I'm grateful for your willingness to help.

Sincerely,

Bill Clinton
I am reviewing the
proposals you mentioned
and I thank you for your
support —

cc w/ incoming
• Doug Sosnik
• Alexis Herman
• Supporter File
(D. Dunn)
• Domestic Policy Council / Rocco

**BILL
HARBERT** INTERNATIONAL
CONSTRUCTION, INC.

October 11, 1995

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

Dear Mr. President:

This summer the Social Security System celebrated its 60th birthday. It is one of our most popular and effective federal programs. But although the program has been beneficial, the challenge we face today is to ensure that Social Security works well in the future.

Senators Bob Kerry and Alan Simpson have proposed, in a series of bills, a number of reforms aimed at preserving and strengthening Social Security and other federal retirement programs for future generations. I am particularly intrigued by the Personal Investment Plan Act. I hope you will give this proposal favorable consideration. I believe the proposal could save Social Security, increase personal savings, and give all Americans a chance to save for their own future.

It was a honor and privilege to meet you at the White House reception for Presidential delegates during the White House Conference on Small Business in June. I considered my political affiliation to be a Republican. Since I started voting eighteen years ago I have always voted for Republican presidential candidates. However, in 1996 I plan to support the Clinton/Gore ticket. The Republican Party has adopted some extreme views which I can no longer endorse.

I look forward to assisting your re-election efforts both financially and by volunteering my time. I would appreciate receiving a tie bar to wear showing my support of you and your administration.

Regards,

Alan Hall

Alan Hall
Vice President and
Chief Financial Officer

Ac
Simpson
10/18
✓
Ac
Sosnick
10/18

THE WHITE HOUSE
WASHINGTON

*celebrated on
CS*
*per CRAIG T. Smith
Todd Rm 115*

October 30, 1995

Ed McKinney
Van Buren Public Schools
2221 Pointer Trail
Van Buren, Arkansas 72956

Dear Ed:

Thanks for your letter of September 27. I'm sorry to have missed you last month, but I hope you had a good visit.

I appreciate your kind words about our efforts to promote public education. Your support means a great deal to me, and I'm glad to know you think we're on the right track.

Although I never know what my schedule here will hold, I hope you'll let me know when you'll be in town next.

Sincerely,

Bill

*cc
Nif
Rebecca
Cameron*

25 10-12-95
Debra

VAN BUREN PUBLIC SCHOOLS

2221 POINTER TRAIL
VAN BUREN, ARKANSAS 72956
(501) 474-7942
FAX (501) 471-3146

September 27, 19956

President Bill Clinton
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear President Clinton:

I am sorry that we were not able to get together during my recent visit to Washington. I know that your schedule is very demanding and there are many pressing needs that demand your time.

There were several Arkansans with me, and while we enjoyed our meetings with our Congressional delegation we looked forward to meeting and seeing you.

Some of us will be back in Washington later and we hope that we will again have the opportunity to visit with you.

Thank you for your support of public education. If some of us ol' Arkansas superintendents can help, please let us know.

Please give my best to the family. Tiffanie still wants to come to the White House. She is only ten and still believes that you can just walk in and meet the President.

Take care of yourself and be careful.

Sincerely,



Ed McKinney

EM:dp

THE WHITE HOUSE
WASHINGTON

October 30, 1995

The Honorable Charles D. Gill
Superior Court
State of Connecticut
Box 952
Litchfield, Connecticut 06759

Dear Judge Gill:

Thanks for your thoughtful letter of September 13. I appreciate your very kind words about the job I'm doing. We've made great progress on a number of important fronts, and I'm confident that we'll be able to do even more in the months ahead.

Thanks, too, for sharing your ideas on the importance of children's issues. As a parent and as President, I understand your deep concern for the well-being of our young people. I have passed your letter along to my domestic policy staff to let them know of your suggestions.

Sincerely,

Bill Clinton

*Your letter was
great - Thank you*

*Carol Rasco per 1,000
Felix W. to Cor, Ann Lewis,
Alexia
a couple of M
good work - PR*

*cc W/manning
Gaynor
McDown
RM 210
OlaB*



CHAMBERS OF
JUDGE CHARLES D. GILL

SUPERIOR COURT
STATE OF CONNECTICUT

*Mullen
Reply*

9/13/95

BOX 952
LITCHFIELD, CONNECTICUT
06759

Dear President Clinton,

Our mutual friend, Guido Calabresi, tells me that you were the brightest student he knew in his 30 years at Yale. Our mutual friend, Rep. Rosa DeLauro, and her mom Louise, tell me you are the wisest president they can recall. My own up close observations of you in recent Rose Garden ceremonies confirm that you are a decent and sensitive man and president. I want you to be re-elected. You care. You feel. You understand America.

I have never witnessed a presidency that has been assaulted so vociferously by people of ill will, ignorance and downright hatred. The prayers and love of my family, which also has a teenage daughter, are constantly with you.

But now, how do we get our President re-elected. Please consider these suggestions.

All that is transpiring in the Capitol Hill craziness can work to your advantage in a general election.

Step back and declare that certain forces in the Congress have declared war on children. Declare that you are now the "Children's President" because too many adults, even in Congress, have
(over)

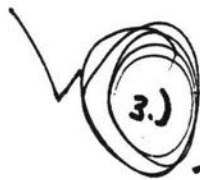
priorities that protect and protect special adult interests rather than those of our only National Treasure, our children. Specific suggestions:

1.) Create a cabinet post for a children's advocate. A child impact statement on all governmental policies and legislative proposals would be fantastic.

2.) Convene a White House Commission On the American Child of the 21st Century.

What does America wish for her children in the 21st Century? What economic, political and legal changes must be made to make our children the safest, the healthiest, the most ethical and best educated in the world?

(Support from teachers, pediatricians, nurses and social workers will be enormous.)



3.) Institute an American Hero Award for those who have the vision, courage and tenacity to champion children's causes.

There are many other steps that could be taken as well. Please consider having your staff explore this.

For the children's sake,

Charles Sill

TO
NANCY
SOODERBERG

11-01-95

Nancy -

Here's the
stuff. It's not
the world's
cleverest memo,
but I can
discuss with you.

ROD

National Archives at College Park



8601 Adelphi Road College Park, Maryland 20740-6001

95 OCT 10 P4:35

facsimile

TRANSMITTAL

to: TODD STERN

re: GENERAL WOLD LETTER

date: 10-10-95

TODD:

THIS AT LEAST CLARIFIES WHAT WAS NOT REDACTED FOR THE KERRY

COMMITTEE. ALSO, KEEP IN MIND THAT THE FILES AT THE LC WERE

FILMED IN RANDOM ORDER AND ARE REALLY NOT USABLE. A MEETING COULD

FOCUS ON PARAGRAPH 3.

From the desk of...

MICHAEL KURTZ
OFFICE OF THE NATIONAL ARCHIVESNational Archives and Records Administration
8601 Adelphi Road
College Park, MD 20740tel: 301-713-7000
fax: 301-713-6915



DEFENSE PRISONER OF WAR/MISSING IN ACTION OFFICE
2400 DEFENSE PENTAGON
WASHINGTON, DC 20301-2400



02 OCT 1995

In reply refer to:
I-95/22320

Dr. Michael J. Kurtz
Assistant Archivist for the
National Archives
8601 Adelphi Road
College Park, MD 20740-2400

Dear Dr. Kurtz:

Thank you for your letter of August 18 regarding the National Archives' requirement to release Senate Select Committee on POW/MIA Affairs files.

The material provided by the former DoD POW/MIA Central Documentation Office to the Committee in late 1991 and 1992 was redacted for intelligence sources and methods. However, other information protected from public release under Executive Order 12356, the Privacy Act, and the Freedom of Information Act, was not redacted. The files provided to the Library of Congress have been completely declassified.

We share your concern regarding the large volume of Committee material which has been requested for release. As reflected in my letter of January 5, DPMO does not possess the personnel resources which would permit the detail of declassification technicians to the National Archives. However, I am prepared to request that DoD provide to the National Archives funds for up to 3 man-years of temporary personnel to help complete this declassification requirement. I would appreciate your views regarding the viability of this alternative.

We appreciate your support and cooperation and will provide any additional information you may require.

Sincerely,

James W. Wold
Deputy Assistant Secretary of Defense
(POW/MIA Affairs)



National Archives



95 AUG 28 49:22
Washington, DC 20408

AUG 25 1995

The Honorable Todd D. Stern
Assistant to the President
and Staff Secretary
The White House
Washington, DC 20500

Dear Mr. Stern:

I appreciated the opportunity to meet with you and discuss the challenges we face in implementing the President's Executive Order on national security information.

As you recall, we also discussed problems we at the National Archives have experienced in declassifying the classified records of the Senate Select Committee on POW/MIA Affairs. Enclosed for your review is the report on this matter which you requested. We would appreciate your assistance in resolving this matter, which has caused a great deal of frustration to the families of POW's and MIA's.

We will forward to you in the next several days a status report on the implementation of Executive Order 12958.

If you want further details or assistance in this matter, please contact Michael Kurtz, the Assistant Archivist for the National Archives. Dr. Kurtz is located at our College Park facility, and he can be reached on (301) 713-7000 ext. 222.

Sincerely,


JOHN W. CARLIN
Archivist of the United States

Enclosure

CL 21, n
501-5130

Efforts of the National Archives Regarding the Classified Records of the
Senate Select Committee on POW/MIA Affairs

Executive Summary

The National Archives and Records Administration (NARA) received 216 boxes (approximately 180,000 pages) of records from the Senate Select Committee on POW/MIA Affairs (the Kerry Committee) in January 1993. The Committee expressed the desire that the records be declassified and released as soon as possible. The National Archives has delegated declassification authority for records over thirty years old. The Kerry Committee records are all less than thirty years old and therefore must be referred to the originating agencies for declassification review.

The majority of the documents are copies of documents received by the Committee from the Department of Defense, although there are documents from other agencies as well. NARA contacted DoD's Central Documentation Office, the office responsible for review of records relating to POW/MIA's, asking for assistance in declassifying the Kerry Committee records. Many of the documents in the Kerry Committee records had been declassified in part by the Central Documentation Office or other involved agencies and were being microfilmed by the Library of Congress for release to the public. The Central Documentation Office referred NARA to the microfilm. Because of the manner in which the microfilming was done, however, NARA has found it impossible to use the microfilm to declassify documents from the Kerry Committee records.

NARA has received numerous mandatory review requests from researchers for access to the records. Responding to these requests is time consuming and expensive. Every requested document must be copied and sent to the appropriate agency for review. The requestor may have to wait for over a year before receiving a response. In an effort to comply with the Committee's desire for declassification, NARA began, in February 1995, to systematically copy and send out for review everything that had not already been sent in response to a mandatory review request. We suspended this process in March 1995 when orally informed that the excisions in the documents sent to the Committee were the same as excisions in the documents released to the public except that documents sent to the Committee still bore their classification markings. NARA asked for confirmation in writing which would permit declassification of most of the Kerry Committee records without further agency referral. To date no confirmation has been received. NARA has recently sent another letter to General James W. Wold, Deputy Assistant Secretary of Defense (POW/MIA Affairs) requesting a resolution to this matter.

RECOMMENDATION: Unless DoD agrees to immediate release, DoD reviewers must review the Committee records for declassification at the National Archives.

(by DOD) select
"If excisions in docs. sent to Committee were same as excisions in docs. sent to Lib. of Cong., NARA could declassify ^{most} w/o further agency referral." *by DOD*
① If already declassified when sent to LOC, why is NARA declassifying now?
② Did DOD not declassify some docs. sent during review for LOC?
What is status of those?

Efforts of the National Archives Regarding the Classified Records of the Senate Select Committee on POW/MIA Affairs

Since the end of the Vietnam conflict there has been overwhelming public interest in the fate of POW's and MIA's not returned from Vietnam. In August, 1991, the Senate established a Select Committee on POW/MIA Affairs to, among other goals, establish an open and comprehensive record and provide for broad declassification of POW/MIA materials in order to enable both the Committee and the public to make informed judgments about questions of policy, process, and fact (Attachment A). On July 22, 1992, President Bush issued Executive Order 12812 calling for declassification of all documents, files, and other materials pertaining to POW's and MIA's from the Vietnam era (Attachment B). On June 10, 1993, President Clinton issued Presidential Decision Directive/NSC-8 calling for the declassification to be completed by November 11, 1993 (Attachment C).

In January, 1993, the National Archives' Center for Legislative Archives received the records of the Senate Select Committee on POW/MIA Affairs. The records included 286 feet (644 boxes or approximately 536,000 pages) of unclassified and 90 feet (216 boxes or 180,000 pages) of classified records. It is important to note that these classified documents consist almost entirely of duplicate copies of classified documents held in the custody of various Executive Branch Agencies such as the Departments of Defense and State, as well as the Central Intelligence Agency and the National Security Council. The majority of documents are from the Department of Defense. The Committee requested that the National Archives process the classified records for declassification immediately. (Attachment D). A chronology of subsequent events is at attachment E.

There are two methods by which classified documents within the National Archives are declassified: systematic review or in response to a researcher request. In a systematic review, the Archives undertakes a review of an entire series of files. In response to a researcher request, NARA reviews only the documents or files requested. The letter from the Committee suggested that the Archives systematically review the classified records of the Senate Select Committee.

NARA's authority to declassify is delegated by the agencies that originated the documents and is limited in most cases to records more than thirty years old. The Kerry Committee records are all less than thirty years old. If the agency that created the documents cannot provide personnel to come to the Archives and review documents, the Archives must copy the documents and send the copies to the agency that created them for declassification review. A document may need to be reviewed by more than one agency. The agencies may decide to release the documents in full, release the documents after removing (redacting) certain portions, or deny the release of the document. Virtually all of the classified documents from the Committee records are released with excisions. Due to the fact that the documents are classified, the Archives must carefully track each document sent to an agency by numbering the pages and entering the document into a computer database. When the agencies respond,

meaning what?
released to whom?

NARA must create a copy of the document with all of the excisions required by each agency that reviewed the document. The process is time consuming and exacting.

In order to avoid this time consuming procedure, the Archives solicited guidance from the Department of Defense. The Archives contacted DoD's Central Documentation Office which was created in order to act as a clearinghouse for declassification of records from all agencies in response to EO 12812. The Central Documentation Office had mounted a massive review program and was sending the resulting declassified documents to the Library of Congress for microfilming and release to the public. Virtually all of the documents were declassified in part, with information regarding intelligence sources and methods excised. The Office was also responding at the same time to requests from the Kerry Committee for documents required for their investigation. Many of these documents were duplicates of documents being sent to the Library of Congress. Like the documents sent to the Library of Congress, virtually all documents sent to the Committee contained excisions. However, when NARA asked if the excisions in the Committee documents were the same as the excisions in the released versions at the Library of Congress, we were informed that more excisions would be necessary before the Committee records could be released.

only
set
this

On March 12, 1993, Col. John Brown, USAF, Director of the Central Documentation Office sent a letter to Jeanne Schauble, Records Declassification Division (Attachment F) regarding the Archives' request for assistance. In this letter, Col. Brown provided a list of the files in the Select Committee records that had been reviewed for declassification and sent to the Library of Congress by DoD in accordance with President Bush's EO 12812. He was not able to provide a list of which documents in the files had been declassified in full or in part. The Central Documentation Office had not kept a document level record of declassification actions taken. Col. Brown also described the files that the Office was still reviewing and those that they did not plan to declassify and release. He provided an estimate on how long it would take to declassify the documents not yet reviewed and suggested that the Archives contact Keith Hall regarding the need for DoD to continue funding the Central Documentation Office staff in order to complete declassification.

On May 25, 1993, Michael Kurtz, Acting Assistant Archivist for the National Archives, and Claudine J. Weiher, Assistant Archivist for Special and Regional Archives, sent a letter to Keith Hall, Deputy Assistant Secretary of Defense for Intelligence, outlining the opinion of Col. Brown and the need of the Archives for assistance from DoD in the declassification process. The first full paragraph on page two of the letter succinctly describes the position of the Archives with regard to the process of declassification and the difficulty regarding systematic review of these records (Attachment G). DoD, having reviewed and sent to the Library of Congress for microfilming copies of many of the of the documents found in the Committee's classified files, was unwilling to review the copies within the Senate files since they viewed this as a duplication of work. Since they had kept no document level record of their actions, they would have to repeat the review and redaction process. However, the Archives cannot release the files which Col. Brown identified as having been declassified since most had undergone redacting, where certain words or paragraphs are removed during

can't release if redacted?

the process of declassification.

seems like CDD declassified
for L. B. of Cong. & now
NARA wants to declassify
same docs.

The Central Documentation Office suggested that NARA use the Library of Congress microfilm to declassify the Committee records. NARA did buy a set of the microfilm in an attempt to do so. However, NARA found that because of the manner in which the filming had been done, it was not possible to use the microfilm. There is no index to the microfilm and it is very difficult to locate individual case files or documents. The Center for Legislative Archives has produced a finding aid to the microfilm that helps locate some types of records such as case files or sighting reports, but does not help in finding individual documents. Once located, a case file on the microfilm might not contain the same documents as the case file in Committee records. The documents are not filmed in any consistent order. Sometimes documents on the film have missing pages, pages filmed out of order or parts of documents interspersed with parts of other documents. There may also be differently redacted versions of the same document. For this reason, the Archives requested that the Central Documentation Office of the Department of Defense be tasked to review the Committee records for declassification and release.

On April 28, 1994 NARA sponsored a joint meeting of representatives from the Department of State, DoD, CIA, NSA, NSC, and NARA. As a result of this meeting, NARA agreed to copy the Committee documents and send them to the appropriate agencies for systematic review. All agencies agreed to review records sent to them by the National Archives for systematic review (Attachment H). However, on January 5, 1995, James W. Wold, Deputy Assistant Secretary of Defense (POW/MIA Affairs), wrote to Raymond Mosley, Assistant Archivist for Special and Regional Archives, stating that due to understaffing in DPMO (the successor to the Central Documentation Office), DoD would only be able to handle declassification requests under provisions for mandatory review, not systematic review. (Attachment I). On January 27, 1995, Raymond Mosley replied to General Wold reiterating the difficulties of the National Archives and expressing NARA's intention to continue sending documents to DoD for systematic declassification review. (Attachment J) During the period February, 1995 through March 1995, the Center for Legislative Archives informally detailed one archivist and one technician to NARA's Records Declassification Division to assist with the processing for systematic review. This effort was suspended when Linda Kenyon, a staff member in the DoD FOIA office, orally informed NARA that she had been told by Ed Sprague of DPMO that the excisions in the documents sent by the Committee to the Archives were the same as the excisions in the documents released to the public except that the publicly released documents had the classification markings removed. NARA asked for confirmation of this in writing. However, DoD has never provided the Archives with written confirmation.

With systematic review through the assistance of DoD stalled, researchers submitted declassification requests through mandatory review. (Note: the records of Congress are not subject to FOIA; as such, requests for declassification of Congressional records are submitted through the mandatory review provision of EO 12356). The Records Declassification Division and the Center for Legislative Archives have continued to process requests for

mandatory review. Some researchers have received responses to their requests. However, requestors may wait a year and more before receiving a response. The Center for Legislative Archives has established a database of declassified documents so as to keep researchers updated on the status of their requests. Although mandatory review requests have progressed, little headway has been made on the issue of systematic review. Approximately 180,500 pages still need to be reviewed for declassification.

Recently NARA received several requests from Roger Hall, a researcher working on behalf of some of the POW/MIA families. Mr. Hall has been very active in seeking the release of the Committee records. NARA has already processed over 50 requests for Mr. Hall, totalling approximately 35,000 pages. His latest requests are for the first 140 boxes of the classified records (117,000 pages). We anticipate that he will eventually file requests for the remaining 76 boxes.

The National Archives wishes to reach a final resolution to this problem. It is our belief that the most efficient and cost-effective solution would be for DoD to send reviewers to the Archives to review the records in place. It would be to the benefit of both agencies to have these records declassified and released to the public.

RECOMMENDATION: Unless DoD agrees to immediate release, DoD reviewers must review the Committee records for declassification at the National Archives.

ATTACHMENT A

103D CONGRESS
1st Session.

SENATE

REPORT
103-1

POW/MIA'S

REPORT

OF THE

SELECT COMMITTEE ON POW/MIA AFFAIRS
UNITED STATES SENATE



JANUARY 13, 1993.—Ordered to be printed
Filed pursuant to Senate Resolution 10

than the U.S. The search for answers to POW/MIA questions is not about mathematics; it is about the fate of individual human beings who went to Indochina to fight for their country and who did not come back. Something very real happened to each of those brave men, and our country will not be at peace with itself until we are morally certain we have done all we could to find out what.

In addition to the emotional concerns of families, a second impetus for establishing the Committee was provided by legitimate unresolved questions of fact. Why, Americans asked, did so few of the U.S. airmen downed in Laos return home? How do we explain the dozens of unresolved, first-hand reports of Americans being sighted in captivity in Southeast Asia after the end of the war? Were the hundreds of resolved reports adequately investigated? How can we trust the assurances of Vietnam that it holds no prisoners when we have strong evidence that it has stockpiled American remains? What about the Tighe Commission's 1986 conclusion that "there is a strong possibility of U.S. prisoners being held?" And what about the steady drumbeat of rumors about conspiracy, cover-ups, photographs, failed rescue missions and mysterious videotapes?

All of this controversy was fueled in the period just prior to the Committee's creation by the February 12, 1991 resignation of Colonel Millard Peck as Director of DIA's Special Office for POW/MIA Affairs. In his letter of resignation, Col. Peck criticized what he called a "mindset to debunk" information that U.S. POWs might be alive and suggested that a "cover-up may be in progress."

Even more dramatic was the identification by family members in mid-1991 of individuals in three photographs that appeared to depict American POWs in Southeast Asia. The photographs generated enormous publicity and sparked demands for an immediate government response.

Interest in the issue was stimulated, as well, by discussions of conditions for establishing normal diplomatic and economic relations between the United States and Vietnam. The U.S. State Department's "Road Map" to normalization required, among other things, full cooperation by Vietnam in resolving last known alive discrepancy cases, implementing a plan to resolve expeditiously live-sighting reports on which the U.S. requests assistance and the rapid repatriation of all recovered and recoverable American remains.

THE COMMITTEE'S MISSION

Obviously, even the fullest possible accounting for U.S. POW/MIA's will leave some questions unanswered. Investigations can uncover information, but not create it. If, for example, neither friend nor foe had certain knowledge at the time about the fate of a pilot lost over water, there is little likelihood that the Committee or any other investigative unit could, at this distance in time, establish that certainty.

But the Committee was not created with the expectation of final, definitive, case-by-case answers. That is a task that may well be beyond mortal power to achieve, and that only the Executive branch has the resources to attempt. Rather, the Committee's job was to investigate the events, policies and knowledge that have

guided U.S. Government POW/MIA related actions over the past 20 years and to do so in order to advance the following goals:

To determine whether there is evidence that American POWs survived Operation Homecoming and, if so, whether there is evidence that some may remain alive in captivity;

To ensure the adequacy of government procedures for following up on live-sighting reports and other POW/MIA related information;

To de-mystify the POW/MIA accounting process so that the families and the public can better understand the meaning behind the numbers and statistics used in discussions of the issue;

To establish an open, comprehensive record, and to provide for the broad declassification of POW/MIA materials in order to enable both the Committee and the public to make informed judgments about questions of policy, process and fact;

To lend added weight to Executive branch efforts to obtain cooperation from foreign governments in Southeast Asia and elsewhere in accounting for missing Americans;

To review the activities of private organizations who participate in fundraising and educational efforts related to the POW/MIA issue; and

To examine, to the extent time and resources permit, unresolved issues pertaining to missing Americans from World War II, Korea and the Cold War.

Demystifying the process

Nothing has done more to fuel suspicion about the government's handling of the POW/MIA issue than the fact that so many documents related to those efforts have remained classified for so long. Rightly or wrongly, the secrecy—especially about live-sighting reports and critical internal reviews of Defense Intelligence Agency procedures—have fed the perception that government officials have something to hide. This perception increased in the months prior to the Committee's creation because of evidence that some Congressional inquiries may have been responded to with inaccurate or incomplete information and because then Congressman Bob Smith and Senator Charles Grassley had enormous difficulty in prior years in gaining DOD permission to review classified POW/MIA related materials.

As a result, the Committee sought from the beginning to work with the Executive Branch to make public all information relevant to the POW/MIA issue, except that related directly to the sources and methods of gathering intelligence. The Committee agreed that "source and methods" must be kept confidential in order to maintain America's ability to gather new information and track leads in the future. The Committee's goal was to "de-mystify" the POW/MIA issue and to lay before the public a complete picture of what the U.S. Government knows. The Committee generally succeeded in this objective. A full description of the efforts made to obtain the declassification and public release of documents is included in chapter entitled "Declassification."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 22, 1992

EXECUTIVE ORDER

#12812

DECLASSIFICATION AND RELEASE OF MATERIALS
PERTAINING TO PRISONERS OF WAR AND MISSING IN ACTION

WHEREAS, the Senate, by S. Res. 324 of July 2, 1992, has asked that I "expeditiously issue an Executive order requiring all executive branch departments and agencies to declassify and publicly release without compromising United States national security all documents, files, and other materials pertaining to POWs and MIAs;" and

WHEREAS, indiscriminate release of classified material could jeopardize continuing United States Government efforts to achieve the fullest possible accounting of Vietnam-era POWs and MIAs; and

WHEREAS, I have concluded that the public interest would be served by the declassification and public release of materials pertaining to Vietnam-era POWs and MIAs as provided below;

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States of America, I hereby order as follows:

Section 1. All executive departments and agencies shall expeditiously review all documents, files, and other materials pertaining to American POWs and MIAs lost in Southeast Asia for the purpose of declassification in accordance with the standards and procedures of Executive Order No. 12356.

Sec. 2. All executive departments and agencies shall make publicly available documents, files, and other materials declassified pursuant to section 1, except for those the disclosure of which would constitute a clearly unwarranted invasion of personal privacy of returnees, family members of POWs and MIAs, or other persons, or would impair the deliberative processes of the executive branch.

Sec. 3. This order is not intended to create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

GEORGE BUSH

THE WHITE HOUSE,
July 22, 1992.

#

ENCLOSURE B

FOR OFFICIAL USE ONLY

20626

THE WHITE HOUSE
WASHINGTON

June 10, 1993

PRESIDENTIAL DECISION DIRECTIVE/NSC-8

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF VETERANS AFFAIRS
THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND
BUDGET
THE CHIEF OF STAFF TO THE PRESIDENT
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE REPRESENTATIVE OF THE UNITED STATES TO THE
UNITED NATIONS
THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF
THE DIRECTOR OF THE UNITED STATES INFORMATION
AGENCY
THE DIRECTOR OF THE NATIONAL SECURITY AGENCY
THE DIRECTOR OF THE DEFENSE INTELLIGENCE AGENCY

SUBJECT: Declassification of POW/MIA Records

In accordance with my Memorial Day Announcement of May 31, 1993, all executive agencies and departments are directed to complete by Veterans Day, November 11, 1993, their review, declassification and release of all relevant documents, files pertaining to American POW's and MIA's missing in Southeast Asia in accordance with Executive Order 12812.

Bill Clinton

FOR OFFICIAL USE ONLY

JOHN F. KERRY, MASSACHUSETTS,
Chairman
THOMAS A. DASCHLE, SOUTH DAKOTA
HARRY REID, NEVADA
CHARLES S. ROBB, VIRGINIA
J. ROBERT KERREY, NEBRASKA
HERBERT H. KOHL, WISCONSIN

BOB SMITH, NEW HAMPSHIRE,
Vice Chairman
JOHN MCCAIN, ARIZONA
MARK BROWN, COLORADO
CHUCK GRASSLEY, IOWA
NANCY LONDON KASSEBAUM, KANSAS
JESSE HELMS, NORTH CAROLINA

FRANCES A. ZWENIG, STAFF DIRECTOR
J. WILLIAM CODINHA, GENERAL COUNSEL

ATTACHMENT D

United States Senate

SELECT COMMITTEE ON POW/MIA AFFAIRS

WASHINGTON, DC 20510-6500

January 7, 1992

Dr. Don Wilson
Archivist of the United States
National Archives and Records Service
Washington DC 20408

Dear Dr. Wilson:

On behalf of the Senate Select Committee on POW/MIA Affairs, we are hereby transmitting to the National Archives, for preservation and safekeeping, approximately 750 boxes of Select Committee records, pursuant to 44 U.S.C. Section 2118 (Supp.III 1985); Senate Rule XI (2); and S. Res. 474, 96th Cong., 2d Sess. (1980).

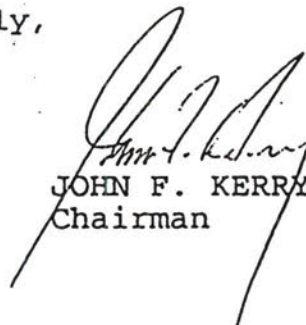
It is our wish that the archives of the Select Committee be made available to the public without restriction as soon as the final processing is completed.

Thank you for your assistance in this matter. We also want to let you know that the staff of the Center for Legislative Archives and the Center for Electronic Records have been of enormous assistance to the staff of this Committee in the organization and transfer of these numerous documents.

Sincerely,



BOB SMITH
Vice Chairman



JOHN F. KERRY
Chairman

JOHN F. KERRY, MASSACHUSETTS,
Chairman
THOMAS A. DASCHLE, SOUTH DAKOTA
HARRY REID, NEVADA
CHARLES E. ROSS, VIRGINIA
J. ROBERT KENNEY, NEBRASKA
HERBERT H. KOHL, WISCONSIN

BOB SMITH, NEW HAMPSHIRE,
Vice Chairman
JOHN MCCAIN, ARIZONA
HANK BROWN, COLORADO
CHUCK GRASSLEY, IOWA
NANCY LONDON KASSEBAUM, KANSAS
JESSE HELMS, NORTH CAROLINA

FRANCES A. ZWENIG, STAFF DIRECTOR
J. WILLIAM CODINHA, GENERAL COUNSEL

United States Senate

SELECT COMMITTEE ON POW/MIA AFFAIRS

WASHINGTON, DC 20510-6500

January 27, 1993

Dr. Don Wilson
Archivist of the United States
National Archives and Records Administration
Washington, DC 20408

Dear Dr. Wilson:

On behalf of the Senate Select Committee on POW/MIA Affairs, we are hereby transmitting to the National Archives, for preservation and safekeeping, approximately 275 boxes of Select Committee classified records, pursuant to 44 U.S.C. Section 2118 (Supp. III 1985); Senate Rule XI (2); and S. Res. 474, 96th Cong., 2nd Sess. (1980).

It is our wish that one copy of each classified record be maintained in classified form at the Archives, until the classified copy can be declassified according to established Archives' declassification procedures. At the same time, it was the Committee's intent, consistent with President Bush's Executive Order of July, 1992, to ensure that declassified copies are made of all classified records in the Committee's possession.

Therefore, we request that any classified records which do not already exist in declassified form be immediately processed for declassification.

According to standard Senate procedures, requests for access to the classified materials shall be directed to the Secretary of the Senate.

Thank you for your assistance.

Sincerely,


BOB SMITH
Vice Chairman


JOHN F. KERRY
Chairman

Chronology

8/2/91 Establishment of Senate Select Committee on POW/MIA Affairs, Chairman Senator John F. Kerry, Vice Chairman Senator Bob Smith (See Attachment A)

1/7/92 Letter from Senator John Kerry to Archivist Don Wilson RE: transmittal of 750 boxes of records of the Senate Select Committee on Pow/MIA Affairs to the National Archives to, "be made available without restrictions as soon as the final processing is completed." (See Attachment D)

7/22/92 George Bush issues E.O. 12812 requiring all executive branch departments and agencies to declassify and publicly release...all documents, files and other materials pertaining to Pows and MIAs. (See Attachment B)

1/1993 NSC received the records of the Senate Select Committee on Pow/MIA Affairs = 286 feet Unclassified (644 boxes) 90 feet Classified (216 boxes/ 208,000 pages) (See Attachment E)

3/12/93 Letter to NARA from Col. John Brown, USAF, Director DoD POW/MIA Central Documentation Office discussing NARA's informal request for assistance in declassifying the records. (See Attachment G)

5/25/93 Kurtz and Weiher letter to Keith Hall, Deputy Assistant Secretary of Defense for Intelligence, RE: Requesting assistance with declassification effort and requesting a meeting. (See Attachment H)

6/10/93 President Clinton issues Directive, "All agencies and departments are to complete by Veteran's Day, 11/11/93 their review, declassification and release of all relevant documents, and files pertaining to American POWs and MIAs missing in South East Asia in accordance with E.O. 12812. (See Attachment C)

6/1993 Center for Legislative Archives begins scanning transcripts of depositions in order to make them more accessible to researchers.

6/24/93 Archives staff to Pentagon for meeting with DoD staff regarding assistance on declassification of Committee records.

12/1993 Letter from William McDonald, Director FOIA Review Office, DoD RE: the 7 Documents NND sent for mandatory review are declassified and available on the Library of Congress microfilm. (See Attachment I)

3/11/94 NARA Director of Records Declassification meets with William McDonald of OASD FOIA office and Colonel Brown concerning difficulty of using microfilm to declassify Committee records.

3/24/1994 NARA wrote a letter to Senator John Kerry RE: Updating

him on the Center's efforts to declassify the records and the unresponsiveness of DoD.

3/25/1994 Karen Paul, Archivist of the United States Senate is briefed on the problems of declassification of the committee files.

4/28/1994 NARA sponsors joint meeting. In attendance are representatives from :Department of State, DoD, CIA, NSA, NSC, NARA reps from NN, NSC. Agreement to begin sending records out equity agencies for systematic review. (See Attachment J)

6/1994 Center for Legislative Archives begins photocopying for systematic review.

7/1994 Acting Archivist instructs Records Declassification Division and Center for Legislative Archives to make declassification of depositions priority (93 depositions)

1/5/95 Letter from General Wold, Deputy Assistant Secretary of Defense, to NS RE: DPMO understaffed and able to handle declassification requests only under provisions for Mandatory review, not systematic review. (See Attachment K)

1/27/95 Reply Letter from the Assistant Archivist for Special and Regional Archives (Mosley) to General Wold (See Attachment L)

2/15/95 teleconference between affected NARA staff. Agreement to proceed with Systematic Review.

2/21/95 - 3/22/95 Center for Legislative Archives informally details one archivist and one technician to Records Declassification Division to assist with the processing for systematic review.

8/95 Letter from Michael Kurtz, Assistant Archivist for the National Archives, to General Wold requesting assistance in reaching a resolution to the problem of declassification of Committee records. (See Attachment M)

In addition, there have been numerous telephone calls and impromptu meetings focusing exclusively on the declassification of these records. This chronology does not include the numerous times Roger Hall has appeared unannounced in the NND, NSC, NN, NS and N offices.



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-3040

March 12, 1993

COMMAND, CONTROL,
COMMUNICATIONS
AND INTELLIGENCE

U-070/DoD POW/MIA CDO

Ms. Jeanne Schauble
National Archives/NNDA
7th and Pennsylvania
Washington DC 20408

Dear Ms. Schauble,

We have reviewed the index of material submitted to you by the Chairman of the Senate Select Committee on POW/MIA Affairs. This index references a wide variety of subject matter from DoD as well as non-DoD sources. This letter addresses each of the major categories of information and its declassification status.

At the outset, it is our assessment that not all the materials you have received from the Senate Select Committee are required to be declassified. The Department of Defense is working to accomplish declassification review for public release pursuant to both the "McCain Bill" (National Defense Authorization Act for 1991 and 1992, Section 1082) at Enclosure A and Executive Order 12812 at Enclosure B. The "McCain Bill" places some specific restrictions on public release of materials pertaining to named individuals who are still unaccounted for.

The DoD POW/MIA Central Documentation Office (CDO) is presently declassifying Vietnam-related "source" files. These files contain first-hand live sighting reports, hearsay sighting reports, crash and gravesite reports, and dogtag reports. The files contain single as well as multiple reports. Some files may have a single reference number while others may possess two to four numbers based on the number and variety of reports in the file. Dogtag report files are unique in that 92% of the reports relate to servicemembers who returned to the United States upon the normal termination of their Vietnam tours. Five percent correspond to U.S. remains that have been recovered, identified, and have been interred in the United States. Only the remaining three percent apply to U.S. servicemembers who remain unaccounted for. Under the provisions of the "McCain" Bill, only these three percent of dogtag reports will be declassified and publicly released.

All source files that have been declassified and provided to the Library of Congress are highlighted in yellow; approximately 89% of the 13,711 source files have been declassified. We expect the remainder will be declassified by September 30, 1993.

The "McCain Bill" requires that Vietnam-era records which provide information on location, treatment, or condition of the 2,266 unaccounted for servicemembers will be declassified, with some restrictions. These "casualty" files will be declassified only if consent to release the declassified file is granted in writing by the Primary Next of Kin (PNOK). As of March 10, 1993, CDO has received 1,184 affirmative responses granting consent to release; 218 negative responses denying permission; 73 contingency responses where ultimate decision is based on a review of the declassified file prior to granting or denying consent, and no response from 791 PNOK. CDO has declassified 354 casualty files; all files for which consent to release has been granted in writing by the PNOK will be declassified and provided to the Library of Congress by September 30, 1993.

Based on these "McCain Bill" declassification requirements, the following markings have been placed on the index provided by the Senate Select Committee to the National Archives:

- Y = Yes; PNOK granted permission for public release. These files have or will be declassified.

- N = No; PNOK denied permission for release. Includes files on personnel whose remains have been returned to U.S. control or the individual escaped from captivity. These files will not be declassified.

- NR = No Response; A reply to DoD correspondence requesting PNOK consent to release has not been received to date.

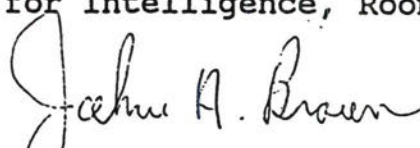
- C = Contingency; PNOK has requested to review the declassified casualty file prior to granting or denying consent to release. These will ultimately become a "Yes" or a "No" and will be processed accordingly.

All casualty files that have been declassified (Y) and (C) are highlighted in yellow. However, declassified contingency files will not be released unless an affirmative response is provided by the PNOK.

We have also provided for your reference our list of deposition transcripts and transcript abstracts at Enclosures C and D which have been declassified previously and provided to the Senate Select Committee.

Regarding the material in the index which remains to be declassified, it appears to be of mixed origin, including the State Department, Central Intelligence Agency, National Security Agency, and perhaps others. Our count of the pages to be declassified, over and above the source and casualty files which we have and are declassifying, is over 51,000 pages. We may have declassified some of this material in connection with our support

to the Senate Select Committee last year. But an assessment of how much, if any, material has already been declassified will not be possible until we examine the material. We conservatively estimate that declassification of this material will require two to four months. This additional workload will extend the life of the CDO past the anticipated closure date of September 30, 1993. Therefore, as I indicated in our discussion of March 3, please submit your request for CDO assistance to Mr. Keith Hall, Deputy Assistant Secretary of Defense for Intelligence, Room 3C200, The Pentagon, Washington DC 20030.



JOHN A. BROWN, Colonel, USAF
Director, DoD POW/MIA Central
Documentation Office

Enclosures a/s

cc:

DASD/I
Director, Defense Intelligence Agency

National Archives



Craig Wilson

ATTACHMENT H

NND

Washington, DC 20408

MAY 3 1983

Mr. Keith Hall
Deputy Assistant Secretary of Defense
for Intelligence
Room 3C200
The Pentagon
Washington, D.C. 20030

Dear Mr. Hall:

The National Archives has recently received the records of the Senate Select Committee on POW/MIA Affairs, also known as the Kerry Committee. In transmitting the records to the Archives the Committee expressed their desire to have the security classified portion of the records "immediately processed for declassification." Given the Committee's concern as well as the intense public interest in this matter, the National Archives is making every effort to respond promptly to the Committee's request and will be keeping Senator Kerry apprised of our progress. I am writing to request your assistance in accomplishing the declassification and release of these records. For your information I enclose a copy of the Committee's letter to the former Archivist of the United States.

To date the Committee has transferred 141 boxes amounting to approximately 117,000 pages of security classified records. I understand that there may be up to 120 more still being prepared for transfer by the Office of Senate Security. The records include documents supplied to the Committee by a number of different agencies, but the overwhelming majority of the documents are of DoD origination or interest. They include JCRC sighting reports, casualty files, depositions, histories and chronologies, and correspondence and reports to the Committee. The Archives has already received a number of requests for access to the records.

The Director of the Archives' Records Declassification Division has met with Col. John Brown of the Central Documentation Office (CDO) to discuss these records and we understand that the CDO has reviewed and released or will review many of the files included in the Kerry Committee records (see Col. Brown's letter to Jeanne Schauble, a copy of which is enclosed). Unfortunately, most if not all, of these records have been released in redacted form. Even though Col. Brown has been kind enough to review the list of records received and indicate which have been reviewed by his staff, the National Archives cannot

release those files because we do not know what information has been redacted. Col. Brown has identified other files among the records that his staff does not plan to review and release.

Col. Brown has suggested that the Committee's wishes will have been fulfilled, at least with regard to the records reviewed by his staff, because the redacted documents will be available at the Library of Congress. The National Archives cannot elect not to process the Kerry Committee files for declassification based on that argument. Aside from the explicit intent of the Committee to make the records available, expressed both in their letter to the Archivist and in the Committee report, researchers, family members and journalists will demand access to the Committee records. If they cannot have access to records that have been systematically reviewed, they will seek access through mandatory review requests. This is a most inefficient way to undertake the declassification of what is sure to be a heavily requested body of material. Not only will it add an extra burden to the already heavy workload of the Archives' and DoD's mandatory review staffs, but if these requests are processed through the regular mandatory review channels instead of the CDO, there is the risk that different determinations will be made about what information can be released. Therefore, I request that the Central Documentation Office be tasked to review the Committee records for declassification and release.

The National Archives has a responsibility to both the Congress and the American public to make these records available as quickly as possible. We cannot do this without assistance from the Department of Defense. We would like to meet with you to discuss the ways in which we can work together to make these records available in the most efficient way possible. We will call you to arrange a time. Please contact us at 202-501-5300 or 202-501-5510 if you have any questions.

Sincerely,

Michael J. Kurtz

MICHAEL J. KURTZ
Acting Assistant Archivist
for the National Archives

Claudine J. Weiher

CLAUDINE J. WEIHER
Assistant Archivist
for Special and Regional
Archives

Enclosures

Not H
declassified by
CDO, v2
does NARA
have to
declassify??



PUBLIC AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-1400

6 DEC 1993

Ref: 93-M-0478/L

Ms. Jeanne Schauble
Director, Records Declassification Division
National Archives and Records Administration
7th and Pennsylvania Ave., NW
Washington, DC 20408

Dear Ms Schauble:

This responds to your letter of November 16, 1993, which forwarded seven documents, separated into the following groups by page number: 1-75, 76-317, 318-342, 353-670, 711-734, 737-946, and 947-954, for mandatory declassification review. The records were requested by Roger Hall and are being processed under your Project Number NND 942005.

It has been determined that the documents have been reviewed and declassified, or sanitized, for public release. The documents are available to the public at the Library of Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "W. M. McDonald", is written over the typed name.

W. M. McDonald
Director
Freedom of Information
and Security Review

Enclosure:
NARA Ltr, November 16, 1993

National Archives



ATTACHMENT J

Washington, DC 20408

Mr. Ike Izengerg
Department of State.
2201 C Street NW.
Washington, DC 20520

Dear Mr. Izengerg:

I want to thank you for taking time out of your very busy schedule to meet with members of the National Archives staff on Friday, April 28th. We think we made significant progress in our efforts to arrange for the declassification of the records of the Senate Select Committee to Investigate POW/MIA Affairs. I have outlined below the points upon which we reached a consensus:

- * National Archives staff will make every effort to determine a document's agency of origin prior to sending it out for review.
- * The Department of Defense will begin the systematic review of DoD generated documents in the records of the Senate Select Committee to Investigate POW/MIA Affairs. National Archives Records Declassification staff will forward DoD documents to DoD.
- * When NARA staff receive a researcher's request for the Mandatory Review of classified records, the researcher's request will enter the queue ahead of the records awaiting systematic review.
- * State and NSC also agreed to systematically review their agencies' documents that are found in the records of the Senate Select Committee to Investigate POW/MIA Affairs. NARA Records Declassification staff will transmit these documents to the appropriate agency.
- * NARA and the represented agencies will closely coordinate this review process. We will alert each other upon learning of additional concerns from members of Congress or the external constituencies.

2

We look forward to working with you. These are important documents and we all share a sense of urgency in responding to any reasonable request for access to the records.

Sincerely,

RAYMOND A. MOSLEY
Assistant Archivist
Office of Special and Regional Archives

Enclosure



INTERNATIONAL
SECURITY AFFAIRS

ATTACHMENT K
OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

2400 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2400

5 JAN 1995

In reply refer to:
I-94/50735



Mr. Raymond Moseley
Assistant Archivist for Special and Regional Archives
National Archives, 7th and Pennsylvania
Washington, DC 20408

Dear Mr. Moseley,

Thank you for your letter of December 7, 1994 regarding
DPMO support to the National Archives.

I noted with interest your reference to declassification
of depositions taken by the Committee as being equal to
approximately 20% of the Committee file declassification
task. During December 1994 alone, DPMO declassified 26
depositions and other documents in direct support of the
Archives. Each deposition declassification task serves
two purposes: it responds to an Archives Mandatory
Declassification Review (MDR) requirement and it
declassifies a Senate Select Committee document.
Freedom of Information Action (FOIA) and MDR requests for
our Declassification Division have more than doubled in
recent months. Many of these requests are Roger Hall-
generated MDRs forwarded from the Archives to the Department
of Defense for action.

My original intent was to provide declassification
assistance to the National Archives as soon as my
Declassification Division was fully manned. This Division
is authorized five personnel and presently has only three
fully-qualified personnel in place. A vacancy notice will
be published later this month. Even when fully manned,
however, this small division may be unable to keep up with
our FOIA and MDR workload if it continues to increase.
Regrettably, until the division is fully manned, DPMO will
only be able to support the National Archives with timely
declassification of Committee documents through established
MDR procedures.

Sincerely,

James W. Wold
Deputy Assistant Secretary of Defense
(POW/MIA Affairs)



National Archives



ATTACHMENT L

This out 1/27/95
Washington, DC 20408

General James W. Wold
Deputy Assistant Secretary of Defense
(POW/MIA Affairs)
2400 Defense
Pentagon
Washington, DC 20301-2400

Dear General Wold:

Thank you for your letter of January 5, 1995 (I-94/50735) regarding DPMO support to the National Archives.

It is true that many of the declassification actions our office has forwarded to DPMO have originated from Roger Hall. He works directly for some of the families, and has worked with the records of the Senate Select Committee on POW/MIA Affairs for over a year now. We appreciate DPMO's timely handling of these requests.

Unfortunately, the National Archives is unable to declassify the still classified portion of the Senate Select Committee's records. We continue to face extreme pressure from our constituency to comply with E.O. 12812 of July 22, 1992, and the Presidential Decision Directive NSC of June 10, 1993. Our problem comes down to one issue: we do not have declassification authority for these records. Although DPMO has been helpful to us, our joint effort has been only partially successful. We have therefore determined that we have no choice but to begin sending copies of the remaining classified records with DOD equity to DPMO for declassification.

The classified records comprise approximately 216 archives boxes. We will be sending them to you in batches of ten every two weeks, beginning Monday, January 30th.

Sincerely,

RAYMOND A. MOSLEY
Assistant Archivist
for Special and Regional Archives
(202) 501-5504

CC: Official file - NSC
Reading file - NSC
Day file - NS

DDimkoff/plw 501-5350 1/26/95
File code: 1421-2

NSC _____

National Archives at College Park



8601 Adelphi Road College Park, Maryland 20740-6001

General James W. Wold
Deputy Assistant Secretary of Defense
(POW/MIA Affairs)
2400 Defense Pentagon
Washington, DC 20301-2400

Dear General Wold:

It has recently come to our attention that Sen. Rod Grams of Minnesota is considering holding a Congressional inquiry into the delay in release of the records of the Select Committee on POW/MIA's (the Kerry Committee).

As you know these records are of considerable interest to researchers. We have processed numerous mandatory review requests for Roger Hall, who is apparently representing some of the POW/MIA families. We have recently received requests from Mr. Hall for the first 140 boxes (approximately 117,000 pages) of the classified portion of the records. We expect that he will eventually file a request for the remaining 76 boxes.

We have several times requested assistance from DPMO in reviewing these records systematically. DPMO has referred us to the microfilm produced by the Library of Congress. We understand that DPMO does not want to repeat work that may already have been done. However, we find that it is impossible to use the LC microfilm in any systematic attempt to declassify the Kerry Committee records. Not only is it very difficult and time consuming to locate any individual document, we frequently find the same document has been sanitized in different ways. In addition, there are files that DPMO has not reviewed for declassification which therefore do not appear on the microfilm.

Because of DPMO's unwillingness to send reviewers to the Archives, we began to systematically copy and send the records to your office for review. After we had sent the first several boxes, we received a phone call from Linda Kenyon, a staff member in the OASD FOIA office who had once been on the staff of the Central Documentation Office, predecessor to DPMO. She said that she had been told by Ed Sprague of DPMO that the excisions in the documents sent to the Committee were the same as the excisions in the documents released to the public except for the removal of classification markings. It had been our previous understanding that there were further excisions needed before the documents could be declassified.

If the documents must be reviewed for further excisions, we must come to some more efficient arrangement for accomplishing the

review. The quickest, most efficient course of action would be to send reviewers to the Archives to look at the files in place. On the other hand, we can declassify the majority of the Kerry Committee records without referral to DPMO if you can confirm that those documents excised for release to the committee can be released to the public on removal of the classification markings.

It is to the benefit of both agencies to come to an agreement on how to finish this review quickly. We must be able to satisfy any possible Congressional inquiry that we are taking appropriate steps to make these records available. As you may be aware, the Archivist of the United States has appointed me to represent him on the POW/MIA Commission. Perhaps we can discuss this issue at the Commission meeting on August 24. In any event, a definitive answer is required.

Sincerely,

MICHAEL J. KURTZ
Assistant Archivist
for the National Archives

THE WHITE HOUSE
WASHINGTON

95 NOV 11 P 6:11

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Chris Walker

Fax Number:

Phone Number:

FROM: Carol Cleveland

SUBJECT: Feinstein ltr.

DATE: Nov 1, 1995

NUMBER OF PAGES (including cover sheet):

MESSAGE:

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

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FAX from ...



Senator Dianne Feinstein

of California

331 Hart Senate Office Building
Washington, DC 20510
(202) 224-3841

DATE: 01 November 95TIME: 3:35 pm

TO: The Honorable William J. Clinton
President 456 1121 fax

FROM: Senator Dianne Feinstein
2249650

COMMENTS:

cc: The Honorable Leon Panetta

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 3

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DIANNE FEINSTEIN
CALIFORNIA



COMMITTEE ON FOREIGN RELATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND ADMINISTRATION

United States Senate

WASHINGTON, DC 20510-0504

(202) 224-3841

November 1, 1995

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

Dear Mr. President:

It is my understanding that the Administration is being importuned by a Congressional delegation from another state to replace many of the additional C-17 aircraft with modified Boeing 747s (C-33). As the Defense Acquisition Board meets this week, I felt it was necessary to express my strong support for the C-17 aircraft, and in opposition to the substitution of any C-33 aircraft, to fulfill the airlift requirements of the Air Force. The C-17 is simply the right plane for the job.

The C-17 is fully capable of meeting all of our future airlift needs. Whether delivering tanks to help counter an armed invasion, delivering troops to the front lines, or delivering emergency relief supplies to disaster victims here at home, the C-17 can deliver. The C-17 combines range, payload, airdrop capability, and maneuverability into one highly reliable aircraft. It can refuel in flight, allowing unlimited range to target, can load and unload equipment more efficiently than the C-33, and can also make precision airdrops of cargo enhancing aircraft survivability. Moreover, if the C-17 has to land, it can do so on almost any kind of airstrip within a distance of 3,000 feet.

Quite simply, the unique capabilities of the C-17 are unmatched by any other aircraft in the world today. This sentiment was echoed in a letter to Senator Sam Nunn in May 1994 by Chairman of the Joint Chiefs of Staff General Shalikashvili when he said that, "America must have a core airlifter to replace the aging C-141. The continuing myths of ... the ability of a commercial derivative to meet the needs of a core airlifter are just that -- myths. ... Today there is only one alternative that can meet the requirements of a core airlifter -- the C-17."

The Honorable William J. Clinton

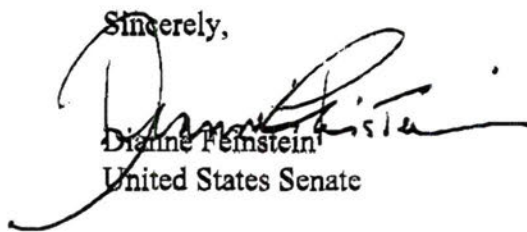
November 1, 1995

Page 2

Thank you for your previous support of the C-17 aircraft and for considering my views regarding this matter of military readiness.

With warmest regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne Feinstein", is written over the typed name and title.

Dianne Feinstein
United States Senate

DF:msf

THE WHITE HOUSE
WASHINGTON
October 31, 1995

THE PRESIDENT HAS SEEN
11-2-95

MEMORANDUM FOR THE PRESIDENT

FROM:

TODD STERN *TS*
PHIL CAPLAN *PC*

SUBJECT:

Responses to Your Questions on Cabinet Report

We have received the following information from Cabinet Affairs in response to your questions on the October 13, 1995, Cabinet Report:

- ce Elbow*
- (A) **FAA Update.** Status report from Secretary Pena to Leon on equipment interruptions; funding; personnel; security; legislation; communications strategy.
 - (B) **Lader memo on rollout for Small Business Enhancement Act.** SBA has been touting Administration's success in passing this Act via targeted trade/specialty press and regional publications; Phil's speeches; local interviews by regional SBA administrators at events like openings of SBA Business Information Centers, One Stop Capital Shops and U.S. Export Assistance Centers. But Phil worries that media is not reporting the central message of your success in increasing capital and improving conditions for small business. He has discussed this with Don and Kitty.
 - (C) **Gober note on increase in hiring Veterans.** Herschel reports steady increase in numbers of new hires in the government who are veterans: 12% in 1990 vs. 18% in 1994. Jim King at OPM has testified that the principal of veterans' preference is a bedrock value. VA and OPM are working together to publicize the good numbers. Herschel recommends that this positive employment message be worked into your remarks for Veterans Day 1995. We have passed his suggestions on to Don Baer.
- agc*

← Copy Baer
+ Michael
V. L. Mann

SMALL BUSINESS ADMINISTRATION

Small Business Lending Enhancement Act: On October 12, you signed into law S. 895, the "Small Business Lending Enhancement Act of 1995." Depending on final SBA FY96 appropriations, this legislation will enable SBA to guarantee between \$9.5 and \$12.4 billion in 7(a) business loans, and approximately \$2.5 billion in Certified Development Company loans. The new law revises the fees and the percentage of a 7(a) loan that SBA can guarantee. It also slightly increases the fees collected on SBA's Certified Development Company (504 Program) loans. Enactment of this law means that the beneficiaries of SBA loan guaranties -- borrowers and lenders -- will bear more of the cost of their loans, thus saving American taxpayers more than \$100 million next year, even as total loan volume increases.

OFFICE OF PERSONNEL MANAGEMENT

Republican Attack on Federal Health Benefits: Director King gave an interview to the *Washington Post* and issued a statement critical of a Republican Congressional proposal that would inflict serious harm on the FEHBP by preventing OPM from negotiating a health benefits package on behalf of federal employees. His comments resulted in a front-page article that exposed the secret Republican plan.

OPM Stats Show Increase in Hiring of Veterans: In last Thursday's White House Veterans Policy Group meeting, OPM presented statistics showing that the number of new hires who are veterans has remained constant and the percentage of new hires who are veterans increased from 12.1% in 1990 to 18% in 1994.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Community Schools Grants:** HHS is working with the White House to coordinate the announcement of \$9 million in grants designed to help youth find a "safe passage" to adulthood. The grants go to support after-school, evening, weekend and summer education and recreational programs. Funded under the bipartisan Crime Bill, these are the first of the Community School grants, and may be the last because the House and Senate Appropriations bills do not provide continued funds for this program.
- **Teen Pregnancy Grants:** HHS is working with the White House to coordinate announcement of \$3.25 million to 13 community coalitions to work with youth in preventing unwanted teenage pregnancies. The programs will demonstrate ways that communities can create partnerships and organize their own resources to help teens delay sexual activity and prevent initial and repeat teen pregnancies.
- **CDC's "Business Responds to AIDS" Targets AIDS in the Workplace:** In the coming weeks CDC will launch a national workplace-related public service campaign at a press conference in New York City. The new campaign is part of CDC's "Business Responds to AIDS" and "Labor Responds to AIDS" programs, two public-private partnerships designed to engage the business and labor communities in HIV prevention. Actor William Hurt will tape a public service announcement.



THE DEPUTY SECRETARY OF VETERANS AFFAIRS
WASHINGTON

THE PRESIDENT HAS SEEN

11-2-95

OCT 19 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

Your Administration has a strong track record of support for veterans employment, in particular, veterans preference in federal employment.

On the 50th anniversary of the Veterans Preference Act, you issued a letter committing to the preservation of the Veterans Preference Act. There has been a steady increase in the percentage of new hires in the government who are veterans. This number has grown significantly (12.1% in 1990 to 18% in 1994) and the Director of the Office of Personnel and Management testified that the basic principal of veterans' preference is a "bedrock value" that will not be changed. Jim King's staff is working closely with the Veterans Service Organizations to modernize and enhance veterans' preference in a reformed government. OPM has released to press these statistics and VA has shared this with, the State Director of Veterans Affairs, Veterans Service Organizations and the Military Coalition.

As we approach Veterans Day 1995, we have an ideal opportunity to disseminate a positive message to veterans, and to the members of the Armed Forces, that you are clearly committed to ensuring that they are provided preferential employment and training opportunities.

I recommend that my staff coordinate with appropriate White House counterparts to develop a message that may be incorporated into a White House press release, a radio address, or your speeches for Veterans Day 1995.

Respectfully,


Hershel W. Gober

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11/03/95

TO: MAC REED

FROM: Staff Secretary

This memo from Secretary Shalala was delivered to this office from Kitty Higgins' staff. It should have gone to you.

Thanks.



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

NOV - 1 1995

95 NOV 3 P7:00

MEMORANDUM FOR THE PRESIDENT

The President's Committee on Mental Retardation (PCMR) is currently operating under an Executive Order dated 1974. The existing Executive Order clearly should be revised to reflect correctly contemporary thinking in the field of mental retardation. I recommend that you consider and sign the enclosed revised Executive Order, which was developed and unanimously approved by the current membership of the Committee. As the designated Chair of the Committee, I strongly support the content of the revised Executive Order.

The current Committee consists of 21 citizen members appointed by the President and six ex officio members, including the Attorney General of the United States, the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, and the President and CEO of the Corporation for National and Community Service. The Secretary of Health and Human Services serves as the designated Chair of the Committee.

President Kennedy appointed a blue ribbon panel, the President's Panel on Mental Retardation, in 1961. The Panel was charged to assess national issues in the field of mental retardation and to submit a report with recommendations to the President in 1962. The Panel submitted a highly acclaimed report to the President as requested.

President Johnson founded the PCMR in 1966 under Executive Order 11280. The Committee was established to help fulfill the unmet needs of the Nation in regard to mental retardation.

President Nixon issued Executive Order 11776 for a revised PCMR in 1974, superseding the previous Executive Order and adding two national goals. The language in the Executive Order has not been updated since 1974 and the Committee is currently functioning under this Executive Order. The 1974 Executive Order should be revised in order to (1) Acknowledge changes in organizational titles of Federal Departments and agencies listed in the Executive Order, (2) recognize changes in national goals and Committee functions, (3) address changes in the membership of the Committee, and (4) document changes in references to statutes cited.

Under the revised Executive Order, I would no longer serve as the designated Chair for the Committee. I prefer to serve as one of the ex officio members, representing one among many Federal Departments and agencies serving and supporting people with mental retardation. I recommend that one of the 21 citizen members of the Committee be designated by you to serve as Chair of the PCMR. This will better reflect the breadth of the field of mental retardation and provide the Committee with a greater degree of independence. The Department of Health and Human Services would continue to provide administrative support to the Committee, but permit the Committee greater freedom to express its own views as to its goals and to the content of its reports.

The PCMR is an advisory committee whose members are appointed by the President of the United States. The Committee's primary role is to advise the President and the Secretary of Health and Human Services on matters relating to mental retardation.

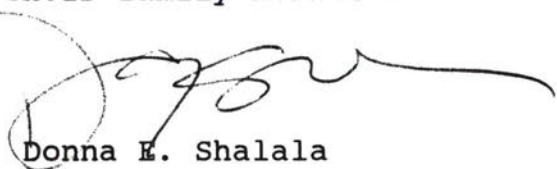
The Committee addresses major issues of concern to the Nation, including the States and territories. From time to time, the Committee addresses international issues. The Committee holds quarterly meetings, convenes annual conferences and academies, prepares and disseminates papers and proceedings and submits an Annual Report to the President.

There are over 7,000,000 Americans with mental retardation. One out of ten families in the United States is affected by the presence of mental retardation. That includes some 26,000,000 family members.

The total number of Americans with disabilities is estimated at 49,000,000. Over 12 million persons have cognitive disabilities, which includes mental retardation, autism, specific learning disabilities and Alzheimer's disease.

I recommend that you sign the new Executive Order for the President's Committee on Mental Retardation.

You may wish to hold a signing ceremony at the White House, as was done by President Kennedy, President Johnson and President Nixon before you, inviting the membership and staff of the Committee and some highly recognized notables in the field of mental retardation. This would acknowledge your support for people with disabilities and their family members.



Donna E. Shalala

Enclosure

Executive Order Number

Date

Continuing the President's Committee on Mental Retardation and Broadening its Membership and Responsibilities.

The President's Committee on Mental Retardation, established by Executive Order No. 11280 on May 11, 1966, as superseded by Executive Order No. 11776 on March 28, 1974, has organized national planning, stimulated development of plans, policies and programs and advanced the concept of community participation in the field of mental retardation.

National goals have been established to:

- (1) promote full participation of people with mental retardation in their communities;
- (2) provide all necessary supports to people with mental retardation and their families for such participation;
- (3) reduce the occurrence and severity of mental retardation by one-half by the year 2010;
- (4) assure the full citizenship rights of all people with mental retardation, including those rights secured by such landmark statutes as the Americans with Disabilities Act of 1990, Pub. L. No. 101-336;
- (5) recognize the right of all people with mental retardation to self-determination and autonomy; to be treated in a non-discriminatory manner; and to exercise meaningful choice, with whatever supports are necessary to effectuate these rights;
- (6) recognize the right of all people with mental retardation to enjoy a quality of life that promotes independence, self-determination, and participation as productive members of society; and
- (7) promote the widest possible dissemination of information on models, programs, and services in the field of mental retardation.

The achievement of these goals will require the most effective possible use of public and private resources.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

Section 1. *Committee continued and responsibilities expanded.*

The President's Committee on Mental Retardation, hereinafter referred to as the Committee, with expanded membership and expanded responsibilities, is hereby continued in operation.

Section 2. *Composition of Committee.*

- (a) The Committee shall be composed of the following members:
- 1) The Secretary of Health and Human Services.
 - 2) The Secretary of Education.
 - 3) The Attorney General.
 - 4) The Secretary of Labor.
 - 5) The Secretary of Housing and Urban Development.
 - 6) The President and Chief Executive Officer of the Corporation for National and Community Service (formerly ACTION).
 - 7) The Commissioner of Social Security.
 - 8) The Chair of the Equal Employment Opportunity Commission.
 - 9) The Chair of the National Council on Disability.
 - 10) No more than twenty-one other members who shall be appointed to the Committee by the President. The citizen members shall include self-advocates with mental retardation and members of families with a child or adult with mental retardation, persons employed in either the public or the private sector and individuals who as a group represent a broad spectrum of perspectives, experience, and expertise on mental retardation.
- (b) Except as the President may from time to time otherwise direct, appointees under this paragraph shall have three-year terms, except that an appointment made to fill a vacancy occurring before the expiration of a term shall be made for the balance of the unexpired term.

- (c) The President shall designate the Chair of the Committee from the twenty-one citizen members. The Chair shall advise and counsel the Committee and represent the Committee on appropriate occasions.

Section 3. *Functions of the Committee.*

- (a) The Committee shall provide such advice and assistance in the area of mental retardation as the President or Secretary of Health and Human Services may request, and particularly shall advise with respect to the following areas:
- 1) evaluating and monitoring the national effort to establish appropriate policies and supports for people with mental retardation;
 - 2) providing suggestions for improvement in the delivery of mental retardation services, including preventive services, the promulgation of effective and humane policies, and the provision of necessary supports;
 - 3) identifying the extent to which various Federal and State programs achieve the national goals in mental retardation described in the preamble and have a positive impact on the lives of people with mental retardation;
 - 4) facilitating liaison among Federal, State and local governments, foundations, non-profit organizations, other private organizations, and citizens concerning mental retardation;
 - 5) developing and disseminating such information as will tend to reduce the incidence and severity of mental retardation; and
 - 6) promoting the concept of community participation and development of community supports for citizens with mental retardation.
- b) The Committee shall make an Annual Report to the President concerning mental retardation. Such additional reports or recommendations may be made as the President may require or as the Committee may deem appropriate.

Section 4. *Cooperation by other agencies.*

To assist the Committee in providing advice to the President, Federal departments and agencies shall designate liaison officers to the Committee, as requested. Such officers shall, on request by the Committee, and to the extent permitted by law, provide it with information on department and agency programs that do or could contribute to achievement of the President's goals in the field of mental retardation.

Section 5. *Administrative arrangements.*

- (a) The Office of the Secretary of the Department of Health and Human Services shall, to the extent permitted by law, provide the Committee with necessary staff, administrative services, and facilities. The Secretary of Health and Human Services shall have the authority to enter into interagency agreements with other ex officio members of the Committee for the purpose of having their agencies participate in providing financial resources and staff, as authorized by law, to implement the stated goals and functions of the Committee under this Executive Order.
- (b) Each member of the Committee, except any member who then receives other compensation from the United States, may receive compensation for each day he or she is engaged in the work of the Committee, as authorized by law (5 U.S.C. 3109), and may also receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently. Committee members with disabilities may be compensated for attendant expenses, consistent with government procedures and practices.
- (c) The Secretary of Health and Human Services shall perform such other functions with respect to the Committee as may be required by the provisions of the Federal Advisory Committee Act (5 U.S.C. App. 2; 86 Stat. 770), as amended.

Section 6. *Construction.*

Nothing in this Order shall be construed as subjecting any Federal agency, or any function vested by law in, or assigned pursuant to law to, any Federal agency, to the authority of the Committee or as abrogating or restricting any such function in any manner.

Section 7. *Superseded Authority.*

Executive Order No. 11776 of March 28, 1974 is hereby superseded.

PRESIDENT

The White House

CL: Don Bauer
Terry Edmonds
Rubin Emanuel

Back to
me

6-5709



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

VF

95 OCT 27 P5:14

October 27, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: LEE P. BROWN *(B)*
SUBJECT: UNITED NATIONS ADDRESS

I want to take the opportunity to let you know that your historic address at the United Nations on drug trafficking, money laundering and international crime has been well received by the counter narcotics community, both here and internationally. The call to action that you made to the world on Sunday has energized all of those that labor in the difficult fight against international drug trafficking.

The speech you are scheduled to give before the Community Anti-Drug Coalitions of America (CADCA) on November 2, 1995, will also be very helpful in our efforts. It affords you the opportunity to deliver a forceful demand reduction message. CADCA is an ideal audience for such a presentation. This is an important grass-roots group. A strong message to those engaged in drug abuse prevention and education efforts would energize them and complement the forceful message you delivered in New York.

These two speeches will define in a very dramatic way the National Drug Control Strategy and your significant commitment to reduce drug trafficking, drug use, crime, and violence.

65700
CL: Don Bauer
(faxed) Terry Edmonds
Robin Emanuel

THE WHITE HOUSE
WASHINGTON

95 NOV 11 4:59

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Terry Edmonds

Fax Number: 65709 Phone Number:

FROM: Todd Stern

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet):

MESSAGE:

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Not Return Value

THE PRESIDENT HAS SEEN
11-1-95

Idubillies → 8520 Crigge won
tutor in Dubuque
→ the Court staff previously
judge of Circuit
Miron overruled

- **Disney Teacher Awards:** On October 30, Secretary Riley will attend the Disney Teachers Dinner and will participate in the Disney Teacher Awards on November 1.

DEPARTMENT OF THE INTERIOR

THE PRESIDENT HAS SEEN
11-1-95

- **Million Man March:** DOI staff with the march organizers on October 20 and agreed to provide photographs and other information to the Boston University researchers. On October 24, Interior staff met with the Boston University researchers to discuss the methodology used to reach the initial estimate of 400,000 and to look at their high-tech methodology for crowd estimates. Interior has also provided information to other sources. They expect to receive Boston University's recount of the Million Man March on October 27. The National Park Service will analyze the data provided by Boston University and other experts and will issue a final statement regarding their official count in the next 30 days. If the crowd number is changed, the Department will explain reasons for the change at that time.
- **Arctic National Wildlife Refuge Update:** The Senate voted 51-48 in favor of Senator Murkowski's proposal to open the Arctic National Wildlife Refuge to oil development, as part of the Reconciliation bill. The Administration has released a new revenue projection showing that, if enacted, the Refuge drilling proposal would likely raise \$450 million less than predicted by the sponsors. (\$850 million as opposed to 1.3 billion). The estimate is based on more realistic price projections for oil than were used by previous analyses. The new estimate, coupled with recent information regarding declines in the caribou population at Prudhoe Bay, is likely to figure prominently in the Senate discussion. On Friday, October 27, Secretary Babbitt participated in a press conference on the Hill on ANWR following the vote. The press conference included bi-partisan congressional members and environmental groups.
- **Parks Commission:** The Parks Commission has been dropped from the Reconciliation Bill. Many of the events on Secretary Babbitt's Natural Heritage tours have been in parks which would have been considered for closure. The excellent media generated by the recent tours have focused the press on the environmental issues and what the Republican-controlled Congress is attempting to do. The Republicans are feeling the heat as evidenced by the recent memo from the Republican leadership which urged Representatives to do environmental events in their districts such as participating in tree plantings, adopting a highway or touring a recycling plant-- events meant to take the focus off of their votes in Washington which are gutting environmental laws.
- **California Natural Heritage Tour:** Next week, Secretary Babbitt will travel to California for his tenth Natural Heritage tour. On Monday, he will address the National Congress of American Indians in San Diego. He will also tour Camp Pendleton and participate in the signing of a habitat management agreement which is an example of the Endangered Species Act working. On Tuesday, he will hold a news conference in Los Angeles to discuss the Mojave National Preserve and the importance of this unique area and will also travel to Monterey for an event at Fort Ord. This is another example of the Endangered Species Act working and the focus will be on how the Young-Pombo bill will dismantle ESA. On Wednesday, he will be the San Francisco bay area to discuss the importance of the Clean Water Act to local communities. On Thursday, he travels to the Sacramento Refuge which has thousands of migratory birds including snow geese returning

- **Persian Gulf Syndrome:** ABC's PrimeTime Live has expressed interest in doing a segment on birth defects in the offspring of Persian Gulf veterans. They have invited information about the government response, treatment and research, but no interviews have been conducted.
- **Arkansas Pilot's Remains Interred in Houston National Cemetery after 28 Years:** The repatriated remains of U.S. Navy pilot Lt. Cmdr. John Frederick Barr were interred recently during a committal service at Houston National Cemetery. Lt. Cmdr. Barr's A-4E Skyhawk fighter was shot down over Haiphong, North Vietnam, on October 18, 1967. On April 6, 1988, his remains were recovered and repatriated from Vietnam. Positive identification was not possible until recent scientific advances in DNA technology confirmed the remains were of the Arkansas pilot. Lt. Cmdr. Barr received full military honors.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Interdiction Asset Return Analysis Results Reported to Congress:** On Tuesday, October 31, Director Brown will testify before the House International Relations Committee and will release the results of an analysis ONDCP funded of interdiction asset return (i.e. what return can be expected from additional funds being put into interdiction in the transit zone). The analysis shows limited return from additional investment in transit zone counterdrug activities.

Delay in Heroin PDD Release: The Heroin PDD has still not been released, causing potential embarrassment at the above hearing, since Director Brown testified last June that it was completed and under review. Director Brown urged that the PDD be released before the hearing.

DEPARTMENT OF EDUCATION

- **Budget Reconciliation:** The House budget reconciliation proposal would eliminate Direct Loans. The Senate bill would limit Direct Loans to 20% of loan volume and institute a loan volume charge on participating colleges. Both bills would impose additional fees on student loan lenders and guaranty agencies, raise interest rates for PLUS loans, and eliminate the interest subsidy during the student's six-month grace period.
- **GOALS 2000:** Education is working to address concerns raised by California Governor Pete Wilson over GOALS 2000. The Governor has expressed reluctance to release second year funds to California's state and local educational agencies. In addition, Senator Arlen Specter intends to propose several amendments to GOALS 2000 as part of the Senate Appropriations bill, including an amendment to allow states to use a method other than Departmental review to have their GOALS 2000 plans approved; and an amendment to allow the Department to provide GOALS 2000 grants to local educational agencies in states that are not participating in GOALS 2000.
- **Virginia Department of Education v. Riley:** The Virginia Department of Education and the Virginia School Boards Association have filed briefs challenging Secretary Riley's July 3 decision that the Individuals with Disabilities Education Act requires Virginia to continue educational services to children with disabilities who have been suspended or expelled for misbehavior not related to their disabilities. The Department's responsive brief is due November 16.

TAKEN TO THE CLEANERS

My elderly mother may lose her security because of changing community standards

BY CAROLYN SCOTT KORTGE

IN JUNE, A FEW DAYS AFTER HER 84TH BIRTHDAY, MY MOTHER received a certified letter from the State of Oregon. It wasn't a birthday greeting, but it is likely to change the way she celebrates every birthday from now on. It almost certainly will change her way of life. My mother lives now, as she has for many years, alone and independently in a house on the edge of a small Willamette Valley town. Every spring she plants a garden. Every Saturday from spring until fall she circles her yard clipping flowers to fill two bouquets for her church. She moved to this corner in 1952, two years after my father died.

My mother was 38 when my father slipped from a construction scaffold in an accidental fall. I was 7, my brother 5. After his discharge from wartime service in the shipyards of Bremerton, Wash., my father had barely established himself as an electrician. He left \$2,100 in death benefits. My mother updated her teaching credentials and found work in a rural school. Then, with \$1,500 in hand, she went to the local bank. She wanted a loan to construct a small commercial building on the downtown lot where we then lived. The building, she said, would be her security. It would offer what my father now couldn't—a source of support in her old age.

In 1952, the building opened its doors. On one side of its 40-foot storefront, The Little Charm Shop displayed children's clothing. NuWay Cleaners filled the other side. The two stores served Main Street shoppers for 25 years until the operators of the cleaners retired. A flower shop moved into the space. By that time, the hardships imposed by the building were over. The days of pinching pennies and relying on grocery-store credit to make payments had ended. After more than 20 years of teaching seventh graders in town schools, my mother was looking forward to retirement. The future looked as rosy to her as the flowers in her tenant's cooler.

All that has changed. The building that once represented security produced a menace with the potential to bankrupt her. The discovery of contamination in city-park well water triggered groundwater tests in the area. Waste products once discarded by dry cleaners were identified as a likely source of contamination. Although a dry cleaner hasn't operated for 20 years on my mother's property, chemicals remain in the soil. Mother knew nothing of this hazard until a letter came from the Oregon Department of Environmental Quality. It said she should decide if she would oversee further testing and cleanup herself or if she would let the state handle it. In either case, my mother would pay the costs.

Property-tax appraisals set the current value of her building at just under \$70,000. State employees and independent environmental consultants warn us that \$200,000 is a conservative estimate for cleanup costs. My mother's entire estate, including the building, her home and her savings, wouldn't cover the bill. At 84, she has enough



could attempt to identify insurers of the building before environmental hazards were written out of liability coverage. This is possible, we are told, but she must deal with it. She must pay the attorneys. She must hire the experts. The cost of spreading the burden is her burden. This is because state and federal law make her, the property owner, fully responsible. Even if she succeeded in distributing the burden of environmental cleanup among others, the effort could easily consume her savings.

Reluctantly, my mother humbled herself this summer. She bundled up tax records, savings statements and retirement-fund reports and applied to the State of Oregon for hardship status. The appeal brought mercy, but not justice. It saved her home and her savings, but not her self-confidence. It appears she will lose the building that has been a symbol of security and prudent investment. The state has reserved the right to take the building in payment for cleanup costs. The law still holds her culpable.

My mother is on her own again. She's alone at the front of an issue that promises to stretch across the nation, touching thousands of small businesses. Dry cleaners, mechanics, print shops—all will face the same questions eventually. Who will pay? Who will be responsible for cleaning up messes made before we knew better?

These costs go beyond the loss of a rental-income building. Instead of facing the remainder of her life confident that she can provide for herself and contribute to her community, my mother is stocking up on shoes and underwear—fearful she won't be able to afford them in the future.

The crippling realization that she could at any time be stripped of the means to support herself financially seems to have invaded her very cells. Her legs ache. Some days now, she leans on a chrome walker, unable to carry her own weight for the first time in her adult life. Surely this was not what we intended when we assessed the environmental transgressions of our past and set out to clean up the errors we made as a society on our way to the American Dream.

KORTGE, a freelance writer, lives in Eugene, Ore.

money to live long and comfortably. She has enough savings to preserve her independence. She does not have enough money to bear the enormous costs of changing community standards.

The dry cleaner that operated in her building 40 years ago disposed of chemicals the same way as others did. Water samples show similar chemicals at other dry-cleaner locations in town. None of these businesses was operating in a negligent manner. They followed standards accepted by the community in 1952. Now we are learning that we must live more carefully if we are to survive in a world that is safe and clean.

My question is: who should be responsible for costs imposed by changing community standards? Does liability stop with the easiest target? Or should the costs be shared by taxpayers and legislators who made the changes? This question, I'm told, worries senators and judges. It's not easily answered. The questions are ethical, political and economic. The impact is profoundly human.

While the politicians debate, my mother has been gripped by uncertainty and fear. We were advised that she could try to spread the liability. She could take action against the dry cleaner, seek payment from companies that supplied his chemicals. She

*Sub / Katie McGinley
isn't there anything we can
do about people like her? BC*

THE PRESIDENT HAS SEEN
10-21-95
11-1-95

MSC
Can we keep on this?
BC

A Latin Epidemic Spreads Horror, and Questions

By DIANA JEAN SCHEMO

RIOHACHA, Colombia — With the rain, over the mountains, came the plague.

First, it struck the horses and the donkeys, leaving them dazed and then wild, spinning dizzy before falling dead to the ground. A few weeks later, whole villages were besieged by soaring fevers, aching muscles, vomiting and diarrhea. Some shook with convulsions, furiously whipping and kicking the air, and gnawing their lips. They cursed the people who loved them. They sank into comas, and they died.

The strange, cyclical epidemic of Venezuelan equine encephalitis, called the "mad plague" by people here, is striking Colombia and Venezuela, 24 years after an outbreak of the disease spread as far south as Peru and as far north as Texas.

Estimates of the death toll range from dozens to hundreds.

The viral disease is spread by mosquitoes that breed in the mangrove swamps and salt flats swollen by heavy rains. Horses and mules amplify the virus, which the insects then deposit in people.

Public health workers say the outbreak could have been prevented had animal vaccines been used in time and had a human vaccine licensed in Russia been considered.

In hospitals, at least 25 patients have died of the disease in Colombia and 8 in Venezuela. But doctors scouring the remote villages of the nomadic Wayúu Indians, who have been the epidemic's principal victims, say the number of deaths is far higher. They estimate that 45,000 people have been stricken in Colom-

Continued on Page A10, Column 1

Continued From Page A1

bia and at least 10,000 in Venezuela. Given the disease's incidence of fatality, that would amount to 270 dead in Colombia and 60 in Venezuela.

Among the Wayúu, an isolated tribe whose name means "the people" and "the language," the plague is an inexplicable act of nature before which their own shamans are powerless.

"It comes with the rain," said Miguel Uriana, a fisherman, who watched over his 5-year-old son, Jairu Ipuana, with his wife in the hospital here. Asked if the rain caused the disease, Mr. Uriana, perched on his son's sickbed, looked side to side in bewilderment.

"It's the same thing," he said. "It's part of the rain."

That suggests a fatalism that public health workers reject. The virus has been the target of more than 40 years of research pioneered by the United States and Soviet biological warfare programs — work that has provided animal vaccines that are commonly used, and a human vaccine licensed in Russia that scientists there say they could have produced to fight the epidemic.

"This is something that is totally preventable, 100 percent," said Victor Cardenas, an epidemiologist from the Centers for Disease Control and Prevention in Atlanta hired by the Colombian Government, who is tracking the disease's origin and path. "If there had been a regular, ongoing system of vaccination and surveillance, none of this would be happening."

Rather, the current outbreak of Venezuelan equine encephalitis seems a case study of the gaps between Government policies and high-profile research into a crop of terrifying, deadly viruses, from Ebola to hanta. For Venezuelan equine encephalitis, the technology existed first to prevent the outbreak, then to limit its spread, and finally, to avoid human deaths. What was lacking, scientists and public health experts say, was the collective alarm sufficient to act.

As the first horses and burros were taking sick in Falcón, Venezuela, in April, the Pan-American Health Organization, unaware of the nascent epidemic, happened to issue a report warning member countries that Latin America was ripe for just such a disaster. The report said the absence of vaccination and diagnostic programs for animals left Latin America vulnerable to the forms of encephalitis endemic to the region.

The report also chided all of the countries, except Colombia, for failing to send it weekly figures on disease occurrences. But the report brought no deluge of numbers from member nations, said Jaime Estupiñán, the organization's veterinary public health adviser.

The Venezuelan authorities did not officially alert other countries about the disaster brewing within their borders, or take sufficient measures to prevent the disease from marching south to Lara and west toward the border with Colombia. The Venezuelan Congress recently censured Health Minister Carlos Walter, who was dismissed for negligence in failing to combat the spread of the epidemic.

"It's not fair to blame a country for this problem," Dr. Estupiñán said. "They detected the cases in Lara, they started acting, but they didn't consider it an epidemic."

An early official warning was necessary at all only because as in Venezuela, the Colombian Government agency responsible for vaccinating animals, the Colombian Agribusiness Institute, had allowed its animal vaccination program to "deteriorate" to dangerous levels, said Gilberto Álvarez, director of direct campaigns at the Colombian Health Ministry.

In all of 1994, only 5,000 to 6,000 of the total 70,000 horses and donkeys in La Guajira department were vaccinated for Venezuelan equine encephalitis, said Jaime Cárdenas of the Agribusiness Institute. Mr. Cárdenas argued, however, that his agency had not dropped its guard.

Jonathan Smith, who has been working with Colombian officials to contain the epidemic, credited them with a quick response once the outbreak occurred. But Dr. Smith, who runs the department of viral biology for the United States Army at Fort Detrick in Frederick, Md., said that with limited budgets, governments tend to respond to present dangers, often neglecting measures that could prevent the outbreak of epidemics until it is too late, and more expensive to control.

"We may be much more sophisticated in terms of the science, but that's not always what translates into the best public health on the ground," Dr. Smith said.

Nor has much thought been given to preventing infections in people through the use of human vaccines, though it normally takes two weeks for the infection of donkeys and horses in a given region to spread to

humans — a window of time that public health officials acknowledge could be used to vaccinate residents of infected areas.

The vaccines exist, though most people working in public health presumed they were available only for military or laboratory use, and in the United States that is true. But Russian specialists, who say they had never been contacted by foreign health officials about using their own research, asserted that they had developed three types of human vaccines against Venezuelan equine encephalitis, and that one — an inactivated live vaccine — was safe, effective and licensed for general use.

Sergei V. Netesov, deputy director of the once top-secret State Research Center of Virology and Biotechnology Vector, near Novosibirsk, said the vaccine is produced by the Viron Scientific and Production Association, in Tomsk, which could produce stocks of the human vaccine for vulnerable populations. Mr. Netesov's center has apparently decided to open its research on a wide range of infectious viruses, including Ebola, H.I.V., Eastern and Venezuelan equine encephalitis.

"If there are some public health problems with infections mentioned in our brochure," Dr. Netesov wrote in response to questions, "I am ready to discuss possible ways of solving these problems on the basis of mutual interests. Unfortunately, we have no opportunities by ourselves to give the humanitarian aid."

Dr. Netesov said the Venezuelan equine encephalitis vaccine has not yet been tested on children, though he believed it would be safe for them. The vaccine, he added, could easily be produced to answer the emergency in Venezuela or Colombia, though nobody from Latin America or elsewhere had inquired.

The vaccine has been licensed for use in Russia, and its development has been reported in scientific journals there.

Dr. Estupiñán of the Pan-American Health Organization, whose members would be the most natural consumers for such vaccines, said he was unaware that a human vaccine was licensed anywhere.

Though the number of people infected here with Venezuelan equine encephalitis appears to be dropping, and vaccination of animals is aimed at building a cordon south of La Guajira, the disease has spread to horses in the departments of Magdalena, César and Córdoba, while other strains may be appearing on the Colombian border with Ecuador.

Doctors and nurses are perplexed by signs that suggest more than one deadly disease may be striking the population. People here were already fighting dengue fever before this epidemic struck, and in recent days, Eastern equine encephalitis, which kills 40 percent of the people it infects, appeared in the neighboring

department of Córdoba.

And information is not easy to come by. The day after Paulina Epiayú, 14, died at the hospital here, epidemiologists and other visitors who wanted to know more about her illness visited the Wayúu settlement where she lived. In the hours before her burial, Paulina's family wailed inside their hut, while the men — drunk and armed — chased the strangers away. A promised delivery of medicines from the hospital in Maicao had not been sent beforehand, and the Wayúu seemed vexed that the doctors would arrive offering nothing.

Most cruelly for the Wayúu, who adore their young with a devotion bordering on worship, the "mad plague" strikes mostly severely in children who have not had time to build up antibodies. The babies of some of the pregnant women who contracted the virus during the last epidemic were delivered stillborn without a brain, and adults and children who survive the convulsions and comas may be neurologically damaged for life.

Jairu Ipuana, his hospital bed raised to the level of a bier, has grown so thin from the illness he could easily be mistaken for 2, not 5. His parents left their two other children with relatives to stay with the child, more dead than alive when they brought him to Our Lady of the Remedies hospital in Riohacha in late September. Nelbis Ipuana, his mother, leans over and gently rubs the chest of her youngest son.

Every few minutes, the boy who loved to laugh and play soccer with the big ones breathes quickly, shal-lowly, and whimpers at the pain inside. His parents suspect an intravenous drain attached to his foot is hurting, but are convinced the child's only hope lies in the tubes, bottles and the stacks of prescriptions of the Colombian doctors.

"All he still needs to learn is how to ride a bicycle," his father said. "I haven't had the money yet to buy him one."

They worry about what they will do when their last pesos run out. "When that's over, we'll have to go hungry," Mr. Uriana said.

Jairu's medical chart is a grab bag of illnesses — encephalitis, dengue and meningitis, slight bacterial infection — that reflects the doctor's bafflement at his condition.

Doctors can only alleviate the symptoms, prescribing acetaminophen for fevers, and Valium and phenobarbital to quiet the convulsions. But ultimately, the struggle is a desperate and lonely one, raging between the virus and each body's defenses, leaving parents, sisters and doctors helpless on some other shore.

THE NEW YORK TIMES, THURSDAY, OCTOBER 26, 1995

Student Revolt on Affirmative Action

By K.L. BILLINGSLEY

"Race-based affirmative action needed to end because it is racist." "No student seeking admission to a university should benefit as a result of his or her skin color." "Wealthy black families do not need affirmative action. Low-income white families do."

The transcript of a Rush Limbaugh monologue? A press release from the California Civil Rights Initiative? An excerpt from a speech by California's governor, Pete Wilson? Supporters of affirmative action should be so lucky.

As it happens, the above statements come from "Affirmative Action Needed to Go," an unsigned editorial in the Sept. 21 issue of the Daily Californian, the official student newspaper of the University of California at Berkeley, the citadel of '60s radicalism and still a bastion of political correctness. But as Bob Dylan might put it, the times they are a-changin' on the radical campus, which has practiced race-based affirmative action since 1964. The student paper says that the unsigned editorial represents "the collective opinion of the staff of the Daily Californian."

Consider, then, some of those opinions. If black, Latino, white and Asian students are of the same economic status, "it is unfair if the black and Latino students are admitted to the university while the Asian and white students are denied." Further, "when race is used to even the smallest extent as a factor in determining admissions or hiring, people of an underrepresented race are stigmatized as having achieved their success because of what they are—not because of what they are capable of doing. Race-based policies do ensure that more positions go to minorities, but they also contribute to racism."

In July, a day after President Clinton

made a speech defending race-based affirmative action, the University of California board of regents voted to end, not mend, racial preferences in student admissions and hiring. The prestigious nine-campus, 162,000-student system became the first university in the nation to adopt such a policy.

"The Daily Californian supports the regents' decision to dismantle affirmative action," said the paper, which once denounced the regents as pawns of the establishment. The paper also agrees with UC regent Ward Connerly, a staunch opponent of racial preferences who supports aid and outreach programs based on economic status. The new UC policy allows for that type of assistance.

Recently, Berkeley's chancellor, Chang-Lin Tien, announced the "Berkeley Pledge," an outreach program to low-income applicants. That move also drew support from the student paper. "We believe that the Berkeley Pledge and other programs that focus not on a student's race but on his or her socio-economic status are excellent alternatives to the affirmative action programs that focused more on race than on need," said the editorial. Matt Belloni, a political science major who edits the Daily Californian's opinion page, believes that many Berkeley students agree with the paper.

In a Sept. 24 Los Angeles Times op-ed, Mr. Belloni noted that reporters often outnumber protesters at pro-affirmative-action demonstrations. "Most of the students," he wrote, "actually agree with the regents," whom, he added, "wisely recognized that affirmative action penalized the truly deserving minority and white students." Further: "Race-based affirmative action is an outdated way of judging students. . . . In UC admissions, when it

comes down to a choice between two applicants of equal merit, the middle-class black student is admitted to Berkeley. . . . For years, affirmative action divided the races, forcing members of each ethnicity to battle each other for those coveted admission letters. And it's the truly deserving minority and white students who are the victims of race-based admissions."

Politically correct administrators such as Mr. Tien, whom Mr. Belloni describes as "one of the country's most ardent supporters of race-based affirmative action . . . must now preside over the implementation of the regents' new policies." But those policies are now the views of California's best and brightest.

Concluded Mr. Belloni: "California is in the most critical stage of a noble experiment—one that is being watched closely across the nation. Admission based on need is the first step in promoting an educational environment in which all students will be judged by who they are and what opportunities life has given them, not by the color of their skin. I can't think of a loftier goal."

To date, the editorial has drawn no formal response from the administration and faculty. Mr. Belloni makes no claim that the Daily Cal editorial represents the views of most Berkeley students. But he notes that out of 30,000 students, only 10 showed up at the paper to complain, while many other students expressed agreement. That may support Mr. Belloni's thesis that things have indeed changed, but perhaps not completely. A massive "Affirmative Action Walkout" is scheduled today with the Rev. Jesse Jackson slated to attend, and "60 Minutes" planning to cover it.

Mr. Billingsley is a media fellow at the Pacific Research Institute in San Francisco.

ics in Morris

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THE PRESIDENT HAS SEEN
11-1-95

THE WHITE HOUSE
WASHINGTON

October 27, 1995

MEMORANDUM TO THE PRESIDENT

THROUGH: ERSKINE BOWLES

FROM: STEPHANIE STREETT & ANNE WALLEY

SUBJECT: SCHEDULING DECISIONS

Accept:

Date of Event:

10/27/95 - 10/29/95

10/30/95

10/31/95 - 11/1/95

tbd

Location of Event:

Optional Phone Call to Winning & Losing
Teams in the World Series

Optional Drop-by Reception For White
House Conference on Travel and
Tourism

Optional Drop-by VP's Meeting With
New Ulster Unionist Party Leader
David Trimble

Meeting With the Advisory Board of
Your Oklahoma City Scholarship Fund

**We will set this meeting up so that you
can drop by.**

REGRET:

Date of Event:

1/31/96

Location of Event:

White House Reception With Service
Chiefs, Military Commander-in-Chiefs
and Spouses

why - I met w
a few more ag - EB
see him in the -

11/10/95 - 11/11/95
I think I should >

11/15/95

We would like to set up a meeting for the Commanders while they are in Washington instead of scheduling an evening reception.

Satellite to the Fortune 500 Forum Convention

Opening of the "We Will Be Back: Oklahoma City Rebuilds Exhibit" at the National Building Museum

PENDING:

Date of Event:

OK 10/28/95 - 10/29/95

unfounded
OK 10/30/95 - 11/1/95

OK 10/30/95 - 11/6/95

should use the
10/30/95 - 11/3/95

Location of Event:

Phone Call to Former President Bush (this weekend)

Bosnia policy

Biotechnology Bill Signing Ceremony

There is currently no time on your schedule to do a ceremony.

Bill Signing For HR 402, the Alaska Native Claims Settlement Act

There is currently no time on your schedule to do a ceremony.

Interview With the Wall Street Journal

This interview would be to discuss where you stand 1 year prior to the election and 1 year after the mid-terms.

THE WHITE HOUSE
WASHINGTON

October 31, 1995

MEMORANDUM TO THE PRESIDENT

THROUGH: ERSKINE BOWLES

FROM: STEPHANIE STREETT & 
ANNE WALLEY 

SUBJECT: SCHEDULING DECISIONS,

ACCEPT:

Date of Event:

11/1/95

11/2/95

11/8/95

11/7/95

11/9/95

tbd

Location of Event:

Bipartisan Leadership Meeting
on Bosnia

Bill Signing Ceremony For HR 402
(Alaska Native Claims Settlement Act)

Congressional Meeting on Bosnia
(Broad group of members)

Meeting With John Sweeney
(New President of the AFL-CIO)

Meeting With Arab-Americans

Meeting With Bob Johnson
(President of Black Entertainment TV)

REGRET:



Date of Event:

10/31/95 - 11/4/95

11/8/95 - 11/9/95

Location of Event:

Wall Street Journal Interview

Cabinet Meeting

Handwritten notes: 402, 767, 0439

10/11

It was decided by LP, EB & HI since you only have 7 working days in the office this month and Nov. 8th and 9th are completely full that we would schedule this meeting for Dec.

PENDING:

Date of Event:

10/11

10/31/95 - 11/4/95

10/11

11/13/95

Location of Event:

Telephone Call to Former President Bush on Bosnia

Cocktails With Select Congressional Members of DLC

This would occur at 9:30 p.m. after you return from the DNC dinner. We thought you might like to do this since you are off the next day.

THE PRESIDENT HAS SEEN
11-1-95

~~Leon~~

Medicare. Plans, pros, cons

Medicare reform legislation is intended to save \$270 billion over seven years. Debate on the House floor is expected to open next week. Senate debate will follow. The legislation is likely to pass largely in this form. If it does, President Clinton has said he'll veto the bill. (Story, 1A)

Eligibility

Senate: Raised gradually from age 65 to 67 by 2027.

House: Remains 65.

► **Pro/Con:** Would save the government money by reducing the number of people becoming eligible each year, but could leave millions more uninsured if they retire before they become eligible.

Monthly premiums

Senate: Beneficiary's share of premium would increase from current \$46.10 a month to \$92 a month by 2002.

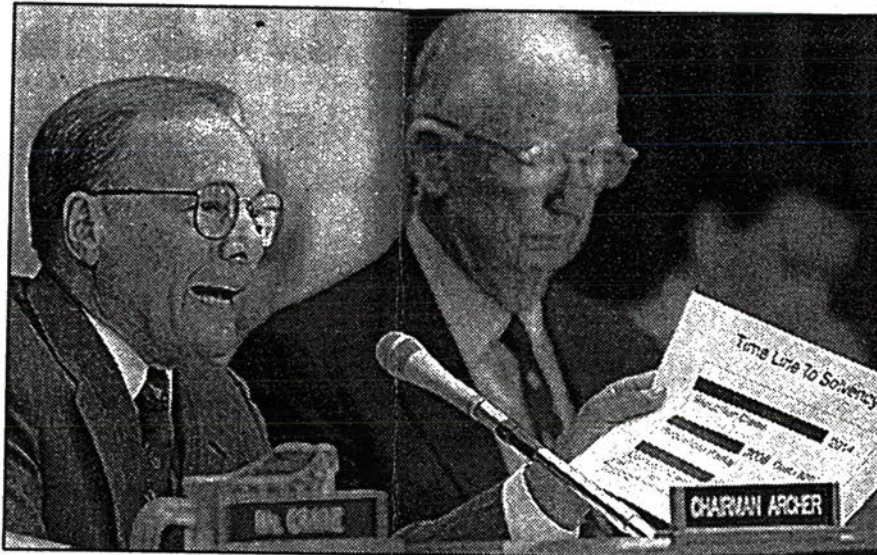
House: Increases to about \$87 by 2002.

► **Pro/Con:** Beneficiaries currently pay 31.5% of premiums. Proposals would maintain that share instead of letting it drop back to the 25% scheduled under current law. Would save the government money, but would add to out-of-pocket costs for seniors, who now spend nearly \$3,000 a year on medical bills. Democrats claim individual costs would go up by \$3,400 over seven years.

Annual deductible

Senate: For doctors' services, covered by Medicare Part B, beneficiary would pay first \$150 of expenses in 1996, up

Moving toward changes



By Doug Mills, AP

WAYS AND MEANS COMMITTEE: Rep. Bill Archer, R-Texas, House Ways and Means Committee chairman, presides over a hearing on Medicare Wednesday on Capitol Hill. Ranking committee Democrat, Rep. Sam Gibbons, D-Fla., is at right. The committee approved sweeping Medicare reforms, setting the stage for a floor vote and showdown with the White House.

from current \$100. Deductible would rise \$10 a year through 2002. Per-visit co-payment remains 20%.

House: Remains at \$100 a year for doctors' services. Co-payment, 20%.

► **Pro/Con:** Would slow drain on Treasury but add to seniors' expenses.

Health plan options

Senate: Senior could choose fee-for-

service system, health maintenance organization or other managed care.

House: Same.

► **Pro/Con:** More choices, but seniors who couldn't pay extra for better health plans would be pushed into lower-cost, less-comprehensive programs.

Medical savings accounts

Senate: Under a new optional pro-

gram, some of the money now being paid to doctors and hospitals would go into an individual account for beneficiary to buy private insurance and pay deductibles and uncovered medical expenses. Beneficiary would get 75% of any amount left at end of year.

House: Same, but any excess would be rolled over for future medical expenses.

► **Pro/Con:** Enables wealthier seniors to combine government payment with own funds to buy better insurance. But if healthier, wealthier seniors opt for individual accounts, leaving only sicker people in government-paid managed-care programs, program costs would go up.

Hospital, doctor payments

Senate: Most savings would come from slowing annual growth in payments to hospitals, doctors. Expected savings from hospital payments: \$73.6 billion. From doctors: \$22.6 billion.

House: Similar formula would save \$76.7 billion from hospital payments, \$22 billion from doctors.

► **Pro/Con:** Doesn't hit seniors' pockets. Could mean hospital closings, fewer doctors taking Medicare patients.

Higher-income seniors

Senate: Individuals with annual income of \$50,000, couples with \$75,000 would pay higher premiums.

House: Higher premiums for individuals at \$75,000, couples at \$125,000.

► **Pro/Con:** Would reduce government costs but penalize wealthier seniors who paid in at same percentage as others.

This is our part in it
Do them 2 get our \$1250?

Sandy
Summit B.

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THE PRESIDENT HAS SEEN

11-1-95

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A Guy From the Streets Reflects on the March

Kweisi Mfume, once a young punk who personified many of the ills of urban society and now one of the most respected African-American politicians, sees the Million Man March as a seminal event.

"It was not the message of Farrakhan," the Maryland congressman said the day after the march. "It was the message of hope, a message that they themselves were responsible for themselves that change would start first with ourselves."

Kweisi Mfume (pronounced Kwah-EE-see Oom-FOO-may) has unique credentials. Less than a quarter-century ago he was Frizzell Gray, a high-school dropout. After his beloved mother died in his arms, he escaped an abusive stepfather and joined the street gangs. By the time he was

mocratic Rep. Gus Savage, a vicious racist, sexual harasser and ethical tramp.

It's not easy to dismiss the fear of both caring blacks and whites that this phenomenally successful event—the official estimate of 400,000 is 40% higher than Martin Luther King's 1963 March on Washington—will make Louis Farrakhan the de facto leader of black America. Predictably, he already is claiming that mantle, has a clear following in the African-American community and possesses an important ally: the mean-spirited policies of the right wing, which would exacerbate racial divisions and play right into the hands of haters like Mr. Farrakhan.

But the minister blew his golden opportunity Monday with a discombobulated 2 1/2-hour speech that mixed biblical tales and a crazy fixation with numerology—you didn't know if you were listening to a black Elmer Gantry or Jimmy the Greek. Other platform guests noted that as the speech droned on, some marchers left to catch their buses, trains or cars home. In 1963 even if Martin Luther King had the bad sense to speak for two hours, instead of 19 minutes, few would have drifted away.

To spend several hours interviewing black men who came to march on Monday was an exceptional experience. The crowd defied stereotypes. I encountered businessmen, teachers, psychologists, disabled veterans, unemployed men, lawyers, social workers and even a Wall Street Journal advertising salesman. There was Woody Adams, wearing a "God Bless Africa" T-shirt. He ran as a Republican for mayor in Toledo, Ohio, and supports Lamar Alexander for president.

The discussion wasn't about reparations or racism but about community renewal and personal and family responsibilities. The bonding was powerful. "This is psychologically liberating," said Troy Smith, a community college professor from Lynn, Mass.

There was much talk about going back and changing communities. "We need to help reconnect with our youngsters," declared Will Lawrence, an operations manager for North American Van Lines in Chicago. "Too many are disconnected morally and spiritually from what our parents instilled in us." Bennie Simmons, the minister of an evangelical church in Gary, Ind., acknowledged that the march by itself "may be hype, but it's what you take back that's going to matter." As well as moral lessons, the pastor wants to stress economics: "We need to pool our resources like the Jews and Koreans do."

Perhaps most striking were all the fathers and sons together on the mall. There were youngsters with young fathers and elderly dads with middle-aged sons. Ever since the Moynihan report three decades ago, which detailed the breakdown of the family, blacks have been criticized for failing to face up to this crisis. Actually, anyone who listened to the Jesse Jacksons or Kweisi Mfumes knows they were talking about family and paternal responsibilities before Phil Gramm or Dan Quayle even knew there was an issue. But never was the question of family joined as forcefully and visibly as it was on Monday.

Four of Rep. Mfume's sons were there. They all have followed their father's latter, not earlier, life. But in many ways Rep. Mfume thinks it's harder for troubled kids today. "As a teenager in the '60s there was a sense in this country of the possible, a sense that government would be responsive and that the future was going to be better. But today I read about

teenagers casually planning their funerals, picking out what they're going to wear and developing an invitation list because they don't think they're going to live to be 25. That was something we never considered in my day."

He acknowledges that isn't going to turn around overnight, and he worries about the political climate. Asked which prominent Republicans are attuned to this crisis, he replies, "Off the top of my head I'd say Jack Kemp." Then he pauses and conditionally adds Bill Bennett although strongly disagreeing with Mr. Bennett's argument that the good aspects of Monday were overshadowed by the Farrakhan presence. He then draws a blank.

But he believes that many in that incredible outpouring left "with a feeling, whether they had something to atone for or not, that they would rededicate, recommit and refocus themselves on problems that are solvable." Importantly, he adds: "Once you get right with yourself, you then can get right with other people who may not look like you, who may not worship like you and who may not come from where you come from."

This will not be a short or easy process. The problems are huge. Almost 70% of African-American babies are born to a single parent, black men are 10 times more likely to be murdered (usually by other blacks) than are whites, and one in three black men in their 20s are in jail or on probation or parole.

But Kweisi Mfume thinks Monday provided critical impetus: "It means doing away with a lot of bad habits and old ways that are not productive, and it also means building on many of the good habits and constructive practices that many of these men have had all along. I'm absolutely convinced that a lot of men left Washington this week changed, and the simple eloquence of those individuals' examples will motivate others."

Politics & People

By Albert R. Hunt



22, though unmarried, he had fathered five sons. Frizzell Gray was headed for a lifetime of trouble.

But he was different. Drawing inspiration from his mother, he got a high-school degree, graduated magna cum laude from Morgan State and received a master's degree from Johns Hopkins. He changed his name, got into politics and was elected to Congress in 1986. He's the past head of the Congressional Black Caucus and increasingly one of America's most influential black politicians. Throughout, he has been an attentive father to his five sons.

Kweisi Mfume and others like him may have much more to do with the aftermath of Monday's remarkable event than Louis Farrakhan, who wasn't the only bad guy on the podium. There also was Benjamin Chavis, the thoroughly discredited deposed head of the NAACP, and former De-



Kweisi Mfume



THE PRESIDENT

11-1-95

Dear Kweisi

I was very impressed by the comments you made in Al Hunt's article on the March and on you — Also I saw another of your TV shows the other day which was very good — How should we follow up on the March?

Sincerely

Bill Clinton

POLITICS & POLICY

THE PRESIDENT HAS SEEN
11-1-95

'Place, Not Race' Could Be Next Catch Phrase In Government's Affirmative-Action Programs

By PAUL M. BARRETT
And MICHAEL K. FRISBY

Staff Reporters of THE WALL STREET JOURNAL
WASHINGTON—There's a new buzz on federal affirmative action: "Place, not race."

The idea is for the government to steer more federal contracts to companies based on their location in economically distressed areas rather than on the race of their owners. Despite differences on the broad issue of preferences, both the Clinton administration and some congressional Republicans are converging on the place-not-race concept. The two sides differ sharply, however, on whether the new concept should be used to supplement or replace set-aside programs for minority-owned businesses.

The White House is finalizing a plan under which businesses in troubled areas around the country, regardless of their owners' race, could receive preferences in obtaining federal contracts for everything from construction to office supplies. To qualify, companies also would have to hire a certain percentage of their workers, such as 20%, from the poor neighborhood. Some businesses outside distressed communities could still get contracts if they hire workers from poor areas.

In a related move to show the administration's determination to reform set-asides, top White House adviser George Stephanopoulos and Deval Patrick, assistant attorney general for civil rights, told congressional Democrats last week that the Pentagon would suspend a controversial contracting practice used to steer nearly \$1 billion annually to minority-owned firms. The administration reiterated that message in a meeting with the

Congressional Black Caucus yesterday, where it ran into some opposition. Despite that opposition, the Pentagon is expected to announce the move soon.

More Cautious Approach

Meanwhile, GOP Sen. Christopher Bond of Missouri plans hearings today on his own version of place-based affirmative action. His staff members say he will introduce a bill within a few weeks. Sen. Bond's initiative is the latest indication that Republicans in Congress have backed away from their vows of last winter to abolish set-asides and instead are taking a more cautious approach to the politically combustible issue.

The goals of the geographically oriented contracts are to mollify white critics of race-based preferences and to see that affirmative action helps inner-city workers who are truly deprived, many of whom are minorities. Before such programs even get off the ground, however, there is skepticism about whether they would really help minorities or stimulate much new economic activity in depressed areas.

Timothy Bates, an economist at Wayne State University in Detroit who studies affirmative action, worries that few companies that aren't already in poor neighborhoods would be enticed to move there by the promise of easy access to federal contracts. "The costs of doing business are too high," he says.

For their part, some minority business owners who now get set-asides fear they would be hurt by any dilution of race-based programs. "The geographically oriented approach looks to us like sending us back to the economic concentration camp," says

Fernando Galaviz, who runs a computer firm in upscale Arlington, Va., that does business with the federal government through a race-based program managed by the Small Business Administration. His firm needs to be close to its federal customers, and his white-collar employees wouldn't want to work in a slum, says Mr. Galaviz, who is vice chairman of a national group representing companies in the SBA program.

Powerful Partnership

But Sen. Bond, chairman of the Senate Small Business Committee, argues that "race-neutral" place-based affirmative action "is long overdue" and "will create a powerful private-public partnership to give opportunity to small businesses who locate in economically distressed areas."

Sen. Bond's plan is a prelude to replacing race-based set-asides with the geographic approach. When the senator first announced his idea last month, he said his goal was to abolish the SBA program, which is the government's main racial set-aside program and last year distributed \$4.4 billion to minority-owned companies. He has since softened his position, though Bond staff members say he merely wants to see what the courts and the administration do.

But Larry Parks, a senior policy analyst at the Commerce Department, says the administration still has a commitment to existing minority-contracting programs. "We have no desire to walk away from minority contractors. Race discrimination is an independent issue from location." And Mr. Clinton has raised concerns with his staff that he doesn't

Place, Not Race

The Clinton administration's plan for federal contracts in economically distressed areas:

- Businesses get price preferences, allowing bids for contracts to be higher than competitors.
- Businesses commit to hiring a percentage of employees from distressed neighborhoods.
- Businesses may be required to offer job training.
- Program would involve no set-asides.

want to do anything that would help an attack by Sen. Bond on the SBA program.

His new plan would be designed to supplement existing programs. During the president's review of affirmative action this spring, Mr. Stephanopoulos and Chris Edley, who has since left the administration for Harvard University, first came up with the idea. Vice President Al Gore's office, led by counsel Kumiki Gibson, has taken the lead in devising the new program, which would be administered by the Commerce Department. Ms. Gibson says the new plan would "piggyback" on existing programs, such as enterprise and empowerment zones, where the government already is providing funds to beef up security and infrastructure. That, she says, would increase the likelihood that the communities could support the industries.

The plan is generally supported by minority lawmakers so long as it doesn't replace existing programs. Democratic Rep. Kweisi Mfume of Maryland, a member of the Black Caucus, cautions, "We must look at potential problems." He says he told the administration that the incentives should be reserved for companies that will provide substantial jobs for the community. Otherwise, he says, companies providing only a few jobs could reap the benefits.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-2

TO: LHR

FROM: Staff Secretary

Do you want to
make any comment
or just let this go
in? Please let me
know. Also, how're we
~~doing~~ doing with Woody?
Rd

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-2

TO: Laurie

FROM: Staff Secretary

Do you want to
make any comment
or just let this go
in? Please let me
know. Also, how're we
~~doing~~ doing with Woody?
Rd

NOV - 1 1995

MEMORANDUM TO THE PRESIDENT

FROM: RBR *RH*

RE: Suggested speech/ radio address

95 NOV 1 P 6:40

Lifting wages.

We've brought jobs back and we've cut the deficit by half. Our next challenge is to lift wages. Our strategy for accomplishing that is four-fold: (1) give everyone a chance to get a good education and acquire job skills; (2) raise the minimum wage; (3) cut taxes on low-wage workers; and (4) bring workers into true partnership with employers, giving them bonuses when company profits rise (instead of pink slips).

The Republican majority wants to move in the opposite direction. They aim to cut funding for education and job training by over one-third. They won't raise the minimum wage. They want to raise taxes on workers earning under \$30,000. And they want to give corporations big tax breaks without asking anything in return.

Attachment: Recent speech of Alan Greenspan. Note esp. pp 6-8.

For release on delivery
8:15pm C.D.T. (9:15pm E.D.T.)
October 19, 1995

*See pages:
6-8 in
particular*

Remarks by
Alan Greenspan
Chairman, Board of Governors of the Federal Reserve System
before
The Economic Club of Chicago
Chicago, Illinois
October 19, 1995

I appreciate this opportunity to address The Economic Club of Chicago. Your organization, founded nearly 70 years ago, has a well-established reputation as a valuable forum for discussion of some of the key economic issues facing the Midwest and the Nation. Tonight I hope to continue that tradition by stepping back from the narrower concerns that occupy much of my time to consider some of the fundamental factors that may shape our nation's economic future, perhaps well into the first decade of the twenty-first century.

Ancient soothsayers may have been able to penetrate the future, but unfortunately they chose to vouchsafe precious few tricks of their trade to today's central bankers. The most effective means we have for looking over the horizon is to try to identify which of the forces currently driving our economy are transitory and which are deep seated and likely to persist in the longer term.

One major deep-seated force that we can identify with some assurance is the trend toward an increasing conceptual content of output--the substitution, in effect, of ideas for physical matter in the creation of economic value. The roots of this trend lie deep in human history, but the pace of such substitution probably picked up in the early stages of the industrial revolution, when science and machines created new leverage for human energy. Nonetheless, even as recently as the middle of this century, the symbols of American economic strength

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were our output of such products as steel, motor vehicles, and heavy machinery--items for which sizable proportions of production costs reflected the value of raw materials and the sheer manual labor required to manipulate them. Since then, trends toward conceptualization have focused today's views of economic leadership increasingly on downsized, smaller, less palpable evidence of output, requiring more technologically sophisticated labor input. Our radios used to be activated by large vacuum tubes; today we have elegantly designed pocket-sized transistors to perform the same function--but with the higher quality of sound and greater reliability that consumers now expect. Thin fiber optic cable has replaced huge tonnages of copper wire. Advances in architecture and engineering, as well as the development of lighter but stronger materials, now give us the same working space but in buildings with significantly less concrete, glass, and steel tonnage than was required in an earlier era.

The process is interactive. The development of the insights that brought us central heating enabled lighter-weight apparel fabrics to displace the heavier cloths of the past. The breakthroughs in medical research that have revolutionized health care are only the beginning of a long and growing list of almost wholly conceptual elements in our economic output. Indeed, it is perhaps the hallmark of our age that people are talking about substituting computerized "virtual reality" for real-life experiences!

These innovations are the extension of an established and likely irreversible trend. Over the past century, our standard measure of output of goods and services, adjusted for price change, has increased by approximately three percent per year, but the actual physical tonnage of that output has gone up significantly less. The difference reflects the substitution of impalpable concepts for physical volume. The expanding conceptualization of output has also led to a cumulative buildup of productive capital, which has meant less labor input per unit of output. This is a key to increasing productivity and, with it, our standard of living.

The process of conceptualization in output would seem to have accelerated in recent decades with the advent of the semiconductor, the microprocessor, the computer, and the satellite. Under the circumstances, it has puzzled many of us that the growth of output as customarily measured has not evidenced a corresponding pickup. Of course, output may not be measured correctly--a subject I shall return to later. But it also is possible that some of the frenetic pace of change is wheel spinning--changing production inputs without increasing output--rather than real advances in productivity.

A number of commentators, particularly Professor David of Stanford University, have suggested that much of the wheel spinning, if that is what it is, reflects the long time it typically has taken to translate a major new technology into increased productivity and higher standards of living. For

12/12

example, electric power, an innovation of the late nineteenth century, apparently did not fully show through in our productivity data (and one must presume our productivity) until the 1920s. Major infrastructure investments and other changes were needed to realize the potential of the new technology. The same may well be true of modern information technologies: New ways of doing business may be necessary to fully exploit the computing and communications tools now at our disposal.

In any event, realizing the full potential of these powerful new technologies is going to depend on the prevalence of another fundamental of economic growth--competition. We seem to have learned in recent years that growth can be hobbled by unnecessary or poorly designed regulation and by protection of business through barriers to free trade within a country and with other countries. Indeed, the unquestioned lesson of the failures of economic development in Eastern Europe after World War II is that government central planning, was incompatible with a vibrant economy. It suppressed the forces of competition and, almost surely as a consequence, stifled economic progress and growth as well. Virtually all of those countries are now endeavoring to build free-market, competitive economies as rapidly as possible.

The incentives associated with a competitive market are critical in determining the degree to which our endowments of natural resources and human skills are turned into wealth. If market forces are inhibited, wealth creation is almost certain to be disappointing.

It is almost surely the case that the development of the computer industry has done more to enhance the efficiency of American business generally than any other recent phenomenon. While the early development of mainframe computers was heavily concentrated in large corporate enterprises, the industry as we know it today owes much to the subsequent birth and growth of many smaller and more dynamic firms.

It is hard to imagine a more competitive environment than that which developed around the scores of small, "garage" based firms that advanced PC and workstation technologies and created the software that was needed to make computers more useful and "user friendly." These firms have created an industry that is the envy of our trading partners. Many of these garage firms went down the wrong path and fell by the wayside. Even the most successful remain vulnerable to the next successful innovation by a competitor. Schumpeter's view of creative destruction is nowhere more evident than in Silicon Valley. Our world leadership in computing doesn't reflect any government industrial policy; and fortunately, there has been no constraining set of regulations that might have stifled it.

If our superiority in producing computer-based technologies persuasively demonstrates the continuing vitality of our economy, why does such a large part of our populace seem discontented and insecure? There are doubtless many reasons, but the very pace of the conceptualization process I described earlier may provide at least a partial explanation.

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As computers and various advanced telecommunications technologies have begun to dominate what it is we produce and how we produce it, the average age of our capital stock has undergone a significant decline. Our current capital stock is becoming obsolete far more rapidly than in past years.

The rapid turnover of this capital stock, and the concepts embodied in it, has important implications for the persons working with that capital. To keep up, to retain their full usefulness as operators of capital, workers are having to retool their knowledge and skills to match the accelerated pace of change. Job insecurity has grown as significant elements of our work force are being rendered technologically obsolete. This is clearly much more the case for older workers than their children who seem to have adjusted to the "computer age" much more readily.

Expanding globalization with its attendant increasing share of merchandise imports may also be adding to a sense of increased competitiveness and insecurity. But globalization directly cannot be a big player because it affects only a relatively small part of our work force--factory jobs, which account for fifteen percent of total employment, and some service activities.

Job insecurity, of course, is not a new phenomenon. It has always been prevalent in free labor markets. But it appears to have become particularly pronounced in recent years, perhaps because the rapid pace of technological change, has occurred alongside, and been associated with, the highly publicized

downsizing of many large corporations. Overall job growth has remained substantial despite these layoffs, but that seems not to have relieved the fear of displacement. And that fear has doubtless played a significant role in the slowdown in the growth of labor compensation as workers have in effect sought to preserve their jobs by accepting lesser increases in wages. While disciplined monetary policy is largely responsible for the disinflationary trends of the last fifteen years, subdued wage pressures have doubtless facilitated those trends.

There will eventually come a point, however, when workers will perceive that it no longer makes sense to trade off wage progress for incremental gains in expected job security. The concern about job loss will not have diminished, but there is a limit to how far it can go and hence to its effect on wage increases. At that point, efforts to achieve real wage gains at least commensurate with productivity improvements may exert pressures toward faster nominal wage increases.

Obviously, if an acceleration is accompanied by stable inflation and hence a growth in real earnings, that is all to the good. But we have to be careful not to lull ourselves into the presumption that somehow the institutional structure of the American economy and its increasing globalization is permanently suppressing inflation, and that monetary policy, as we move into the twenty-first century, need no longer be vigilant against inflationary pressures.

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Also contributing to the prevailing dissatisfaction with our economic performance is the unevenness of wage gains in recent years. As output increasingly embodies ideas, labor force adaptation requires education. Not surprisingly, there has been a trend toward rising relative wages for those with higher levels of education. During the past fifteen years, the earnings of college graduates have increased relative to those who are high school graduates and, in turn, high school graduates have continued to open up their advantage over those who are high school dropouts. In fact, an increasing minority of our labor force has experienced real wage decreases, and surely this fact has accentuated unease, despite increases in living standards, on average, for our populace.

Clearly, we must focus on ways to improve the skills and earning power of those who appear to be falling behind. We need to raise the supply of better educated workers if the recent trend toward rising wage dispersion is to be contained. In the long run, better child-rearing and better schools are essential. But in the shorter run, on-the-job training is a critical necessity--to overcome the educational deficiencies of all too many of our young people, and to renew the skills of workers who have fallen behind the rapidly rising curve of technological change. It has become quite apparent that many firms have concluded that it makes more sense to invest in such training than to bid up wage scales in a zero-sum competition for the existing limited pool of well-qualified workers. The bottom

line, though, as I indicated earlier, is that individuals are going to have to be prepared to maintain skills as new procedures and equipment become part of a rapidly evolving economy.

Finally, the changing nature of output also has important effects on how good our statistical measures are in capturing the reality of economic growth and thus our perceptions of it. If we do not know how we are doing as a society, we shall not be able to devise appropriate policy responses to changing environments. The proliferation of cutting-edge technologies is making it especially difficult to measure how well or poorly our economy is performing overall.

We depend on signals from the marketplace to judge what is adding value and providing utility and what is not: The structure of prices and quantities that derive from free-market interactions is a reflection of the relative worth of various goods and services. If people like what they are offered, they will buy, sales values will rise, and the market value of the capital assets that produce those goods will rise as well.

The aggregate market value of goods and services, that is the Gross Domestic Product, is an especially useful measure of our productive capabilities. Its major component, gross business product, is in effect the consolidated net sales of the economy.

These measures are not meant to be definitive measures of the general well-being of a society. Increases in crime and pollution, for example, tend to raise the outlays to combat them

1/2

and hence to raise the GDP. Depletion of natural resources in the production process adds to business output and GDP.

GDP is strictly a measure of economic output and, when measured against labor and capital inputs, a measure of productivity. Whatever its shortcomings, it is by far the best proxy that we have for the growth in our living standards.

Our conventional GDP measures for recent years exhibit some indications of a step up in productivity growth. But, in December, the Department of Commerce will officially shift the focus to a new measure of economic growth. In so doing, it will adjust for one bias in the current measure and--all other things equal--the result will be that reported growth in output and productivity in the last few years will be shown to be slower than current measurement formulas have been indicating. I should point out that the new output index has been calculated for some time as an experimental basis; consequently, it should hold no surprises for policymakers. But unless there are offsetting changes in the data owing to other revisions, new figures will accentuate the seeming conflict between the official statistics and what is suggested by the rather compelling reports of productivity improvement we hear from American businesses. This leads to a broader question. Setting aside the narrow technical issues of our formulas for aggregating diverse output, are we measuring the output itself properly? Have we been capturing the new types of value added which do not fall into our conventional accounting categories?

12/18

We never had any difficulty in recognizing that an integrated steel mill complex was of economic value, and it was appropriately categorized as capital investment in our gross domestic product. And we could see the addition of a steel mill or similar large capital asset at individual companies reflected in a comparable increment to the book value of the firm. The stock market values of the firm tended, to a greater or lesser extent, to match the book value that standard accounting procedures constructed. In recent years, though, the ratios of market to book values of American companies have risen substantially, and at a pace that appears to be faster than can be accounted for by declines in interest rates and equity risk premiums. What appears to be happening is that the increasingly important additions to the nation's capacity to produce, in the form of new wealth-creating ideas are by convention expensed rather than capitalized.

As a consequence, book values underestimate the true value of an apparently rising proportion of our companies. And because such outlays are also expensed in the construction of the GDP, it, too, increasingly underestimates the market value of goods and services. For example, capitalizing that part of corporate software outlays that are currently expensed would add--probably significantly--to measured capital investment. The same would be true of similar types of outlays that are currently expensed, such as those for research and development, some technical work force training, and other conceptual inputs. To

12/18

be sure, the net domestic product would not increase by the full amount of capitalization, because a substantial increase in depreciation is also implicit in such changed accounting procedures.

Clearly, we should allow market valuations, where they exist, to dictate what is capitalized and what is not, rather than leave it to accountants and accounting practices. It is market values that generally reflect what an economy believes is of value to it. In this context, it is reasonable to conjecture that our productivity and output have been growing faster than our existing data imply.

Even with such adjustments, we may still not be fully capturing the improvements in economic value and well-being that occur as a consequence of the extraordinary innovations in technology of late. Arthroscopic surgery has significantly shortened hospital stays and the quality of recovery from such surgical procedures. Supermarket check-out lines have been speeded, as have the accuracy of computation and payment. These types of value added, which enhance the quality of life, are not captured by our conventional national income accounting. Similarly, while mobile phones, cable TV, and satellite transmission are included, in part, in many of our measurements, the greater opportunities that they bring cannot be appropriately embodied in current GDP measurements. Moreover, the innumerable conveniences that have enhanced leisure and made day-by-day living less onerous are not captured either. While such factors

have always been mismeasured in our GDP to an extent, and there is the possibility that some elements of our GDP are overestimates, one gets the impression that, with increased conceptualization the relative bias has been increasing. The implication is that, properly measured, economic output has been growing faster than conventional measures suggest.

Moreover, as we move into the twenty-first century, there is scant evidence that the nature and pace of change is likely to slow materially. To be sure, the most visible force of recent change, the continuous downsizing of microprocessors, and hence computer and telecommunications equipment, may increasingly encounter physical limits. But almost as surely, new technologies will emerge, not now visible.

What we do know is that, excluding the sorrowful period of the Dark Ages, human knowledge has rarely been lost, nor technology reversed, and so one can presume that we will evolve in the twenty-first century and beyond in ways not now foreseeable. We can anticipate change to be pervasive and, if competitive forces are allowed free rein, and our fiscal problems resolved, we can expect ever higher living standards for all Americans.

Will Americans adjust to a frenetic pace of change and allow it to happen? While we have in the past, and almost surely will in the future, it is important that we recognize that adjustment is not automatic. We have episodes in recent human history where, for example, pressures of change were not easily

absorbed and people chose what appeared to be a greater degree of security rather than competitive challenge. Competitive forces create uncertainty and dislodgment, but they also bring with them an enhanced quality of living and the increased economic abundance so necessary to confront the problems that exist in societies throughout the world.

The advent of the twenty-first century will certainly not bring an end to the challenges we are facing in a rapidly changing world. From my viewpoint, however, there are a number of positive things happening in our economy now, that make it more likely that we shall be well positioned to meet those challenges successfully.

THE PRESIDENT HAS SEEN
11/2/95

MEMO

October 17, 1995

Re: Clinton/UP
LA what's the status
Lee

To: President Clinton
From: Frank Branson
Re: Medical Malpractice/Budget Reconciliation

As we have discussed, we are very concerned that extreme malpractice "reform" provisions may be included in the budget reconciliation bill. It is because these extreme provisions could not stand the light of day that the Republican leadership has chosen the budget reconciliation bill as a Trojan Horse for these anti-consumer provisions.

These provisions are not only unfair to consumers and the victims of medical negligence, but they are particularly inappropriate for consideration in the context of budget reconciliation. It is the consensus of the academic literature as well as the historic position of the Congressional Budget Office that malpractice reform will have a negligible effect on federal healthcare expenditures. Even after the strong arm efforts of the Republican leadership, CBO has only scored incidental savings to these broad liability provisions.

✓ Our legislative advisors in Washington tell us that we can challenge malpractice provisions in the reconciliation bill using the so-called "Byrd Rule," pointing out that the provisions do not have a sufficient budgetary impact. If the parliamentarian and the Chair rule in our favor, proponents would then need 60 votes to overcome our successful Byrd Rule challenge.

The White House could be tremendously helpful in this process in two respects. First, Democratic negotiators and Administration representatives should pressure the conferees on budget reconciliation to exclude malpractice from the provisions of the reconciliation bill. The lack of significant budgetary impact and any threat that such provisions would endanger final passage and signature of the reconciliation bill could prove effective at this point.

Second, Vice President Gore, as President of the Senate, could take the Chair during the challenge to this part of the budget reconciliation bill so as to ensure a fair ruling in our favor on our Byrd Rule objection. Our allies in the Senate would work very closely with the Vice President to ensure that he had an adequate basis to rule in our favor. This would be, of course, a meritorious ruling, and the Vice President's presence in the Chair would simply ensure that Republican leadership does not play politics on this issue.

On behalf of American consumers across this country, we thank you for your concern with these important issues.

THE WHITE HOUSE

WASHINGTON

November 3, 1995

The Reverend Charles R. Stith
Third Floor
364 Boylston Street
Boston, Massachusetts 02116

Dear Charles:

Thanks for your recent letter and for your generous offer to help the Administration in the coming months. I may well call upon you very soon.

Thanks, too, for your advice about a commission to investigate America's racial problems. Though we haven't yet decided on how to proceed with our national dialogue, I'm grateful for your interest in serving and will certainly keep your offer in mind.

Hillary sends her best, and we hope to see you and Deborah soon.

Sincerely,

Bill

William Clinton

951104

cc w/ incoming call
Alexis Herman
Bob Nash
George Stephanopoulos
Doug Sosnick
Klancy Hemreich

CHARLES R. STITH

*Maureen
cc: Alvin
B. Nash
H. H. H.*

TO: The Honorable William J. Clinton,
The President of the United States
FR: CRS
RE: Commission on Race, et al.

Post-It™ brand fax transmittal memo 7671		# of pages > 2	
To	Nancy HERNREICH	From	STITH
Co.	Dpty Asst to Pres	Co.	
Dept.	THANKS!	Phone	(617) 424-6631
Fax #	(202) 456-6703	Fax #	

*with
done*

Mr. President,

I received your note regarding the receipt of my book. I hope you've had an opportunity to read it; and I hope you, at least, found it thought provoking.

There are a couple of matters I'd like to broach with you:

(I) The National Commission on the State of Race Relations in America.

As I have said since earliest days of your first campaign for the Presidency, I believe that one of your legacies will be your work in healing the racial divide which afflicts this nation.

The proposal by several Congressmen that you establish and appoint a Commission to investigate and offer recommendations regarding race relations in America is an important institutional response, consistent with your demonstrated concern. **I would strongly recommend that you establish such a commission.** That several Congressmen have requested that you do so protects you from seeming opportunistic, and it stills gives you the ability to consider other options.

If you establish such a commission I would appreciate the opportunity to serve on it; and be of service to you and our nation.

(II) Campaign 1996

364 BOYLSTON STREET, THIRD FLOOR, BOSTON, MASSACHUSETTS 02116

Inlight of the fact that the Campaign is starting to commence, I'd like to go out with you on an upcoming "Campaign Swing". This would also give us an opportunity to discuss other ways I might be helpful.

I look forward to our getting together soon. Give the family my regards.

Take Care



P.S. Thanks for the invite to be present for the taping of your Saturday radio address when you were down on the Vineyard. I couldn't come because I was in Kansas City promoting my book. While I was there I preached for our friend Emmanuel Cleaver.

THE WHITE HOUSE
WASHINGTON

cc w/ incoming
Doug Sosnick
Craig Smith
Su N. N.
TWA

November 2, 1995

The Honorable R. Gregg Reep
409 North Walnut Street
Warren, Arkansas 71671

Dear Gregg:

Thanks for your letter of October 17 about the importance of rural-based community leaders. I appreciate your insight and hope you'll continue to send me any thoughts you have.

Please give my best to Beverly. I hope to see you both before too long.

Sincerely,

Bill

*Marked
cc. Reagan
Craig Smith*

R. GREGG REEP
409 N. WALNUT STREET
WARREN, ARKANSAS 71671

October 17, 1995

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

Re: 1996 Reelection

Dear Mr. President:

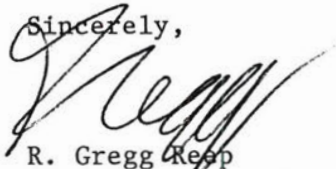
I have been giving consideration to efforts that might be beneficial to your reelection in the coming election. Obviously, you have numerous skilled and well versed professionals preparing to implement the campaign and I do not presume to supersede their abilities or plans, however, I believe there is an area that should be pursued and I offer any assistance possible.

It is my opinion that a major political effort should be directed toward rural elected officials who have a stake in an administration committed to progressive governmental actions that will benefit small cities and counties. There are hundreds of communities which need federal assistance to build infrastructure, provide law enforcement and build economies. These mayors, aldermen, county executives and the like are Democrats, Independents and Republicans, but they are above all, pragmatic. They know the difference between a philosophy of "you're on your own" and one of "let's be partners".

While they know the difference, a concentrated effort must be made to remind them and get them active for your reelection. We have to make sure these leaders remember you're their best friend on the federal level.

The campaign should specifically target these small and rural based community leaders. If I can help put together such an effort, I would be honored to take part.

Sincerely,


R. Gregg Reep
Mayor - City of Warren, Arkansas

RGR/jr

11/03/95

Ms. Herman,

Once you have reviewed the information "A National conversation, pls pass all this original material to Don Baer.

Thank you.

Staff Secretary's office

THE WHITE HOUSE

WASHINGTON

To Don Baer
For
Sheldon Hackney
Letter

November 3, 1995

The Honorable Sheldon Hackney
Chairman
National Endowment for the Humanities
Washington, D.C. 20506

Dear Sheldon:

Thanks for your letter and for sharing with me your very interesting resource kit, "National Conversation."

It is a rich and informative collection aimed at a most important and worthy goal -- facilitating a genuine dialogue among our people.

I'm grateful for your support and send my best wishes.

Sincerely,

Bill Clinton



NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20306

October 12, 1995

THE CHAIRMAN

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

Dear Mr. President:

I enclose a copy of David Broder's column that appeared yesterday urging you to take advantage of the reaction to the O.J. Simpson jury's verdict to get Americans thinking and talking about "where we are and where we are going." Insomuch as the NEH's "National Conversation on American Pluralism and Identity" seeks to do exactly what Mr. Broder advises, and since it is now well underway, I write to offer any help I might be able to give you.

I talked with your staff at various at various times last spring and summer about your "common ground" campaign, which I continue to think is a terrific theme for you. Using an NEH-funded program in the "National Conversation" as a backdrop or an occasion for you to make your leadership in this area even more visible is an attractive possibility.

I enclose also a resource kit for our "National Conversation" for your information, and summary sheets on three conversations already in place and going on. Obviously, we also could design a suitable event for national television coverage.

I stand ready to help.

Sincerely,

A handwritten signature in cursive script that reads "Sheldon".

Sheldon Hackney

Enclosures

NATIONAL ENDOWMENT FOR THE
HUMANITIES

r e a s o n i n g t o g e t h e r

opportunity

hear

any voices

*A National
Conversation*

ON AMERICAN
PLURALISM AND
IDENTITY

w e t h e p e o p l e

conversing,

sharing

deliberating,

our

questioning,

histories,

listening

our

philosophies,

complex

our

issues,

tough

values

questions

m a n y p e r s p e c t i v e s

*What does it mean
to be an American?*

How do we talk to each other?

When do we act as public people and
when as private people?

Where do we belong?

How equal are Americans?

What do we share as Americans?

Where do we as Americans
belong in the world?

Scholars' Essays

A Handbook of Tips

Conversation kit

A National Conversation

ON AMERICAN
PLURALISM AND
IDENTITY

**Report to NEH on
the conversation**

Conversation planning

R E S O U R C E S

...ters

Statistics for the National Conversation

The figures quoted below are approximate. Many projects are just starting up and all of the sites are not yet selected.

Division of Public Programs

*35 projects

*42 states

*173 cities

Division of Education Programs

Through the American Association of Community Colleges, NEH recently sponsored a national video teleconference that was downlinked to 500 cities and towns and reached more than 25,000 Americans. The broadcast took place on October 10, 1995.

"All of our people--left, right, and center--have a responsibility to examine and discuss what unites us as a country, what we share as common American values in a nation comprised of so many divergent groups and beliefs. For too long, we have let what divides us capture the headlines and sound bites, polarizing us rather than bringing us together. I am proposing a national conversation open to all Americans, a conversation in which all voices are heard and in which we grapple seriously with the meaning of American pluralism."

Sheldon Hackney

Chairman

National Endowment

for the Humanities