

ICES
Erskine
(see
note
pg
2)

THE PRESIDENT HAS SEEN
11.9.95

THE WHITE HOUSE
WASHINGTON

November 9, 1995

MR. PRESIDENT:

The attached memo from Alexis seeks your approval of a list of 42 guests that will travel – on a separate aircraft – to Northern Ireland/Ireland in conjunction with your trip.

Erskine, Harold and Nancy Soderberg agree with the recommendations. Tommy Caplan and Jim Lyons had input as did George Mitchell's office.

It includes nine categories (business, labor, elected officials, etc.) and is a balance of Irish political interests and religious interests. Several things to note: (i) the religious section only includes one Catholic because the other categories include many lay Catholics; (ii) Ray Flynn has asked to go but Alexis feels it is inappropriate; (iii) criteria for inclusion in the business category required investment in the region, an overall commitment to the peace process or Irish roots.

Alexis would like to begin making invitation phone calls today if possible.

- ____ Approve list as is
- ____ Approve with changes
- ____ Discuss

Todd Stern
Phil Caplan

Q: Who's going to staff?
A: Kefe + Bowles + Flynn
+ Can + Flynn

Per Poter
Clack O' Cleverness
did early Irish ^(not sure spelling)
Potter -
Ask Harold -

For Eugene
The President wants
Kevin O'Keefe
to go - if necessary
instead of a
staff member - in
Bruce's place, if necessary.

THE WHITE HOUSE
WASHINGTON

November 7, 1995 95 NOV 8 P4:36

2 PAGES HAS SEEN
11-9-95

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ALEXIS HERMAN

SUBJECT: SELECTION OF PRESIDENTIAL GUESTS FOR THE
UNITED KINGDOM / IRELAND TRIP

Purpose

To approve a list of recommended individuals to be invited to travel to Northern Ireland and the Republic of Ireland as *Presidential Guests* during your upcoming trip to this region.

Background

We plan to include a group of *Presidential Guests* in your upcoming trip. By including these individuals, we seek to help advance the goals of the trip abroad and highlight your role and commitment to the Irish peace process back home. The individuals will bring with them political, economic, and community development knowledge and experience as well as their commitment to peace in the region. As witnesses to your trip, they will be in an enhanced position to help support and communicate the importance of this peace process in key American communities.

We will invite 42 individuals to travel to Northern Ireland and the Republic of Ireland. Invited guests will travel on a single aircraft and join you for certain elements of the trip. All guests will be asked to cover the cost of airfare and expenses. Numbers are limited due to aircraft size. We feel strongly that no more than one aircraft be dedicated for the transport of *Presidential Guests*.

Although this message of peace is one that reaches beyond a single ethnic group, a key focus is to maximize our efforts to reach Irish America with the message. Irish Americans are the second largest ethnic group in the country. On average, 16% of the American population claims Irish heritage; ranging from 18.5% in the Northeast to 13% in the West. Although Irish Americans are scattered throughout the country, the highest concentrations remain in the Northeast and Midwest states of Massachusetts (26% of population), Pennsylvania (19%), New Jersey (18.3%), Ohio (17.5%), Illinois (16.3%), and New York (15.6%).

The list of recommended *Presidential Guests* for your review is representative of a commitment to peace in the region, with a strong emphasis on Irish America in key areas of the country mentioned above. We attempted to strike a balance from an Irish political perspective and from a religious perspective. The list is broken down into the following eight categories:

1.	Administration Officials	5 individuals
2.	Elected Officials	7 individuals
3.	Business	9 individuals
4.	Labor	3 individuals
5.	Organizations	6 individuals
6.	Irish America	4 individuals
7.	Religious	6 individuals
8.	The Arts	2 individuals

On the list attached, you will see that the religious category has only one Catholic. This is for the purpose of balance, since so many of the individuals in other categories are lay Catholics.

In selecting individuals for the business category, our criteria included investment in the region, an overall commitment to peace in Ireland and/or Irish roots of the individual business person. Because this is not a trade mission, we were careful to make sure that individuals were included for a broader purpose than their interest in doing business in the region. We have concentrated on companies already invested in Northern Ireland and the Republic of Ireland. Because they are already invested, their knowledge and experience make them good messengers for increased investment.

It also should be noted that U.S. Ambassador to the Holy Sea Ray Flynn has requested that he be included. It seems inappropriate for him to travel with this group, and therefore we have not recommended his participation.

The recommendation process included input from all White House outreach offices, the NSC, as well as the Department of Commerce and Department of State. In the past week, a working group of representatives of these offices was put together to review and prioritize recommendations. The attached list has been agreed upon by that working group.

RECOMMENDATION

That you review and make any adjustments to the list of recommended *Presidential Guests* attached and approve the list so that invitations can be extended beginning Thursday, November 9.

Attachment: Recommended list of Presidential guests

cc: The First Lady
Erskine Bowles
Harold Ickes
Anthony Lake

Ireland Trip

Presidential Guest Recommendations

ADMINISTRATION OFFICIALS (5)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Hon. Ron Brown	Secretary	U.S. Department of Commerce			Cabinet Affairs
Hon. Richard Riley	Secretary	U.S. Department of Education			Cabinet Affairs
Hon. Carol Browner	Director	U.S. Environmental Protection Agency			Cabinet Affairs
Hon. Mark Gearan	Director	U.S. Peace Corp			Cabinet Affairs
Hon. Joseph Duffey	Director	U.S. Information Agency			Cabinet Affairs

Note: Hon. George Mitchell and Hon. Jim Lyons will be included in the President's Official Delegation.

ELECTED OFFICIALS (7)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Hon. Richard Daley	Mayor	City of Chicago	Chicago	IL	IGA
Hon. Tom Murphy	Mayor	City of Pittsburgh	Pittsburgh	PA	IGA
Hon. Richard Riordan	Mayor	City of Los Angeles	Los Angeles	CA	IGA
Hon. Kathleen Kennedy Townsend	Lt. Governor	Commonwealth of Maryland	Annapolis	MD	IGA
Hon. Mary Boyle	Commissioner	Cuyahoga County	Cleveland	OH	IGA;Political Affairs
Hon. Ed McNamara	County Executive	Detroit County	Detroit	MI	IGA
Hon. Philip Bredesen	Mayor	City of Nashville	Nashville	TN	IGA;OPL

Alternates

Hon. Patrick Sweeney	Minority Leader	Ohio House of Representatives	Columbus	OH	IGA
Hon. Joseph P. Riley, Jr.	Mayor	City of Charleston	Charleston	SC	IGA
Hon. Thomas Coyne	Mayor	City of Brook Park	Brook Park	IL	IGA
Hon. William Bulger	President	Massachusetts State Senate	Boston	MA	IGA

BUSINESS COMMUNITY (9)						
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY	INVESTMENT IN THE REGION
William Flynn	Chairman	Mutual of America and National Committee on American Foreign Policy	New York	NY	Commerce;OPL	None
Tony O'Reilly	Chairman, President and CEO	H.J. Heinz Company and Chairman, American Ireland Fund	Pittsburgh	PA	Commerce	Border counties
Jack Smith	CEO	General Motors	Detroit	MI	OPL	Checking
Stephen J. Burrows	President and COO	Anheuser-Busch International, Inc.	St. Louis	MO	OPL	Republic of Ireland
Edgar Woolard	Chairman and CEO	E.I. Dupont	Wilmington	DE	Commerce;OPL	Northern Ireland
Louis Gerstner	Chairman and CEO	IBM	Armonk	NY	Commerce;OPL	Northern Ireland
John Pepper	Chairman and CEO	Procter & Gamble	Cincinnati	OH	Commerce;OPL	Northern Ireland
Joe Gorman	Chairman and CEO	TRW	Cleveland	OH	Commerce;OPL	Northern Ireland
Paul Allaire	Chairman and CEO	Xerox	Rochester	NY	Commerce;OPL	Northern Ireland
John Bryan	President and CEO	Sara Lee	Chicago	IL	OPL	None / England
Donald Keough	Chairman	Allen & Company, Inc.	New York	NY	Commerce	None
Philip Rooney	CEO	WMX Technologies	Chicago	IL	OPL	Checking

* We expect a higher decline rate in this category due to our experience with CEO schedules, therefore we have provided 12 recommendations to get to 8.

BUSINESS COMMUNITY (9)						
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY	INVESTMENT IN THE REGION

Alternates

Hugh McColl	President and CEO	Nations Bank	Charlotte	NC	OPL	None
Fred Wallace Smith	President and CEO	Federal Express	Memphis	TN	OPL	Checking
Peter Meade	President and CEO	The New England Council	Boston	MA	OPL;Legislative Affa	Checking
James F. McCann	President	*1-800-Flowers	Westbury	NY	Working Group	None but attempting

LABOR COMMUNITY (3)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
John Sweeney	President	AFL-CIO			Chief of Staff's Office
Tom Donahue	former President	AFL-CIO			Chief of Staff's Office
Gerald McEntee	President	AFSCME			Chief of Staff's Office

Alternates

John Barry	President	Electrical Workers			Chief of Staff's Office
Jack Moore	Secretary	Electrical Workers			Chief of Staff's Office
John Joyce	President	Bricklayers			Chief of Staff's Office

ORGANIZATIONS (6)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Bruce Morrison	Chairman	Americans for a New Irish Agenda	Washington	DC	OPL
Brian O'Dwyer	Chairman	Emerald Isle Immigration Center	New York	NY	OPL
Denis Mulcahy	Detective	New York Police Department, driving force behind Project Children, 1995 Top Cop	New York	NY	OPL
Robert Scully	President	National Association of Police Organization	Washington	DC	OPL
John Feerick	Dean	Fordham University Law School and Recipient, Ulster Conflict Resolution Grant	New York	NY	OPL
Mary Boergers	Senior Fellow	Ireland-U.S. Political Leadership Program, University of Maryland	College Park	MD	Political Affairs

Alternates

Niall O'Dowd *	Publisher	Irish Voice and Irish America Magazine	New York	NY	OPL
Claire O'Gara Grimes *	Publisher	Irish Echo			OPL

** If we are unable to invite to travel with us, we should include them in certain activities in Ireland and invite their editors to travel on the press plane.*

Edward Wallace	National President	Ancient Order of Hibernians of America	Clayton	NY	OPL
Father Monk Malloy	President	Notre Dame University	South Bend	IN	OPL;IGA
Sister Bridget Driscoll	President	Marymount College	Tarrytown	NY	OPL;IGA
Alfred E. Smith	President	Alfred E. Smith Foundation, Inc.	New York	NY	OPL;IGA

IRISH AMERICA (+)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Bill Daley			Chicago	IL	Political Affairs
Terry McAuliffe			Washingto	DC	Political Affairs
John Pound	Attorney	Herrara, Long & Pound, P.A.	Santa Fe	NM	Political Affairs
Bill Wardlaw			Pasadena	CA	Political Affairs

Alternates

Gerald McGowan		Lukas, McGowan, Nace & Gutierrez	Washingto	DC	Political Affairs;OFL
Neil Hartigan		McDermott, Will & Emery	Chicago	IL	Political Affairs
Thomas Dwyer		Dwyer & Collora	Boston	MA	Political Affairs
Lawrence O'Brien, III		O'Brien & Calio	Washingto	DC	Political Affairs
Thomas J. Foley	Former Speaker	U.S. House of Representatives			Working Group

Ireland Trip

Presidential Guest Recommendations

IRISH AMERICA (5)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY

The following plan to be in Ireland at the time:

Paul Newman *					OPL
Jack Dunfey *	Chairman	New England Circle	Portsmouth	NH	OPL
Tom O'Neill *					Legislative Affairs

** We suggest inviting these individuals to join the group for certain activities.*

RELIGIOUS COMMUNITY (6)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Bishop Edmond Browning	Presiding Bishop	The Episcopalian Church	New York	NY	OPL
Reverend Tom Fassett	General Secretary, Church of Board and Society	United Methodist Church	Washington	DC	OPL
Rev. Dr. C. Kenneth Hall		Presbyterian Foundation	Butler	PA	OPL
Reverend Hank Postel	Chairman, Northern Ireland Working Group	Presbyterian Church of America	Darnestown	MD	OPL;OFL
Bishop Daniel P. Reilly	Chairman, International Policy Committee	U.S. Catholic Conference	Worcester	MA	OPL;OFL
Bishop Melvin Talbot	Chairman	National Council of Churches of Christ	San Francisc	CA	OPL

Alternates (for Catholic slot)

Archbishop John R. Roach		Diocese of St. Paul and Minneapolis	St. Paul	MN	OPL
Archbishop Theodore McCarrick		Archdiocese of Newark	Newark	NJ	OPL;IGA
John Cardinal Hickey		Archdiocese of Washington	Washington	DC	OFL
John Carr	Director, Office of International Peace and Justice	U.S. Catholic Conference	Washington	DC	OFL

Ireland Trip

Presidential Guest Recommendations

THE ARTS (2)					
NAME	TITLE	AFFILIATION	CITY	ST	RECOMMENDED BY
Pat Conroy		Major author, books include "Prince of Tides" and "Beach Music"			Working Group
William Kennedy		Pulitzer Prize winner and author of "Ironweed"			Working Group

Alternates

Thomas Flanagan					Working Group
James Carrol					Working Group
John Gregory Dunne					Working Group

The Cullinane Group, Inc.

Specializing in technology issues for Senior Management

John J. Cullinane
President

MEMORANDUM

TO: The Honorable William J. Clinton
Attention: Nancy Hernreich

FROM: John Cullinane

DATE: October 26, 1995

SUBJECT: Ireland Trip

Two noted venture capitalists, Peter Brooke, Chairman of the Board & Chief Executive Officer of Advent International Corporation, and William Egan, President of Burr, Egan, Deleage, plus Frank Costello, Connecticut businessman Richard Segerson (son-in-law of John Brogan, former President of the American Ireland Fund), and I participated in a very intensive analysis of the venture capital opportunities on the island of Ireland last week.

In a few words, we were extremely impressed with the level of technical excellence and companies in both Northern Ireland and the Republic of Ireland and its potential for a venture capital fund. Actually, we were astounded as we met one outstanding high tech company after another. A perfect example of the potential for venture capitalists in Ireland is Computer Business Training (CBT), a software company which recently went public in the United States and now has a market value of \$400 million. In fact, Ireland, like Holland in the 15th Century, has the potential of becoming the world's information technology power of the 21st Century.

To capitalize on this opportunity, we plan to create a \$30 million venture capital fund to invest in Irish companies, both in the North and the South, that will have strong access to American companies and thus be able to establish marketing links between American and Irish high tech firms in order to expand their markets and eventually take them public, as appropriate. This would be an all private sector initiative.

We also met with the International Fund for Ireland (IFI), who is redirecting some of its funds to a *Research and Development between Ireland and the United States (RADIUS)* program designed to operate as the Israeli-BIRD does, but focuses on research and development opportunities. The Industrial Development Agency of Ireland (IDA) and the Industrial Development Board for Northern Ireland (IDB) would represent them in the United States.

The above initiatives both come directly from President Clinton's concern and interest in the peace process in Northern Ireland.

NEWS

Hi-tech venture fund Dollar deal

A \$20m venture capital fund to support hi-tech projects in Northern Ireland and the border counties is to be set up in 1996.

John Cullinane, the software millionaire who has spearheaded the proposed Technology Fund for Ireland, said venture capitalists are now committed to financing the project.

Mr Cullinane, in an exclusive interview with *Business Telegraph*, said he is quite optimistic that finance will be raised in the private sector within months.

Mr Cullinane, together with Frank Costello, chairman of Boston-Derry Ventures, brought key US venture capitalists and businessmen to the province last week.

He said three powerful players, Peter A Brooke,

William Egan and Richard Segerson, are so impressed with the potential they are now committed to the project.

"The quality of the people we met and the level of technology both north and south has been far far superior to anything we ever imagined," said Mr Cullinane.

Mr Brooke, who has links to the Brookeborough family in Northern Ireland, pioneered the venture capital industry in the US where he controls \$1.5bn in investment capital. He is chairman and chief executive officer of Advent International Corporation, the world's most extensive global private equity investment organisation.

Mr Egan manages a \$600-\$700m venture capital fund. He is a founding member of Burr, Egan

and Deleage & Co, a private venture capital firm which has investments in more than 100 US companies.

Mr Cullinane said these individuals will not only help with raising finance, but will be instrumental in opening up vital US markets to fledgling hi-tech Ulster companies.

"They are all committed to the project," he said. "The next step we will have to take is to sit down and develop a proposal and set in motion the process of raising the money."

The fund is supported by Belfast Councillors Reg Empey and Alisdair McDonnell who met with Mr Cullinane at the Washington Conference in May. The fund is based on an Israeli BIRD programme which has raised \$2bn.

The Cullinane Group, Inc.

Specializing in technology issues for Senior Management

John J. Cullinane
President

TELEFAX

TO: Nancy Hernreich

FROM: John Cullinane

DATE: 10/26/95

SUBJECT: _____

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

11-3-95

November 3, 1995

MEMORANDUM TO THE PRESIDENT

THROUGH: ERSKINE BOWLES

FROM: STEPHANIE STREETT & ANNE WALLEY

SUBJECT: SCHEDULING DECISIONS

ACCEPT:

Date of Event:

Description of Event:

11/3/95 - 11/30/95

Meeting With Campaign Attorney &
Notary in Order to Sign Statement of
Candidacy

11/6/95

Meeting With New York City Council
President Peter Vallone

11/6/95

Meeting With New York City Assembly
Speaker Sheldon Silver

11/6/95

Meeting With New York State
Comptroller Carl McCall

11/6/95

Meeting With New York City
Comptroller Alan Hevesi

11/13/95

4

Brief Meeting With the President of
the Church of Latter-Day Saints

tbd

4

Meeting With Bob Johnson, President
of Black Entertainment Television

Percy Sutton?

REGRET:

Date of Event:

11/7/95 - 11/30/95

*Thurs
Hug
9020 support
Removal
We could use this to
complement our position
on budget & don't buy into
to change for this—*

11/14/95

OK

Description of Event:

Announcement on HHS Child Support Enforcement Report in Nashville or Washington, DC

We chose to do a budget message in TN. The rest of your Washington schedule is being driven by the budget and Bosnia. Unfortunately, there is no time on your current schedule to accommodate this event.

Drop-By the National Alliance of Business' Annual Dinner

LP, EB and HI do not think that this is essential. In addition, the CEO of MCI, Bert Roberts, is no longer attending the event due to personal reasons.

2/12/96

American Hellenic Educational Progressive Association Banquet

This is the date of the Iowa Caucus

PENDING:

Date of Event:

11/3/95 - 11/15/95

11/3/95 - 11/15/95

11/3/95 - 11/15/95

11/8/95 - 11/9/95

*AKG
7/04
mu*

Description of Event:

Meeting With the Congressional Black Caucus

Interview With High Profile Media From Britain, Ireland, Northern Ireland and the US.

Photo-op With Japanese Ambassador Kuriyama (before your trip to Japan)

Photo-Op / Brief Meeting With Daschle,

11/2

Dorgan, Conrad and Agricultural Leaders
From North and South Dakota

11/9/95

Optional Drop-By Briefing For
Polish American Congress @ WH

11/9/95

11/3

Morning Run With Hershel Gober and
9 Veterans Affairs Employees

THE WHITE HOUSE

WASHINGTON

November 17, 1995

NOTE TO CATHERINE CORNELIUS

FROM: SHARON WAGNER (x6 2702)
Todd Stern's office

This is in response to your memo of November 14, 1995 requesting information on staff travelling with the President to England, Ireland and Spain, November 27 - December 3, 1995.

- A. Todd Stern
The White House
Assistant to the President and Staff Secretary
- B. To handle all paperwork to and from the President
- C. Entire trip
- D. November 27 - December 3, 1995
- E. Air Force 1

11/14

1000,-

You or Phil

Travelling?

One of us

is - I'm not

sure which -
put me down for now

THE WHITE HOUSE

WASHINGTON

November 14, 1995

95 NOV 14 17:33

**MEMORANDUM FOR STAFF NEEDING TO TRAVEL TO EUROPE WITH THE
PRESIDENT AND FIRST LADY IN NOVEMBER/DECEMBER 1995**

**FROM: ERSKINE BOWLES
ASSISTANT TO THE PRESIDENT AND
DEPUTY CHIEF OF STAFF**



**CATHERINE CORNELIUS
DEPUTY DIRECTOR OF ADVANCE**

RE: Authorization for Travel

As you know, the President and First Lady will travel to London, England - Belfast, Ireland - London Derry, Ireland - Dublin, Ireland - Limmerick, Ireland and Madrid, Spain from November 27- December 3, 1995 .

To best meet the needs of the President, members of the Cabinet, members of Congress and other travelling staff with minimum cost to the government, we will continue the institutional travel approval process for Presidential trips abroad. This process will help in allocating available hotel space, issuing passports and visas, coordinating logistical details, and limiting the travelling party to those staff who are essential to the completion of the President and First Lady's mission.

The following procedures must be followed for any staff or guests needing to travel in advance of the President and First Lady, on Air Force One, or any other commercial or military aircraft in connection with the visit. Only persons who follow these procedures will be allowed to travel.

- Requests for travel must be submitted in writing or by electronic mail to Catherine Cornelius in Room 185 of the Old Executive Office Building by COB Friday, November 17, 1995. Requests submitted subsequent to this deadline will be rejected.

Each Request Must Include:

- a. Traveller's name, agency/department, and position;**
- b. Reason for needing to travel on this trip;**
- c. Exact itinerary as it is proposed;**
- d. Mode of travel requests(ie: Air Force One, commercial aircraft);**

- No traveller will be issued a ticket or allowed on an aircraft without prior approval of the White House Deputy Chief of Staff. Notice of approval will be sent to travelers by Tuesday, November 21, 1995.**
- All approved travellers who have requested to travel to Madrid will require a visa. Persons requiring a visa form may contact Catherine Cornelius at (202)456-7007 or David Beaubaire at (202)456-2923.**

Thank you for your assistance in this matter, and your adherence to these procedures. If you have any questions, please do not hesitate to call Catherine Cornelius at (202)456-7007 FAX: (202)456-2317.

- (D) **Pena memo on financial condition of major U.S. airlines.** Airline profits are way up, a huge turnaround from the situation in January 1993. The eleven major airlines reported record profits for the 2nd quarter of 1995; for the 12 months ended June 1995, operating profits for the majors surpassed \$4 billion, a \$2 billion improvement from the one-year period ending June 1994. Sec. Pena believes the industry has "turned the corner," attributing this good news to an environment created by your economic and aviation policies and by industry's aggressive efforts to cut costs.

- ce: VP/Carla
about go
forward
urban policies
- (E) **Frank Rich column from NYT entitled "Million Man Stall."** Jesse Jackson and Felix Rohatyn are "unexpected allies" in saying the root of the race problem in America is the lack of an urban policy. Both dismiss the call for a new Kerner Commission ("we already know we have a race problem"). Rohatyn says "the cancer of race begins in the cities, with black despair and white flight." Calls on you, Gingrich and Dole to "stand up and say we're going to jointly deal with urban problems." Rich accuses politicians in Washington of avoiding the issue and says the Million Man March should have been an "urgent cue to action" rather than a "cost-free political opportunity to pat the marchers on the head."

- (F) **Lee Brown memo on UN Address.** Lee says your speech was well received in the counter-narcotics community and has energized those who fight drug trafficking. Your November 2 speech to the Community Anti-Drug Coalition, an important grassroots group, will give you the opportunity to deliver a forceful demand reduction message. (Don Baer and Terry Edmonds have received copies.)

- (G) **Lee Brown memo on African-American Male Initiative.** Lee reports that he undertook an Initiative in August 1994 to examine the special problems facing African-American men, especially relating to drugs and violence. Activities have included "development of a matrix listing Federal programs...making it easier to identify problems, develop potential solutions;" "conducting an exhaustive review of the literature;" convening panels of academic, community and government experts to assist in "framing the issues and developing the parameters of a national strategy."

- (H) **Note from American priest on sabbatical in Derry, Northern Ireland.** From Jean Kennedy Smith, via Kitty. Father Patrick Duffy thanks you for moving along the peace process and wishes you could experience the "profound sense of relief that has entered the lives of the parents of the children of Northern Ireland." He is "proud to be American" and very positive about you, the government and the Democratic party.

- (I) **Des Moines Register editorial on community policing.** Forwarded by Rahm. Warmly praises community policing and your COPS program. Joe Brann, head of COPS, says Sioux City has best program in Iowa. *Register* notes that "this is a bandwagon that every Iowa city ought to jump on."

We have also received the following information item.

- **Ickes memo on AFL-CIO efforts on Medicare.** AFL-CIO recently sent out 425,000 pieces of mail to retirees and active members regarding Republican efforts on Medicare. On October 12, they began a TV buy in selected areas.

NEW YORK TIMES

Journal

October 25, 1995

FRANK RICH

PRESIDENT HAS SE
11-2-95

Million Man Stall

Washington aversion therapy.

"I met Jesse, strangely enough, through Ross Perot," said Felix Rohatyn this week, recalling the "Six Degrees of Separation" coincidence that led him into an unexpected alliance with Jesse Jackson.

Mr. Rohatyn, the investment banker who masterminded New York City's fiscal comeback in the mid-1970's, was on the phone with Mr. Perot, talking about building schools. Mr. Jackson, who was in Mr. Perot's office, conveyed his desire to meet with Mr. Rohatyn about the crisis in America's cities. Next thing you know Mr. Jackson and Mr. Rohatyn had joined forces on a plan called "Rebuild America," to raise \$500 billion for investment in generating jobs and repairing the infrastructure in the nation's rotting urban core.

That was in 1992. In 1995, one week after the Million Man March and counting, the rebuilding of urban America not only remains a dream deferred but a dream hardly talked about by politicians of either party. Speaking with both Mr. Jackson and Mr. Rohatyn in separate interviews since the march, I was struck once again by how much of official Washington's post-march babble is, by contrast, beside the point.

The two men go their own ways and, unsurprisingly, part company on one crucial matter in the march's aftermath. Mr. Rohatyn — like many others, myself among them — was "very disappointed" by Mr. Jackson's decision "to put himself squarely on the side of separatism" by appearing on the podium with Louis Farrakhan. "If Jesse really wanted to do something symbolic, he

should have stood with the black marchers and said nothing," Mr. Rohatyn added. "The marchers, with great unity and dignity, reminded the country we have a problem. That was the message, not what was happening on the podium."

Mr. Jackson's lukewarm rationale for Mr. Farrakhan — as a potentially positive force for voter registration and black-Jewish dialogue — remains unpersuasive. But his definition of the marchers' message parallels Mr. Rohatyn's and can hardly be dismissed. As Mr. Jackson speaks of the need for devising a "bipartisan national urban policy" that goes beyond either the current welfare debate or the Farrakhan slogans of self-help, so Mr. Rohatyn elaborates that the cancer of race begins in the cities, with black despair and white flight: "If we don't deal with it in the cities, we can't deal with it at all. Clinton, Gingrich and Dole must stand up and say we're going to jointly deal with urban problems, in ways that meet the objectives of white communities and taxpayers as well as of minorities who are dying in cities with no school system worthy of the name, no jobs, no medical care and no hope of entering the 21st century."

None of this will be easy, of course, or cheap. When Mr. Rohatyn had to

negotiate the New York City bailout, he told the various factions: "There are no alternatives that involve pleasure and pain, there are only alternatives that involve pain and agony. The ideal is to avoid agony. You can't avoid pain."

Today's politicians do not like to talk in public about policy alternatives that involve pain. And so no one in political office offers any scheme to rebuild America, whether a variation of Mr. Rohatyn's dormant idea or something new. Bill Clinton delivers a fine speech on racism the morning of the march — without venturing concrete policy prescriptions. Republicans conveniently embrace the spirituality of the march as its principal message — as if the marchers' pride and dignity will rebuild America all by themselves. Well-meaning Congressmen of both parties, white and black, call for a new Kerner Commission to redefine the problem — an idea rightly dismissed by Mr. Jackson as well as by Mr. Rohatyn ("We don't need a new commission to study whether we have a racial problem — we know we have a race problem.").

All the while, our cities continue on an apocalyptic spiral that Mr. Rohatyn sees as "close to irreversible." As the likes of Mr. Farrakhan, Benjamin Chavis and their white extremist counterparts scheme to exploit the crisis, we wait and wait for some leader in Washington who might regard the Million Man March as an urgent cue to action, however painful, rather than as merely a cost-free political opportunity to pat the marchers on the head. □

95 OCT 25

P6:19

FOTUS
In can
missed
J
Suss

11/7

J + PP

Tony
copied.

Anyone
else >

~~11/7~~

McGarry

✓
Tony Ital - not bad -

BL

THE PRESIDENT HAS SEEN

11-7-95

✓
McCurry

SATURDAY-SUNDAY, NOVEMBER 4-5, 1995

EDITORIALS/OPINION

U.S. Must Limit 'Cultural Fatalism' on the Balkans

By William Pfaff

NOTRE DAME, Indiana — Fatalism is not the American style, but a belief in cultural fatalism lies behind the American fear of further involvement in Balkan peacekeeping. The conviction widely held is that murder runs in the blood of the Balkan peoples.

"They've fought one another for centuries; there's nothing to do about them. The U.S. should stay out of it." That opinion is repeatedly heard when talking about Yugoslavia and Balkan nationalism, as I have been doing in public forums organized by the Nanovic Center for European Studies at the University of Notre Dame.

This belief is wrong, and Congress therefore is badly mistaken to interfere in the Dayton negotiations on Yugoslav peace — that is what it amounts to — by threatening to prohibit U.S. troops from playing their promised role in a settlement. These are crucial talks and there is a serious chance they can halt the slaughter.

Nothing about Serbs, Croats and Bosnians condemns them to perpetual war. If that were so, the talks would be useless. How can you interfere with destiny? If that idea were true it would also exonerate from guilt all of the people who created and fought this war, and committed its atrocities. They cannot be responsible if nature made them do it.

But nature did not make them do it, nor did their national cultures or histories. Responsible men and women did what has

been done in Yugoslavia, in particular Slobodan Milosevic and his principal agents in Bosnia, Radovan Karadzic and Ratko Mladic — with Croatia's Franco Tudjman one of their many accomplices in crime.

The details of how this war started are recounted in one of the most ambitious and important television documentaries ever made, "The Death of Yugoslavia," produced for the BBC, Austrian television and the Discovery Channel in the United States.

The program meticulously documents (often from Belgrade television archives) the successive decisions that plunged Yugoslavia into this catastrophe. Many of the principal figures — including President Milosevic himself — explain in interviews what happened, often with astonishing indiscretion.

The war was deliberately created in the struggle for personal power that followed Tito's death in 1980. This was no spontaneous rising of the Serbian, Croatian and Muslim peoples to slaughter one another. They had to be propagandized and provoked for more than a decade before the crisis was exploded by Slovenia's and Croatia's "dissociation" of themselves from Yugoslavia in June 1991.

The Serbian-commanded Yugoslav Army's intervention at that point reopened a conflict that some Serbs and Croats had

waged between 1941 and 1945. Italy and Germany sponsored a fascist Croatian puppet-state during World War II that pitilessly persecuted and attempted to exterminate its Serbian minority.

But 1941 was, the first time the Serbs and Croats had ever fought one another. Their conflict then, as now, was not the outcome of blood hatreds but of specific political choices, one of them the creation of Yugoslavia itself.

The reason there was a Yugoslavia is that the South Slav peoples demanded it. The idea for this federation came first from a Croat, Joseph Strossmayer, a 19th-century Catholic bishop and educator. It reflected the romantic pan-Slav sentiments that were current in the region from the beginning of the century.

Serbian intellectuals took up the idea. By World War I, South Slav unification had become an important political movement, one of the forces actually responsible for the war's outbreak. Emigrant communities overseas supported the idea and pressed Woodrow Wilson and the other Allied leaders to recognize Yugoslavia when that nation was proclaimed in 1918, after the Austro-Hungarian Empire's collapse.

Relations among the South Slavs soured only later. The Croats had believed they would have equal status in a federation. The Serbs, as the majority people, wanted to dominate a centralized state. The king, a Serb, proclaimed a dictatorship in 1929, and although the dic-

tatorship ended in 1931, the government subsequently was under Serbian control. After World War II, despite the atrocities of the Croatian fascists, Yugoslavia was recreated under Tito, a Croat. It has only broken down since his death.

No doubt it will never be put together again. However, the war can be stopped. People are exhausted, for one thing. More important — and not generally recognized — is that Mr. Milosevic's political survival depends on peace and an end to the UN embargo, which has had ruinous effect on the Serbian economy.

Mr. Milosevic has already betrayed his Serbian allies in the Krajina and Bosnia. He watched while the Croatian and Bosnian armies routed them in August and September, driving them out of lands he had promised would become part of Greater Serbia. They now are refugees in Serbia and they hate him. He can't turn back. Official television in Belgrade now celebrates him as a man of peace, promising that he will bring "peace and prosperity" back from Ohio.

He has to give Bosnia and Croatia whatever is necessary to get a settlement. If there is no peace, he is finished. That is why the United States has the chance to sponsor an end to this war. It is why Congress must put principle ahead of electoral expedience and back up what Richard Holbrooke and his colleagues have accomplished.

International Herald Tribune.
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Bob K. McGee
He's in the other
carbon cleaner
(talking to you
about 'R'

1. CC: NH.
2. President

November 3, 1995

TO: PRESIDENT CLINTON
FROM: TAYLOR BRANCH
SUBJECT: SUPERFUND IMPACT ON DRY CLEANERS

THE PRESIDENT HAS SEEN
11-7-95

This is the memo you requested when I showed you the attached Newsweek article on the plight of dry cleaners.

Under federal and state environmental laws, government agencies can hold dry cleaners and their landlords to retroactive liability for the costs of cleaning up pollution generated on the premises. This sounds good--individual responsibility, low cost to government, etc.--but the reality is different.

Nearly 90% of 30,000 active dry cleaning sites in the United States--and many thousand inactive ones, too--are contaminated beneath ground level by at least trace amounts of dry cleaning fluid (perchloroethelene), which is toxic and chemically durable. As a practical matter, this means that dry cleaners as a class are Superfund polluters whether or not they have complied with existing environmental laws or operated with the slightest neglect.

Because of the broad reach of retroactive liability, agencies can go after any pocket in the historical chain of ownership--including the 84-year-old widow in the Newsweek article, who owns land in Oregon where a dry cleaning plant stood 25 years ago.

Precious little cleanup gets done. The technology is crude and expensive--digging up and rinsing hundreds of tons of earth per site. Dry cleaners are small business people (about one-third Korean families), who fight judgment as a business death sentence and go bankrupt if they lose. Lawyers burn up most of the money.

The specter of retroactive liability haunts dry cleaners far beyond active interventions by EPA. My brother's landlord has refused to extend his lease for fear of future liability. Banks and developers are shying away from cleaners, and contingent, putative damages have opened a whole new field of opportunity lawsuits. The landlord of a business my father sold many years ago has sued him for \$1 million, without as yet any awareness or notice of trouble from any environmental agency, and much of the litigation has centered on the landlord's demand that judgement be paid directly to him rather than a dedicated cleanup fund.

As I understand it, the dry cleaners have offered to submit to exacting regulation against future pollution, and to tax themselves for cleanup of sites by rational priority (such as where contamination may affect water supplies). This strikes me as good business reaching out to good government.

I know that Superfund policy is complicated by application to many other industries, but pointless persecution is always bad.

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

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



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.

Tony/Use

we need to discuss this

Be

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A UN Criminal Court

The work of dictators, torturers and death squad assassins depends on impunity. They know no one in their own countries can touch them, and while they may be aware of international laws against genocide, war crimes and the atrocities known as crimes against humanity, they also know that these laws are just words.

But that may change. With the end of the Cold War, the United Nations reopened debate on an idea kicking around since the Nuremberg tribunals 50 years ago. The idea is to set up a permanent international criminal court, as a counterpart to the World Court, that deals with disputes between nations. The UN's Sixth Committee, which handles legal affairs, is now considering whether to relegate the court to what is essentially the oblivion of permanent debate or set up a diplomatic conference to write a draft that nations can agree on.

American leadership is needed to establish the court. President Bill Clinton finally provided at least a part of it last month, giving the administration's first endorsement of the court. But his aides, worried that nations might raise politically motivated complaints against American soldiers abroad, have consistently defied other Western democracies and pushed for a version controlled by the Security Council, an approach that would politicize and essentially gut the court.

Washington's fear of political prosecutions is overblown. The United States is seeking to weaken a court whose pow-

ers have already been circumscribed by drafters aware the court will be able to try their own citizens. In its current conception, it is a weaker body than the ad hoc tribunal for Yugoslavia, which must fight to keep its indictments from being bargained away in a Bosnia peace settlement. The court would take jurisdiction only once a defendant's own national courts proved unwilling or unable to try a case. Various mechanisms allow states to shield their citizens from prosecution, although the United Nations can slap sanctions on countries that harbor fugitives.

Despite its limits, the court would still be useful in many situations. When America and Britain sought the extradition of two Libyans suspected of the Pan Am 103 bombing, Libya said it would turn them over only to an international forum, and no one could call Libya's bluff. Governments might surrender indicted citizens whom they have the will but not the power to put on trial, such as the Khmer Rouge leader Pol Pot in Cambodia. The threat of sanctions may wear out a fugitive's welcome in a foreign haven, or even at home. No accused criminal will be able to travel without risking arrest.

The realities of power politics ensure the court will never offer perfect enforcement of international law. But it is a necessary first step if law is ever to triumph over the impunity of the powerful. It deserves the leadership of the Clinton administration and every nation's support.

—THE NEW YORK TIMES.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-7-95

TO:

Gene

FROM: Staff Secretary

Here's letter
suggesting min.
wage increase from
101 economists,
[signature]

Statement of Support for a Minimum Wage Increase

As economists who are concerned about the erosion in the living standards of households dependent on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

- After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.
- Since the early 1970s, the benefits of economic growth have been unevenly distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.
- In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s — as well as updates of the traditional time-series studies — suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.
- Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

Signatories to Economists Statement of Support for a Minimum Wage Increase

Aaron, Henry — Brookings Institution
Abramovitz, Moses — Stanford University
Allen, Steven G. — North Carolina State University
Altonji, Joseph G. — Northwestern University
Appelbaum, Eileen — Economic Policy Institute
Arrow, Kenneth J. — Stanford University
Bartik, Timothy J. — Upjohn Institute
Bator, Francis M. — Harvard University
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Browne, Robert S. — Howard University
Burtless, Gary — Brookings Institution
Burton, John — Rutgers University
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Galbraith, John Kenneth — Harvard University
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Glickman, Norman — Rutgers University
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Howell, David R. — New School for Social Research
Hurley, John — Jackson State University
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Klein, Lawrence R. — University of Pennsylvania
Kleiner, Morris M. — University of Minnesota
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Lang, Kevin — Boston University
Lester, Richard A. — Princeton University
Levy, Frank — Massachusetts Institute of Technology
Lindbloom, Charles E. — Yale University
Madden, Janice F. — University of Pennsylvania
Mangum, Garth — University of Utah
Margo, Robert — Vanderbilt University
Markusen, Ann — Rutgers University
Marshall, Ray — University of Texas at Austin
Medoff, James L. — Harvard University
Meyer, Bruce — Northwestern University
Minsky, Hyman P. — Bard College
Mishel, Lawrence — Economic Policy Institute
Montgomery, Edward B. — University of Maryland
Murnane, Richard J. — Harvard University
Musgrave, Peggy B. — University of California at Santa Cruz
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Ooms, Van Doorn — Committee for Economic Development
Osterman, Paul — Massachusetts Institute of Technology
Packer, Arnold — Johns Hopkins University
Papadimitriou, Dimitri B. — Jerome Levy Economics Institute
Perry, George L. — Brookings Institution
Peterson, Wallace C. — University of Nebraska at Lincoln
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Piore, Michael — Massachusetts Institute of Technology
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Summers, Anita A. — University of Pennsylvania
Summers, Robert — University of Pennsylvania
Tobin, James — Yale University
Vickrey, William — Columbia University
Voos, Paula B. — University of Wisconsin
Vroman, Wayne — Urban Institute
Watts, Harold — Columbia University
Whalen, Charles J. — Jerome Levy Economics Institute
Wolff, Edward — New York University

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Correspondence

95 NOV 7 19:22

11-7-95

Steven A. Ludsin

I thought this would be of interest to you.

Sent to Derskind for
appropriate handling

Yes
No

Original to J. Derskind

C

To: President William J. Clinton
The White House
President of the United States
202 456 2207

S.A. LUDSIN & CO.
Investment Adviser

From: Steven A. Ludsin

Phone: 212 319 9010

Fax Number: 202 456 6703

Date: Nov 6 95

Pages: 2 with cover

Message: Dear President Clinton, Hopefully the sad events of the last few days will be balanced with some positive developments in the story of Israel's place in world history. Sincerely,

Steve

S. A. LUDSIN & CO.
INVESTMENT ADVISER
555 MADISON AVENUE
31ST FLOOR
NEW YORK, NEW YORK 10022-3301

212-319-9010
212-319-9011
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November 6, 1995

William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500-2000

Re: Prime Minister Rabin

Dear President Clinton,

I want to convey my heartfelt gratitude to you for your eloquent statements regarding the horrible loss of Yitzhak Rabin. The cause of peace seems to arouse both hope and irrational fear. I believe the loss of Prime Minister Rabin will force the fanatical fringe to rethink their agenda.

The sensitivity you displayed was moving to many of my colleagues that heard the sad news on Saturday. Your touching expression, shalom haver was very memorable. The generation of leaders that fought for Israel's independence after the Holocaust will never have peers of such extraordinary types. I was born shortly after the creation of Israel and sometimes I feel that my own life passages are a microcosm of the story of Israel.

Part of all of us passes on with the loss of a loved one, a role model or a hero. I believe your leadership represents the best of the next generation particularly through your willingness to express your heart. America needs to know that its leader has compassion. I am reminded of the saying in the Talmud that it is better to be flexible as a reed than rigid as a cedar.

The survival of Israel would not be possible without American support and your reassuring words were comforting to everyone concerned with Israel's survival. As Prime Minister Golda Meir responded when asked about the ability of Israel to prevail against overwhelming enemy forces she said Israel had a secret weapon, they had no choice. I remain.

Sincerely,



cc. First Lady Hillary Rodham Clinton
Deputy Chief of Staff Erskine B. Bowles

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-7-85

Leon
Eastline
Mike McQuay

Harold
Jack R.

TO: George S.

FROM: Staff Secretary

Not content to limit his
attention to Haiti, the Sudan
& N. Korea, former President
Carter is now seeking our
opinion on the weighty subject
of Pete Rose. Any views on
this?



JIMMY CARTER

95 NOV 7 A8:32

10/30/95

To President Bill Clinton

An important subject:

If you agree, I hope
you will help with the
Pete Rose case -

Best wishes,

Jimmy

4000

Secy

Patton has
see 11/6/95

mi

NY

To Tom Curley, Publisher

OpEd piece for USA Today:

PETE ROSE SHOULD BE CONSIDERED FOR THE HALL OF FAME

It's October again, and despite the Million Man march, peace talks in Bosnia, O.J.'s future, hurricanes, and train wrecks, our family's passion is focused on baseball.

There was a vast abyss last Fall with no world series, and still a diminished luster on the game as players and owners prepare to resume their endless contract disputes.

But there is something else amiss, underscored by the heroic achievements of Cal Ripkin, Jr. and Greg Maddux. An equally remarkable player - Pete Rose - is barred from recognition in the Baseball Hall of Fame.

Election to the Hall of Fame has never been an affirmation of impeccable character, but a recognition of extraordinary achievements on the diamond. This is what makes the case of Pete Rose, one of the greatest baseball players of all time, so agonizing.

One of society's most difficult decisions is whether to extend forgiveness to someone who has committed a crime or made a serious mistake. In international diplomacy, it is often necessary to grant amnesty to former oppressors and corrupt officials in order to reconcile antagonists and bring peace, justice, and respect for human rights to a troubled nation. U.S. presidents are responsible for the ultimate decisions about pardons and paroles for convicted criminals who have served a portion of their sentences. A most difficult decision for me was amnesty for draft avoiders to help heal the trauma of Vietnam. President Gerald Ford made the politically costly choice of pardoning President Nixon to address the national wounds of Watergate.

In every case, it is necessary to assess the offense, extenuating circumstances, evidence of reform or restitution, and the willingness of victims to forego continuing punishment of the guilty.

For at least five generations, our family members have been avid baseball fans. We were particularly proud of Ty Cobb, a fellow Georgian, and simply let the negative aspects of his character fade into relative unimportance when compared to his achievements on the diamond. It was with mixed emotions that we observed Pete Rose getting his 4,192nd hit on September 11, 1985, breaking one of Cobb's seemingly invulnerable records. But we recognized Rose's extraordinary spirit and determination. Few players ever made greater use of their natural talents or brought more enthusiasm to the game.

Pete Rose gambled on sporting events and was convicted of tax evasion. We shared America's disillusionment when we learned that he had brought disgrace and punishment on himself and on the game he had previously honored.

Although he served his prison sentence for the federal crime, he is still banned from baseball's eligible list and therefore cannot be elected to the Hall of Fame.

Recently, I have reread the May 9, 1989 investigative findings of John Dowd in "the matter of Peter Edward Rose," a report requested by the respected baseball commissioner, Bart Giamatti. Mr. Dowd held a high career position in my administration, and his credentials are impeccable. I find the testimony (mostly from convicted felons) about Pete Rose's betting on sports events to be convincing and disheartening, but evidence about specifically betting on baseball is less than compelling.

There is a substantial indication that Commissioner Giamatti also had some reasonable doubts. When the Commissioner announced their mutual understanding that Rose would be banished from the game, there was no finding that he had bet on baseball. However, in answer to a reporter's question, Giamatti expressed his opinion that Rose had committed this crucial act. Although admitting the other charges, Rose has vigorously denied this allegation.

All this is a matter of record, and we cannot minimize the seriousness of the proven offenses. However, in a careful but determined manner, it is now time to explore an act of amnesty or parole. This would only involve the placing of Pete Rose back on the baseball eligibility list, and need not now include any immediate decision on his election to the Hall of Fame.

Let us consider the four key factors mentioned above:

a) Rose's offense: It is fruitless to rehash the already belabored facts. A major degree of guilt has been conceded.

b) Extenuating circumstances: The most important are the marvelous (not just superior) achievements of Pete Rose as a player during his long career, aside from his subsequent service as a manager. No player has ever hustled more, or been more committed to the game of baseball. After breaking Ty Cobb's record, Rose went on to a total of 4,256 hits in an unequalled 3,562 games and 14,053 times at bat, for a lifetime batting average of .303. He also held 31 other major and National League records.

c) Reform or restitution: Pete Rose served his prison time as required, and has subsequently led the life of a proper and law-abiding citizen. He is gainfully employed, and has complied with the special restraints placed on him by Commissioner Giamatti. In painful dignity, he has suffered many other actual and indirect punishments.

d) Victims' forgiveness: The primary victims of the crime are the millions of dedicated fans who support baseball and are very protective of the game's reputation and integrity. A 1994 article in Sports Illustrated reported a telephone poll of Americans, in which 97% of respondents said that Pete Rose should be in the Hall of Fame. I have found virtually no fans who disagree.

This ultimate question can be answered at a later time, either by a vote of the Baseball Writers Association of America or by members of the Baseball Hall of Fame Committee on Baseball Veterans. Now, even in the confused environment of major league baseball, Pete Rose should at least be declared eligible for later consideration. Then, his own attitude and performance can shape the final decision.

I have never met or communicated with Pete Rose, but would like to join with other Americans to help give him - and the game of baseball - this opportunity for redemption.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

11/06/95

JIM DORSKIND:

Somehow this came to this office. Per a call to NSC Executive Secretary's office, was told it should have gone to you; so I am forwarding.

Sharon Wagner/
Staff Secretary's Office

2nd -
Do you want to
handle & send in
a packet

11/3/95

Send to Donskind?

Yes ☒

No ☐

11/6
per call
to NSC
Sewagner

C

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

7748

October 25, 1995

MEMORANDUM FOR JIM DORSKIND

FROM: ANDREW D. SENS *ADS*
SUBJECT: Christmas Message to Department of State Employees

It has been traditional for State magazine to publish Christmas greetings from the President and First Lady. In past years, the greeting has consisted of a photograph plus a one-sentence **handwritten message** signed by the President and First Lady. The proposed message for this year's greeting would read:

To all of you in the Department of State, happy holidays and best wishes for a joyful new year.

The message and photo are needed by Monday, November 6 in order to meet the publication deadline. The photo is being requested separately from the photo office.

Attachment

Tab A Page for President's Handwritten Message
Tab B Incoming Correspondence



7748

S/S 9519729

United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

October 19, 1995

MEMORANDUM FOR ANDREW D. SENS
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

Subject: Christmas Message to Department of State Employees

Each year, State magazine, in its December issue, hopes to publish full-page holiday greetings from both the President and his wife and the Secretary of State and his wife (see Tab 1).

The greeting consists of a photograph of the couple with a one-sentence handwritten message and signatures. The suggested 1995 message from President and Mrs. Clinton (the Marie and Warren Christopher message would be similar) reads:

To all of you in the Department of State,
happy holidays and best wishes for a
joyful new year.

/s/ Hillary and Bill Clinton

The editor would like to have a new photograph of the President and Mrs. Clinton, showing them at home in front of their tree if possible. The editor requests that the message be written in longhand, in black ink, on the form at Tab 2.

To meet the early publication deadline for the holiday issue, the editor would appreciate receiving the photograph and the message in hand by close of business Monday, November 6. To schedule a pickup from the White House, please have someone telephone the State magazine office (PER/ER/SMG) on (703) 516-1667. The editor will send a messenger to hand-carry the photograph and message.

Kenneth C. Brill
Executive Secretary

Attachments:

Tab 1 - Messages from December 1994 issue of State magazine

Tab 2 - Form for President and Mrs. Clinton's message and signatures

UNCLASSIFIED



To all of you at State, in the Foreign Service
and Civil Service, we are pleased to send our
best wishes for a happy holiday season and a
joyous new year.

Bill Clinton

Hillary Rodham Clinton

1995 CHRISTMAS MESSAGE FROM PRESIDENT AND MRS. CLINTON

Please write the following, using black ink, in the space provided below:

To all of you in the Department of State,
happy holidays and best wishes for a
joyful new year.

/s/ Hillary and Bill Clinton

MESSAGE: (Drop down two lines)

SIGNATURES: (Drop down two lines)



We wish all the joys of
the season to our State Department
families, at home and overseas.

Marie Christopher
Wanda Christopher

Hanging on in HAITI

BY VICKY BELL

The author is the cultural affairs officer in Port-au-Prince.

NOU LED MEN NOU LA. (That's Creole for "we may be ugly but we're still here!") It's a common answer when you ask a Haitian how s/he's doing. In spite of or because of 200 years of bloody history, so many Haitians seem to be gifted with a wry sense of humor, and maybe some of that rubs off on us. Maybe that's how we in the U.S. embassy community have learned to cope with our very small taste of the Haitians' very long tragedy.



Ms. Bell

This is just one take on our coping in the drawn-down, stressed-out embassy in Haiti. Yup, we did it. We're doing it.

The embargo: how did we cope with the embargo? I had my doubts back in January, believe me. While the stores were full of overpriced and frequently French dry goods, fresh produce was scarce and all too often

gray. We car-pooled every Saturday morning, hitting the fruit and veg stand first, then quickly to the bakery before it ran out of bread. Information was as precious as butter—and news traveled fast when there was source cream in town.

Fuel was scarce and generator time very, very rationed. We shared showers (no water when there's no power), learned to brew coffee by the dawn's early light. Gas at the embassy fuel pump had just hit \$10 a gallon when some noticeable relief arrived. First, Tom (Intrepid) Trivisani, our indefatigable general services officer, blessed each household with an inverter. I'm skeptical of most things mechanical, but I tell you: those inverters ran the refrigerator (good-bye to gray meat!) and the ceiling fan—even when there wasn't any power.

Next to the rescue was Spence Lane, military liaison officer, who was without, in those days, much of an American military to liaise with. To this day I don't know what dragons he slew, but somehow all of us, civilian and military alike, basked in the luxury of frozen-food flights. It was Christmas in the embassy parking lot—our own Berlin airlift! Steaks and "Twinkies" time.

So that's a bit of how we coped in the early days of the embargo, minus a few thousand examples of true grace under unrelenting pressure. Like the 48 straight hours that K.B. Belancourt, maintenance supervisor extraordinaire, spent coaxing a flicker



Ambassador William Swing with the U.S. Marines.

out of a dying generator. And then there were the Marine House morale boosters, as well as consular officer Sam Dykema's "voodoo" open house party. We coped because we had to, sometimes even thrived.

Back in Washington, meanwhile, decisions were reached, policy refined

State

NO. 383

UNITED STATES DEPARTMENT OF STATE

DECEMBER 1994



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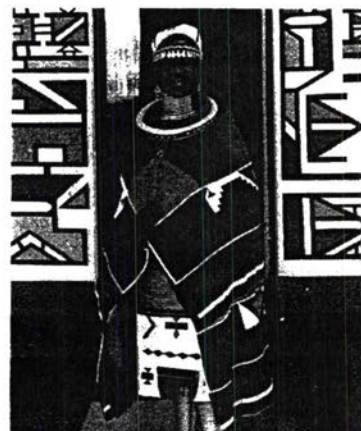
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(From Oval) 11-6-95

Send to legislative
affairs for appropriate
response.

(to assign Biley)

Yes ☒

No ☐

+ CC Gene C.
Spelling

Potter has not
seen

United States Senate

WASHINGTON, DC 20510

Nov. 2, 1995

95 NOV 6 P3:49

The Honorable William J. Clinton
The White House
Washington, D.C.

Dear Mr. President:

We urge you to include farm programs in any budget reconciliation veto message which you might issue. Commodity programs have been cut by at least 60 percent over the past ten years. Saying it another way, farmers have agreed and contributed to their fair share of deficit reduction.

Also, farmers have agreed to reductions in the current reconciliation round. Reductions are not the problem for them. The culprits are the extent and nature of the reductions in the current round.

House and Senate versions of budget reconciliation reduce mandatory farm programs by \$13.4 billion approximately. This amount is much more than what is fair and what is needed to help reduce the overall federal deficit. For this reason, farm programs must be cited as one of those which serve as the basis for the veto.

Heavily subsidized competition in export markets, unpredictable weather conditions, infestations of pests and disease and, as important, the significance of domestic supply and price stability are all reasons for adoption of reasonable farm programs. These programs are essential to assist farmers with conditions and costs beyond their control and to assure the consumer of reliable and affordable food and fiber. In addition, rural America will be unfairly affected if unfair farm program reductions are enacted.

Thank you for your attention and consideration. We look forward to your continued support for fair farm programs and to working with you on this issue and others during budget reconciliation negotiations.

Sincerely,


JOHN BREAUX
United States Senator


J. BENNETT JOHNSTON
United States Senator

UNITED STATES SENATOR JOHN BREAUX

Facsimile Transmission

TO: President ClintonFROM: Sen. Breaux + JohnstonFAX NUMBER TRANSMITTED TO: 202-456-6703DATE: 11-6-95 TIME: _____NUMBER OF PAGES INCLUDING COVER SHEET: 2RE: joint letter about farm
programs in budget recon-
ciliation bill

PLEASE DELIVER THIS INFORMATION AS SOON AS POSSIBLE

UNITED STATES SENATE
WASHINGTON, D.C. 20510
(202) 224-4623

11-6-95

All original enclo-
sures were sent to
Ruth McG.

Sew



Kati

Then folks were in to
see me on another trip
I signed → will have
to deal w/ his head up - BC

THE PRESIDENT HAS SEEN

11/4/95

October 23, 1995

The President
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. President:

On October 20, 1995, Assistant Secretary for Indian Affairs Ada Deer made a speech at the Alaska Federation of Natives ("AFN") Annual Convention in Anchorage, Alaska. Assistant Secretary Deer's speech conveyed a shockingly derogatory message regarding the Inupiat Eskimos of the Arctic Slope Region of Alaska: namely, that the AFN should reconsider its position on responsible oil and gas development on the Coastal Plain of the Arctic National Wildlife Refuge ("ANWR"), development that is overwhelmingly approved by the Inupiat as essential to our culture's survival.

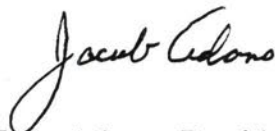
Mr. President, it is a national disgrace when, in this day and age, a federal official charged with the responsibility of carrying out the trust relationship between the federal government and Native Americans has the audacity to tell Native Americans what is best for them, despite an opposite position that had been arrived at fairly and democratically by Native people themselves. Many Native Americans believed that the practice of paternalism by officials of the United States was finally a thing of the past. Yet, Assistant Secretary Deer's insulting presentation demonstrates that it is not.

During the last twenty years, all Native Americans, and especially Alaska Natives, have been taking giant steps forward in achieving self-reliance and self-governance. The Alaska Native Regional and Village Corporations, created by Congress in 1971, have played an important role in achieving such goals. Economic development has been the cornerstone in creating jobs, pride, self-reliance and self-governance for the Native people of Alaska.

To this end, the AFN Board of Directors had voted, and the resulting message was loud and clear: Alaska Natives were in favor of opening ANWR to responsible oil and gas development. In fact, the day after Assistant Secretary Deer's speech, the membership of the AFN voted by almost two to one not to remain neutral on the ANWR issue and to subsequently vote on a resolution to favor the opening of the Coastal Plain to oil and gas development.

I would urge you, Mr. President, to send a strong message to Native Americans that paternalism by federal government officials will not be tolerated in 1995. Remove the Assistant Secretary of Indian Affairs from her post immediately.

Sincerely,

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

Jake Adams, President
Arctic Slope Regional Corporation





arctic slope regional corp.

GAS AND OIL DRILLING IN THE ANWR

VAN NESS, FELDMAN & CURTIS
A PROFESSIONAL CORPORATION
1050 THOMAS JEFFERSON STREET, N. W.
SEVENTH FLOOR
WASHINGTON, D. C. 20007

ELLEN S. YOUNG
SAM KALEN
BRUCE S. DEMING
BENJAMIN L. ISRAEL



NORTH SLOPE BOROUGH
OFFICE OF THE MAYOR
P.O. Box 69

Corporate Headquarters • P.O. Box 129 • Barrow • Alaska • 99723-0129 • (907) 852-8533 or (907) 852-8633 • FAX (907) 852-5733 • 1-800-770-2772



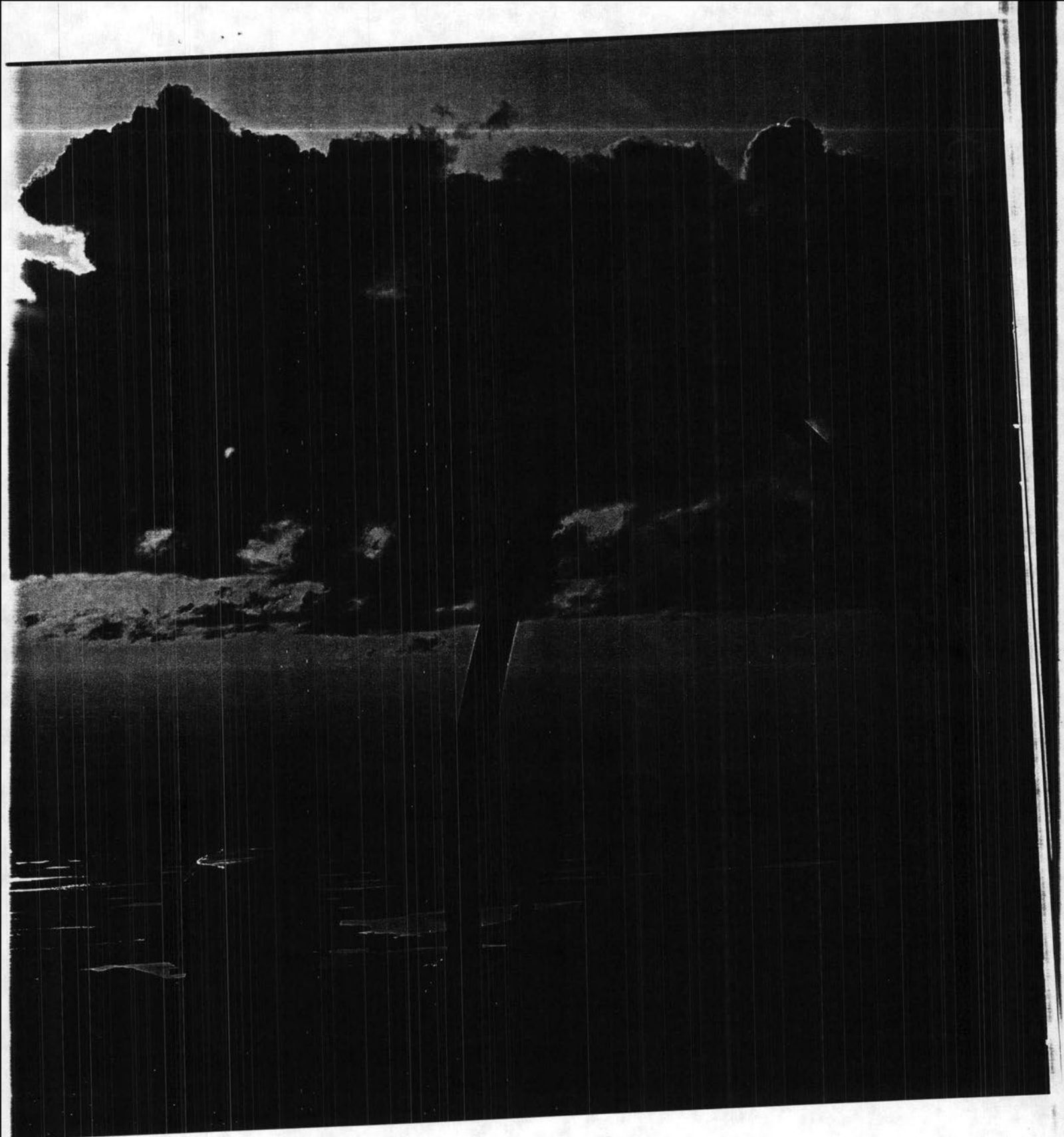


ALASKA NATIVE PEOPLE SUPPORT OPENING COASTAL PLAIN STUDY AREA OF ANWR

June 26, 1995

On June 13, 1995, the Alaska Federation of Natives (AFN) Board adopted a resolution in support of opening the Coastal Plain study area of the 19 million acre Arctic National Wildlife Refuge to oil and gas development. This resolution expresses the economic importance of opening the coastal plain area to the State of Alaska and to the Alaska Native people as well as to the nation. Opening the Coastal Plain to an environmentally responsible and carefully regulated leasing program is emphasized in the resolution, along with a provision recognizing the need to ensure the protection of the Porcupine Caribou Herd and the subsistence needs of the Native people of Alaska.

The AFN is a statewide organization made up of the 12 Regional Native Corporations, 12 non-profit Native associations and 12 representatives from rural Alaska. The AFN meets during the annual AFN convention. The AFN Board of Directors is elected by the members. The corporations



THE NORTH SLOPE BOROUGH

A Home Rule Government

THE PRESIDENT HAS SEEN
11/6/95

THE WHITE HOUSE
WASHINGTON

NOVEMBER 3, 1995 95 NOV 3 8:35

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty* *sent 11/6/95*
SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
OCTOBER 29-NOVEMBER 4

DEPARTMENT OF TREASURY

- **Secretary's Activities Next Week:** On Sunday, November 5, Secretary Rubin will be the keynote speaker at a seminar hosted by New York Rep. Carolyn Maloney. On Wednesday, November 8, he will meet with House members of the "Mainstream Forum" and the Democratic Budget Group on the debt limit. He will attend a Congressional Black Caucus luncheon to discuss the debt limit, and travel to New York to address CARE's 50th Anniversary Dinner on your behalf. On Thursday, November 9, he will meet with House members of the Hispanic Caucus to discuss the debt limit and will be interviewed on Black Entertainment Television regarding the budget and debt limit.
- **Congressional Activity:** Last week, in an attempt to balance House and Senate differences over the non-profit language, the conferees reported the bill along with Rep. Istook's amendment in "true disagreement." Recognizing that a separate vote on the amendment would be politically awkward and that the Senate and possibly even the House would vote down the non-profit language, the Speaker instructed Chairman Livingston to delay action on the bill until further notice. The conferees for the VA-HUD-Independent Agencies FY 96 appropriations bill were named this week. It is unlikely that the conferees will meet this week, but they may begin action on the bill early next week. CDFI remains zero-funded in both bills and funding will not likely be added to the program unless the Administration enters into negotiations on the bill in the wake of a Presidential veto.
- **Budget Review:** The Senate considered several dozen amendments, most of which were defeated by party-line votes. However, a number of significant amendment did pass. For example, the pension reversion provision was stricken by a vote of 94 to 5. In addition, the self-employed health insurance deduction was increased to 55 percent, pursuant to an amendment sponsored by Senators Bond and Pryor, which passed by a vote of 99 to 0.
- **Regulatory Reform:** S. 383 has been stalled since last summer when Majority Leader Dole was unable to get cloture after several attempts. At a press conference Monday morning,

Senator Dole indicated he may try to get another cloture vote soon. If that fails, he said he may allege that the Democrats are obstructing meaningful regulatory reform.

- **Reauthorization of Federal Law Enforcement:** The Subcommittee on Crime of the House Judiciary Committee plans to hold three days of hearings in November on reauthorizing federal law enforcement. These hearings are intended to examine the statutes that federal law enforcement agencies enforce and where duplication and overlapping jurisdiction exist. The schedule for these hearings remains unclear and probably will not be defined until the GAO report is available.
- **Bosnia:** The IMF and World Bank provided the G-7 with two papers on Bosnia this week. The first paper is on Bosnia's balance of payments and reconstruction needs. It suggests that after deep debt reduction, Bosnia will face financing needs over the next four years of around \$6 billion, 2/3 of which the IFIs assume that bilateral donors will fill. The second paper is on the fiscal and monetary arrangements Bosnia needs to build a single state. The paper suggests Bosnia create a single monetary authority with little, if any, discretion in the conduct of monetary policy. On fiscal policy, the Fund starts from the premise that given the distrust between Muslims and Serbs, it is likely the Bosnian central government will have highly limited responsibilities.
- **Foreign Source Income:** The Ninth Circuit Court of Appeals has affirmed the Tax Court's decision in *Intel v. Commissioner*, a case addressing the source of a taxpayer's income from export sales of property produced in the United States. The case is significant for all US exporters because it enables US taxpayers selling through foreign independent distributors or foreign subsidiaries to generate more foreign source income on their export sales. This type of foreign source income is subject to little, if any, foreign tax, and can therefore be used to offset foreign taxes on other income, reducing US taxes due otherwise.
- **Tax Benefits for Mutual Life Insurance Companies:** On October 25, Commerce officials met with Rep. Bob Filner to discuss his proposal to cut back on the tax benefits available to mutual life insurance companies, which he claims will raise roughly \$2 billion per year. Rep. Filner argues that Congress had intended that stock and mutual life insurance companies, and review his revenue estimates.

DEPARTMENT OF COMMERCE

- **Secretary's Schedule Next Week:** On Monday, November 6, Secretary Brown travels to Maine to open an Export Assistance Center (EAC) and to address the Chamber of Commerce in Portland, Maine. On Wednesday, November 8 he will deliver remarks at a meeting with the President's Export Council and will introduce you at the DNC African American Leadership Forum luncheon. On Thursday, November 9, Secretary Brown will deliver remarks at the PEC Trade and Technology Forum with Speaker Gingrich and, as a follow-up to the Amman Summit, he will speak at the Arab American Institute's 10th Anniversary Conference. On Wednesday, November 8, he leaves for Osaka for the APEC meeting. He will travel to Seoul and Tokyo before returning to Washington on Tuesday, November 21.

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

Wholesale Trade for September 1995

November 7

Manufacturing and Trade: Inventories and Sales for September 1995

November 15

Housing Starts and Building Permits for October 1995

November 17

- **Export Control Procedural Reforms:** DOC is awaiting issuance of an executive order which will implement export control procedural reforms, most of which were proposed by the Administration last year in the proposal for a new Export Administration Act. The executive order will establish firm time limits for export license application review by other agencies and set up an orderly procedure to resolve interagency disputes which limits the right to escalate disagreements to political-level officials. The order is being managed by the National Economic Council and is currently waiting for your signature.

- **Red Snapper Fishery Individual Transferrable Quotas (ITQ):** Regulations to implement ITQs in the Red Snapper fishery in the Gulf of Mexico are expected to be published this week. ITQ will establish a limited entry program for the red snapper fishery in the Gulf of Mexico. Approval of these ITQs received substantial Congressional attention, especially from the Louisiana delegation. As the implementation of this program gets closer to reality it is expected to generate further Hill and media attention.



- **Two New Schools on the Internet:** As part of your initiative to connect California schools to the Internet by March 9, 1996, a Silicon Valley coalition led by Sun Microsystems, 3Com, the San Jose Education Network, Smart Valley and other companies, will complete full wiring and connect Arundel School in San Carlos and Piedmont Hills High School in San Jose to the Internet. The two schools are prototypes for future Netday '96 connections. A message from you will be read at the event and placed on the school's homepage on the Internet.

- **TIIAP Winners to be Announced:** Commerce's National Telecommunications and Information Administration (NTIA) plans to announce the 1995 winners of its Telecommunications and Information Infrastructure Assistance Program (TIIAP) grants on November 9. Funded projects will promote the widespread use of advanced telecommunications and information technologies in the public and non-profit sectors. The announcement will be made at a press conference at the Commerce Department.

- **Competitiveness Report to be Released Next Week:** Commerce will be releasing their annual Competitiveness Report within the next week. Additionally, a report on trade and technology will be released at the end of the month, accompanied by targeted press events. The Trade and Technology Report will implement a new policy that summarizes recent economic analysis which demonstrates how export competitiveness and investment in civilian technologies reinforce each other and then demonstrates how Commerce programs work to bring trade and technology issues together for the benefit of US businesses and workers.

- **Impact of Budget Cuts on Statistics:** The *Washington Post* is working on a story about the ramification of budget cuts to the accuracy of our statistics. They have talked to Census Director Martha Riche, and will talk with additional Commerce officials leading up to publication of the story late next week.

DEPARTMENT OF LABOR

- **Wage Gap Speech:** On Tuesday, November 7, Secretary Reich will deliver a major speech to 500 women on the wage gap and the need to increase the minimum wage at the national conference sponsored by *Women Work! The National Network for Women's Employment*. During the speech, he will announce a new DOL "1-800" number for low-wage workers to call and tell their stories about how difficult it is surviving at or near a minimum wage salary. On November 29, Secretary Reich will use the most compelling stories before the Senate Committee on Labor and Human Resources in a hearing on the minimum wage.
- **Jobs for America's Graduates Speech:** On Wednesday, November 8, Secretary Reich will be presented with the Jobs for America's Graduates (JAG) National Leadership Award and will deliver a speech at the awards luncheon. His remarks will focus on the budget and the GI Bill for America's Workers. After the event, Speaker Newt Gingrich, Ohio Governor George Voinovich and Secretary Reich will participate in a press conference.
- **BLS Data Releases:** On Tuesday, November 7, the Bureau of Labor Statistics will release Productivity and Costs for the third quarter 1995.
- **Interstate Commerce Commission Termination:** On Wednesday, November 1, the House Transportation and Infrastructure Committee reported out of committee H.R. 2539. This bill transfers all labor protection provisions to the newly created Transportation Adjustment Panel at the Department of Transportation. The Administration's bill would transfer these provisions to DOL. There is no immediate action scheduled in the Senate on the companion bill.
- **UAW Strike at Chrysler Plant in Detroit:** On November 1, approximately 1,000 hourly workers, represented by the United Auto Workers, struck Chrysler Corp.'s McGraw Glass plant in Detroit. The McGraw plant produces glass for nearly every Chrysler built vehicle. Direct negotiations are continuing.
- **Boeing Strike Found to be Unfair Labor Strike by NLRB:** The NLRB regional director in Seattle has found "reasonable grounds" to conclude that Boeing failed to bargain in good faith with the Machinists, and that the strike, which began on October 6, "has been an unfair labor practice strike from its inception."
- **Detroit Newspaper Strike Update:** In a letter to the striking unions, Detroit's newspapers formally rejected an October 5 offer to return to work if the newspapers agreed to intensive negotiations followed by arbitration of unresolved issues. The newspapers maintain that less than 200 jobs remain unfilled at the Detroit Free Press and the Detroit News. Negotiations continue.
- **Minneapolis-St. Paul Transit Strike:** On October 27, the Amalgamated Transit Union, representing some 2,100 bus drivers, mechanics, and other support workers, reached an agreement with the Minneapolis-St. Paul regional transit system. Service resumed on October 29, ending the strike which began on October 10.
- **Government Files Brief in *Chamber of Commerce v. Reich*:** Last week the Government filed a brief in *Chamber of Commerce v. Reich*, arguing that the district court correctly dismissed a

pre-enforcement challenge to the permanent striker replacement executive order. The Government contends that the court may not review the President's decision to issue the Order and, if this argument is rejected, that the President acted within his authority under federal procurement laws and that the Order does not run afoul of the National Labor Relations Act.

DEPARTMENT OF TRANSPORTATION

- **Grade Crossing Safety Task Force:** In the aftermath of the collision between the commuter train and the school bus in Fox River Grove, IL, on October 25, Secretary Pena announced the formation of a Departmental Grade Crossing Safety Task Force, which will conduct a comprehensive national review of highway-rail crossing design and construction safety measures, headed by Associate Deputy Secretary Huerta. The initiative will include a survey of all locations where highway signal systems are interconnected with highway-rail crossing warning devices. Secretary Pena has directed the task force to report back by March 1, 1996.
- **Chicago Air Route Traffic Control Center (ARTCC) Service Interruption:** On November 1, the Chicago ARTCC experienced two interruptions of the main computer system that feeds radar and flight information to displays for air traffic controllers' use. Air traffic transitioned to the back-up radar processing system. Safety was not compromised. While operating in the back-up system, the system capacity is reduced to approximately 30% of normal to maintain safety. The first interruption began at 2:34 PM and lasted 13 minutes. The second interruption began at 3:03 PM and lasted 45 minutes. There were 202 aircraft delays attributed to this equipment interruption. Federal Aviation Administration software experts are conducting an analysis of the system software to determine why the system did not handle the conditions that caused the interruption. There have been five service interruptions at Chicago ARTCC since mid-May. The equipment is 25 years old at the Chicago Center. There is no common denominator that would correlate any of the previous interruptions. Interim computer equipment is scheduled to be operational in October 1997 to replace this aging equipment. FAA Administrator Hinson is in Chicago today for several previously scheduled speaking engagements and interviews with the Chicago Tribune, Business Weekly, McNeil-Lehrer (PBS) and the local CBS affiliate.
- **Extension of Heightened Domestic Security Measures:** On October 27, the Federal Aviation Administration held a conference call with industry associations, air carriers, and airports to discuss the extension from October 31 to December 1 of the increased security measures implemented on October 3. FAA will continue to work with the intelligence community and the National Security Advisor's staff to determine if the measures can be modified or lifted earlier than December 1. FAA will conduct unannounced testing of the measures, November 2-15.
- **New Jersey Environmental Impact Statement:** At an October 31 news conference in Newark, New Jersey, the FAA announced its final decision on the environmental impact statement for the State of New Jersey. After careful consideration of extensive public comments received over a four-year period, the agency will modify current procedures to incorporate a mitigation measure--known as the Solberg mitigation proposal--to reduce aircraft noise in areas of Union County, New Jersey. Under the mitigation proposal, noise will be reduced for 18,755 Union County residents, who have expressed concern about increased noise

levels since the 1987 realignment of East Coast aircraft routes. This plan has generated a great deal of interest from the New Jersey and New York congressional delegations.

- **Partnership Between Northwest Airlines and KLM Royal Dutch Airlines:** This partnership is under strain, because of reported plans by Northwest to place before its Board of Directors on November 16 a "poison-pill takeover defense." Reports state that two provisions are involved: one to cap the amount of ownership that KLM or any shareholder can have at around 20 percent or less; another provision would remove a company bylaw that requires 60 percent of the original shareholders to approve major transactions. If both provisions were passed, Northwest co-chairmen Checchi and Wilson would be able to market Northwest to other potential buyers, over the objections of minority-holder KLM, if an additional consolidation phase becomes a reality among United States airlines.
- **U.S. - India Aviation:** A second round of consultations with India is in progress in New Delhi. India is seeking greater access to the U.S. market and a priori control of capacity to protect Air India. United plans to begin round-the-world service through New Delhi on December 14, 1995. United has not received Indian Government approval for this service. On October 30, 1995, United announced that they had reached a joint cooperative agreement with Air India effective December 15, 1995.
- **U.S. - Japan Aviation:** The second round of cargo talks with Japan has been scheduled to take place in Washington November 28-30, 1995. The United States is proposing that a liberal regime for all-cargo services be phased in over a 3- to 5-year period.
- **NAFTA:** Secretary Pena is planning visits to six southern border points of entry on December 3-6 to assess preparations for the opening of the border to commercial trucking operations on December 18. He will conduct these visits with other senior-level officials from federal agencies with operations at the border, state officials, and, for at least one port-of-entry, with his Mexican counterpart, Secretary Carlos Ruiz Sacristan.
- **California and Virginia Contracting Goals:** On October 24, the Department of Transportation sent letters to the California Department of Transportation (CALTRANS) and the Virginia Department of Transportation withholding final approval for each state's proposal to reduce its fiscal year 1996 Disadvantaged Business Enterprise (DBE) goal to 10% for federal-aid highway contracting. Both states proposed to reduce their goals (CALTRANS from 20% and Virginia from 12%) as a result of the Supreme Court's decision in *Adarand v. Peña*. DOT, after consultation with the Department of Justice, determined to withhold final approval until each state submits further information justifying the reduction.
- **FY 96 DOT Appropriations:** On Tuesday, October 31, the Senate cleared the FY 96 transportation appropriations bill by a vote of 87-10. The total funding for this appropriation is \$37.5 billion. It provides for funding that will permit critical programs to move forward, particularly many of the initiatives at the Federal Aviation Administration. It cuts transit operating assistance to states and localities by 43 percent from last year's level.

- **Federal Aviation Administration Reform Markup:** On November 1, the House Committee on Transportation and Infrastructure passed by voice vote H.R. 2276, the FAA Revitalization Act of 1995. Senate Commerce Committee markup of the McCain/Ford/Hollings is tentatively set for November 7.
- **Interstate Commerce Commission (ICC) Sunset:** Legislation to sunset the ICC was passed by the Surface Transportation Subcommittee, the Railroad Subcommittee and the full House Transportation and Infrastructure Committee. H.R. 2539, the Interstate Commerce Commission Termination Act of 1995, was adopted by both Subcommittees without amendment. The final issue to be worked out has to do with whether Class 2 railroads will be exempted from having to provide labor protection to their employees. The Committee hopes to file the report in the near future and bring the bill to the full House within the next week or two.
- **Congressional Hearings:** On November 3, the Senate Commerce, Science and Transportation Committee held confirmation hearings on the nomination of Nancy McFadden to the position of General Counsel and Charles Hunnicut to Assistant Secretary for Aviation and International Affairs. On November 7, the Committee will meet to mark up the Federal Aviation Administration reform legislation and vote on confirmations.
- **Air Bag Performance:** In the near future the National Highway Traffic Safety Administration (NHTSA) will publish a request for public comment on overall air bag performance during a crash. Air bags have proven to be an effective safety feature, but there have been cases in which an air bag appears to have contributed to serious injuries and even death to vehicle occupants. It appears that in most cases where this has occurred the occupants were either unbelted or improperly belted.
- **Air Traffic Control System Press Coverage:** *New York Times Magazine* will write a lengthy article on the air traffic control system. The article's focus will be on the New York facilities. *Atlantic Monthly* is also working on a similar article.
- **Regent Cruise Line Declares Bankruptcy:** Cable News Network (CNN) is broadcasting reports that Regency Cruise Lines is bankrupt and that passengers aboard its cruise ships have been left stranded in Nassau, Bahamas and Piraeus, Greece. The FBI, Department of State and the Coast Guard are continuing to monitor events to assure passenger safety.
- **Innocent Victims Drunk Driving Prevention Campaign:** On November 6, the Ad-Council will initiate its 1995/96 Drunk Driving "Innocent Victims" media campaign. The campaign, now in its third year, includes newspaper, magazine, television, radio and outdoor materials. People throughout the U.S. gave the National Highway Traffic Safety Administration permission to use stories about their loved ones who died needlessly because of drunk drivers.
- **\$4.5 Million in Emergency Relief Funds Given to Oklahoma:** On October 18, \$4.5 million in emergency relief funding was approved for repair of damage to Federal-aid highways in 30 counties in Oklahoma caused by severe storms and flooding during May and June.

U.S. TRADE REPRESENTATIVE

- **Fast Track Meeting:** At the request of Representatives Dreier and Richardson, a meeting was convened with the two members and Amb. Kantor on fast track. The door is open slightly on a possible compromise, although the Administration and Dreier, on behalf of House Republicans, reiterated their positions on labor and the environment. Amb. Kantor indicated that the current Republican language is unacceptable. The Administration is drafting language on the consultation process to see if further specification will lead to an acceptable compromise.

SMALL BUSINESS ADMINISTRATION

- **DELTA Program:** On November 10, Administrator Lader and Senator Dianne Feinstein are scheduled to roll out the DELTA program at an event in Los Angeles. On November 14, the Administrator will do a similar event with Representative Mike Forbes in NY.

Oklahoma City Grants: The November 1 Daily Oklahoman read "City Bomb Relief Hits Re Tape" and focused on HUD grants and SBA loans. There is some question as to whether or not disaster victims should have to apply for (and be denied) an SBA loan before applying for a HUD grant. We are currently working with HUD and OMB on this issue.

DEPARTMENT OF JUSTICE

Removals of Criminal Aliens Exceed Projections for FY 95: On October 26, INS released preliminary statistics showing a total of 31,244 criminal alien removals during fiscal 1995, nearly 10 percent more than the projected goal of 28,500. Total removals for the year, which include both deportations and exclusions in all categories, were 48,361, or about 6.7 percent higher than the previous year's total.

- **The Ninth Circuit Denies Request In Oregon Timber Case For An Emergency Stay Pending Appeal Of An Injunction Requiring The Release Of 62 Timber Sales Under The Rescissions Act:** *Northwest Forest Resources Council v. Glickman, et al.* (D. Ore.). The sales at issue were released on October 26, 1995, to the extent that they were not otherwise subject to Court Order or high bidders no longer existed. In related matters, Federal District Judge Michael Hogan will hear cross motions for summary judgment on the major remaining issue in the Section 318 litigation on November 7, 1995. The government has withheld 228 million board feet (mmbf) of Forest Service section 318 timber sales on the grounds that murrelets are "known to be nesting" in these sale units. Industry challenges the government's interpretation and argues for a much narrower interpretation which would require release of almost all of the old growth acreage.
- **Agreement Reached with Shoshone-Bannock Tribes re: Passage of Naval Nuclear Spent Fuel Shipments to Facility in Idaho:** In October, the U.S. and Idaho reached a settlement in *U.S. v. Batt* providing for a 40 year plan for the storage of spent nuclear fuel at the Idaho National Engineering Laboratory. On October 24, members of the Shoshone-Bannock Tribes

blocked the first train transporting fuel pursuant to the settlement as it entered the tribes' reservation. They eventually allowed the train to proceed and reached a tentative agreement with the tribal leadership which permits the transport of the fuel across tribal land. Among other things, the Navy agreed to hold a public meeting on the reservation before November 27.

First Iowa Charge in Domestic Violence Case Under 1994 Crime Act: Shawn A. Hungate had been charged with possession of a firearm while being subject to a domestic violence restraining order. The charge was the first of its kind in Iowa, and one of the first in the nation under a provision of the 1994 Crime Act.

- **COPS Office Obligates Funding For COPS More Program:** The Community Oriented Policing Services (COPS) office has reviewed all of the 5,904 applications for the program and has obligated funding for 5,853 awards, totaling over \$409.3 million. This amount is enough to fund 6,288 officers and deputies. This should be ready for announcement at the end of the month.
- **Supreme Court Certiorari Granted in Selective Prosecution Discovery Case:** On October 30 the Supreme Court granted the government's petition for a writ of certiorari in *United States v. Armstrong*, which involves the standards for ordering discovery on a claim of selective prosecution. This case involved four defendants in a drug case who claimed prosecution because of race and sought discovery from the government's files to support their claim. The indictments were dismissed after the government refused to comply with a district court's order to comply with the discovery request. The *en banc* Ninth Circuit affirmed and held that a district court has discretion to compel discovery in a case where the defendant claiming selective prosecution on the basis of race if the defendant can show that the prosecution of similarly situated black persons over a period of time. The court of appeals dispensed with this requirement. The government's certiorari petition challenges that holding, arguing that some showing of discriminatory purpose and effect must be made before the district court can compel discovery into the prosecutor's files.
- **Court Denies Motion for TRO To Enjoin the Child Protection Restoration Act:** On October 24, 1995, a court denied plaintiff's motion for a temporary restraining order was denied in *Connection Distributing Co. v. Attorney General* (N.D. OH) on the grounds that plaintiff failed to show substantial likelihood of success of the merits. The plaintiff, a Cleveland corporation that publishes adult magazines, argued that the act unconstitutionally suppresses its First Amendment right to freedom of speech. The Child Protection Act requires producers of matter containing visual depictions of actual sexually explicit conduct to create and maintain records concerning the age and identity of the performers depicted, and to indicate in the publication the location of the records maintained.
- **Federation For American Immigration Reform ("FAIR") Files Appeals *Federation for American Immigration Reform, Inc. v. Reno*:** On October 23, 1995, FAIR filed an appeal in the D.C. Circuit from the district court's dismissal of its complaint for lack of standing. FAIR (a nonprofit membership organization that advocates eliminating illegal immigration and lowering legal immigration) challenged the validity of the government's implementation of the agreement reached in September 1994 between the U.S. and Cuba and alleged that the Attorney General abused her statutory parole authority and violated the immigration laws by paroling Cubans into the U.S. so that they can apply for adjustment of status under the Cuban

Adjustment Act. FAIR alleged its members will be harmed because many of the paroled Cubans will settle in Miami and contribute to overcrowded schools, less accessible and efficient medical services, reduced protection from crime, and diminished employment opportunities. Judge Joyce Hens Green dismissed for failure to satisfy the traceability and redressability elements of the constitutional standing test.

- **Intervention Granted In Illinois CD Challenge:** On October 19, 1995, the court granted the government's motion to intervene as defendant in *PAC for Middle America v. State Board of Elections* (N.D. Ill.), which challenges the First and Fourth Illinois Congressional Districts under *Shaw v. Reno* as unjustified racial gerrymanders. The court also granted the motion of private plaintiffs PAC for Middle America and James Kelly to dismiss their claims without prejudice because of their inability to obtain new counsel. The only claim now before the court is the challenge to the Hispanic majority Fourth Congressional District. A status conference is set for November 8, 1995.
- **Supreme Court Denies Certiorari in Case Upholding Army Corps of Engineers' Regulatory Jurisdiction:** On October 30 the Supreme Court, as we urged, denied certiorari in *Cargill v. United States*, in which the Ninth Circuit had upheld, as authorized by the Clean Water Act and as not exceeding Congress's constitutional powers, the Army Corps of Engineers' exercise of regulatory jurisdiction over isolated seasonal ponds used by migratory birds.
- **U.S. Files Brief in Case Involving Undercounting of Minorities in Census:** On November 9, the U.S. will file a brief in *United States Department of Commerce v. City of New York*, which involves the under counting of minorities in the 1990 census. It is generally acknowledged that the decennial census consistently undercounts the true population of the United States, and that the undercount of racial minorities has historically been greater than the undercount of non-minority residents. Following the completion of the 1990 census, the Secretary of Commerce investigated the possibility of statistically adjusting the census figures that had been transmitted to the House of Representatives in January, 1991. The Secretary ultimately determined that an adjustment should not be made. A variety of plaintiffs filed suit. The district court ruled in favor of the federal defendants, but the court of appeals reversed and remanded the case, concluding that "plaintiffs amply showed that the Secretary did not make the required effort to achieve numerical accuracy as nearly as practicable, and that the burden thus shifted to the Secretary to justify his decision not to adjust the census." The government will argue that the Secretary acted lawfully in valuing distributive accuracy over numeric accuracy and in concluding that the proposed statistical adjustment had not been shown to improve distributive accuracy.
- **Attorney General's Schedule:** On Monday, November 13, Attorney General Reno will address the Maryland Federal and State Officials Community Policing Event in Annapolis. On November 14, she will address the National Health Care Anti-Fraud Conference and on November 16, she will meet with the Colombian Defense Minister.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Northeast Press Roundtable on Budget Cuts:** On November 8, Secretary Cisneros will host a roundtable discussion with press from the Northeast/New England area to discuss the overall impact of the Congressional budget cuts on their region.
- **Demolition of D.C.'s Public Housing:** On Thursday, November 16, Mayor Barry and Secretary Cisneros will kick-off the demolition of Ellen Wilson Homes, a dilapidated 13-building public housing development near the U.S. Capitol. The site will be redesigned as a \$25 million townhouse community that fits into the architectural character of Capital Hill.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Department Reviews Welfare Proposals for New Hampshire and California: The Department may approve a New Hampshire request for welfare waivers next week, the first such application submitted under the new 30-day fast track approval process. The California proposal would operate in San Diego County and require AFDC recipients ages 16-18 to attend school or participate in JOBS.

FDA Announces Biotech Drug Reinvention: Next week, FDA will announce significant changes in the drug approval process for most biotech drugs. These changes will cut drug development times by months and save companies millions of dollars. The high safety standards that patients and physicians count on will remain the same. HHS is coordinating the announcement with the Vice President's office.

Report on Impact of Managed Health Care: The Council on Graduate Medical Education will issue a report about the growing dominance of managed health care systems in the United States. The report concludes, in part, that managed care adds to the oversupply of physicians and especially specialists and fosters a modest need for more generalist physicians.

- **HCFA Announces Finalists for Managed Care Demonstration:** As part of a continuing effort to expand Medicare beneficiaries' choice of health plans, the Health Care Financing Administration will soon announce finalists for a new demonstration project called "Medicare Choices." Under "Medicare Choices," a variety of managed care plans that are not now available under Medicare will become eligible to participants in the program on a trial basis. Final awards are expected to be announced in early 1996. The finalists for the awards are from the following seven market areas: Sacramento, CA; Atlanta, GA; Jacksonville, FL; New Orleans, LA; Columbus, OH; Philadelphia, PA; and Houston, TX.
- **Panel to Discuss New Drug for Obesity:** On November 16, an FDA advisory panel will continue its consideration of the use of dexfenfluramine hydrochloride for obesity. The panel voted against approval, based on animal safety data. Because of the seriousness of the problems of obesity the panel was asked to consider whether the drug should be marketed under condition that the manufacturer do extensive studies on the first users and pull it off the market if risk were shown.
- **Drug-Related Emergency Room Data To Be Published:** The Substance Abuse and Mental Health Services Administration will soon release data showing cocaine-related hospital

emergency episodes increased by 15 percent in 1994 after an apparent leveling off in 1993. Cocaine-related episodes increased dramatically from 1985 through 1989, dropped off in 1990 and increased again in 1991 and 1992. In 1994, cocaine was mentioned in approximately 28 percent of emergency department episodes, reaching its highest level in history.

- **HCFA to Study Medicare Payments for Medical Equipment:** HCFA will award a contract to expand its efforts to bring Medicare payments for durable medical equipment and supplies in line with market prices.
- **Race and Ethnicity Survey of Medicare Beneficiaries Begins:** The Health Care Financing Administration has initiated a targeted beneficiary race and ethnicity survey to support HCFA's efforts to ensure that beneficiaries are receiving high quality medical care, regardless of race or ethnic origin. Questionnaires are being mailed to approximately 2.4 million beneficiaries whose race or ethnicity annotation in the Medicare Enrollment Database is "unknown" or "other," or whose surnames meet Bureau of Census criteria as Hispanic.
- **FDA Retaliation:** On November 15, the House Commerce Subcommittee on Oversight and Investigations will hold a hearing on alleged retaliation by the FDA against companies and health care providers.
- **Medicare and Medicaid Fraud:** On November 2, "Inside Edition" is expected to air a segment on Medicare and Medicaid fraud. Judy Berek, Special Assistant to the HCFA Administrator, was interviewed for the program. For the segment, "Inside Edition" orchestrated an undercover sting operation in Houston to provide footage of potentially fraudulent activities.
- **Home Health Care Fraud:** June Gibbs Brown, Inspector General, was interviewed by "NBC Nightly News" (Lisa Myers) on Thursday about fraud in the home health care industry. The interview is expected to be part of a segment to air early next week. ABC's "20/20" may air its Medicare/Medicaid fraud and abuse piece as early as Friday. HCFA Administrator Bruce Vladeck was interviewed a few weeks ago for the segment. "Dateline NBC" is expected to air a fraud and abuse segment next Wednesday.

SOCIAL SECURITY ADMINISTRATION

- **Interpreter Fraud in Social Security's Disability Programs:** SSA expects that on November 6, the ABC World News Tonight's regular Monday night Segment "Your Money" will feature a two minute story on the Federal task force in Seattle, Washington that is investigating fraud in Social Security's disability programs. The task force, of which SSA is a member, is investigating fraudulent applications for disability benefits involving certain "middlemen" who act as interpreters for individuals who do not speak English. In many cases, these "middlemen," in return for a fee, allegedly recruited individuals to apply for benefits and then either coached them on how to fake disabilities, referred them to physicians who then supply false medical information, or supplied answers to questions on disability applications, as interpreters, that they knew would contribute to a determination that the individual was disabled.

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Prisoners Receiving Supplemental Security Income (SSI) Payments: SSA expects that NBC's Nightly News for November 8 will include a segment on the receipt of SSI payments

by prisoners. Under the law, an individual's SSI payments are supposed to be stopped during periods of incarceration. While SSA has an effective program to suspend payments to prisoners in Federal and State prisons, obtaining comprehensive information on prisoners in local jails has been more problematic. SSA provided NBC with information about its cooperative efforts with prison officials to ensure that SSI payments are not made to prisoners.

VETERANS ADMINISTRATION

- **Tribute to Japanese American Veterans:** On November 8, Secretary Brown will participate in a tribute to Japanese-American veterans which will be held in Los Angeles. This event honors World War II Japanese-American veterans, and is being sponsored by the Japanese American National Museum.
- **Veterans Day Activities:** On November 11, Secretary Brown will participate in the Veterans Day wreath laying ceremony at the Tomb of the Unknowns at Arlington National Cemetery. Senior Department officials will participate in Veterans Day activities around the country.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Director's Activities Next Week:** On November 6, Director Brown will attend a meeting with Venezuelan Ambassador about counter-drug issues in Venezuela and the need for strengthened support of U.S. initiatives. On November 7, he will meet with physician leaders from throughout the country to discuss treatment and prevention issues and strategies. On November 8, he will deliver the keynote address to the "Save Our children" Conference in Clear Lake, Texas.
- **Stay Drug Free Announcements Aired:** On November 1, NBC began running ONDCP PSA, "Stay Drug Free! You Have the Power!" with football stars Dan Marino and Jerry Rice.
- **Participation in Montel Williams Program:** On November 3, Director Brown appeared in a special Montel Williams program on Drugs and Youth.

DEPARTMENT OF EDUCATION

*to Riley's
L. L. Riley*

Aguilar v. Felton: On October 25, Secretary Riley submitted into the record of the Senate Judiciary Committee's hearings on religious liberty a statement supporting efforts to have the Aguilar v. Felton decision reconsidered. In this decision, the Supreme Court found unconstitutional New York City's practice of providing instructional services on the premises of religious private schools to students attending the schools. The District Court ordered New York City to provide services through other means, including mobile vans and classrooms away from the private schools.

- **Secretary's Activities Next Week:** On November 9, Secretary Riley will participate in an anti-smoking event at a Potomac middle school.
- **National Education Goals Panel:** On November 9, Secretary Riley will speak at a press conference for the National Education Goals Panel. On November 10, he will travel to New

York to meet with the Mayor and community leaders in Buffalo, to tour the State University of New York at Buffalo, and to address the New York PTA and the Independent Education Consultants Association.

- **CAREERS/Workforce Development Conference:** House and Senate conferees have been appointed for the conference on CAREERS and the Workforce Development Act. The tentative target date for completion of the conference is Thanksgiving.

DEPARTMENT OF THE INTERIOR

- **FY 1996 Interior Appropriations Conference:** On October 31, the Conference on the 1996 Interior and Related Agencies Appropriations Bill reported a new Conference agreement, rejecting a September 29 agreement because it did not contain a moratorium on processing hardrock mining patent applications. The Conference did not address any of the Administration's objections to funding levels in the original Conference bill and made no changes to bill language other than the mining patent moratorium. Objectionable language concerning logging in the Tongass National Forest, an ecosystem study of the Interior Columbia River basin, and the funding for the Mojave National Preserve was retained.
- **Endangered Species Act Press Conference:** On Monday, Interior officials held a press conference to issue the biennial status report to Congress on the Endangered Species Act required by 1988 amendments to act. The report found that only seven of the country's 909 threatened and endangered species have become extinct, and that nearly three-fifths of those protected the longest are either in stable or improving condition. They highlighted the current annual cost of only \$40 million a year for recovery programs. Interior is anticipating an upcoming GAO report with large numbers on what recovery programs *might* cost, but the Department is continuing to emphasize that the *actual* costs are very reasonable.
- **Upcoming Travel:** On November 4, Secretary Babbitt travels to Florida for an event with the Dade County Democratic Party. On November 6, he will be in New York to attend an event for Rep. Nita Lowey in Manhattan. He will then travel to Greenwich Point, Connecticut, to participate in a walk around Eagle Pond and a reception attended by local environmental reporters. On November 8, Secretary Babbitt will address West Point cadets on the environment.

ENVIRONMENTAL PROTECTION AGENCY

- **New York City Drinking Water:** On November 2, the State of New York, New York City, Catskill-Delaware watershed towns, and EPA Region II announced an agreement that would protect the Catskill-Delaware watershed which serves as a source of drinking water for New York City residents. This agreement will enable New York City to avoid the very high cost of filtering City drinking water. EPA has maintained throughout the negotiation process that we could accept cost-effective means to protect the public health of nine million New Yorkers while addressing the economic needs of the watershed towns.

• **Annual Air Trends:** EPA will release its Annual Air Trends Report that tracks how cities are doing in fighting air pollution. It shows that a ten-year trend of improvements in air quality is continuing and that thanks to pollution reduction measures in the Clean Air Act, our nation's skies are getting cleaner.

DEPARTMENT OF AGRICULTURE

- **USDA To Host Food Safety Forum:** On Wednesday, November 8, Secretary Glickman will host a USDA Food Safety Forum in Washington, D.C. The topics will include the necessity of legislative changes to the federal meat and poultry inspection acts, cooperation between USDA and state inspection programs, and government and private sector roles in consumer education regarding safe food handling practices.
- **Farm Bill Work Continues:** Senate Agriculture Committee staff continue to work through the remaining titles of the 1995 Farm Bill, with a markup scheduled for November 7. Sen. Dole recently introduced the conservation title, which could have a significant adverse impact on USDA's conservation and wetlands programs.
- **Rescissions Act/Timber Sale Litigation Continues:** On November 7, a district court in Oregon will hear oral argument on the "known to be nesting" issue in *Northwest Forest Resource Council v. Glickman*. The U.S. position is that the best science dictates the use of survey protocol to determine the probability of whether marbled murrelet nests are present on National Forest lands. The timber industry's position is that the Rescission Act intended a higher "known to be nesting" standard and requires physical evidence such as eggshell fragments or a nest sighting. A decision is expected within a week after the hearing. On October 25, the Ninth Circuit denied the government's motion for a stay pending appeal of an October 17 order, noting the government's arguments had a "negligible" chance of success. Timber sales are now being awarded in accordance with the court order, with the following exceptions: sales in which the government asserts that Endangered Species Act-listed birds are "known to be nesting"; sales which were enjoined in prior litigation, pending approval of the judges involved in the previous litigation; and sales where the highest bidder is no longer in business.
- **Railroad Issues Heating Up:** The agriculture industry is concerned with the potential effect on agriculture of the House bill (H2539) to repeal the ICC and deregulate the railroad industry, which is a principal means of transportation for the agriculture industry. The industry has requested that Senator Larry Pressler hold a hearing to address this issue. Secretary Glickman may testify at a November 8 hearing on the impact of railroad consolidations on small business. Finally, the lack of railcar availability in Iowa, Minnesota, and other parts of the Midwest is generating serious concern. According to a recent USDA report, the lack of railcar availability can have a significant impact on the price farmers receive for their grain. These issues have been the subject of extensive media coverage in the agricultural press and the *Des Moines Register*.
- **Urban Resources Partnership Funds Awarded In California:** On October 30, Los Angeles Mayor Richard Riordan and USDA Under Secretary for Natural Resources and Environment Jim Lyons jointly announced that USDA will provide \$500,000 in grants and conservation

assistance to 39 groups in Los Angeles as part of the Urban Resources Partnership (URP). The URP helps people achieve their environmental protection and restoration goals for the local community.

- **Number Of Food Stamp Recipients Drops:** Secretary Glickman announced a drop in the number of food stamp recipients to 25.9 million nationwide in August, the first time participation has dropped below 26 million in three years. This represents a decrease of 1.2 million since August 1994. The decline in participation has resulted in a savings of more than \$661 million since August 1994.
- **Disaster Declaration Near In South Florida:** The USDA Florida State Farm Service Agency office is working with FEMA and the Florida Commissioner of Agriculture's office to secure a Secretarial Declaration of disaster to permit emergency loans for agricultural losses in south Florida. Some areas have had rainfall of 20 inches in 24 hours.
- * **U.S. Rice Sales To Japan Top 80,000 Tons:** Japan's food agency bought 100,000 tons of foreign rice recently, including 50,000 tons from the U.S. This is the second rice import tender by Japan in fulfilling its Uruguay Round minimum access commitment.

DEPARTMENT OF ENERGY

- **Results of the Energy Follow-up to the Summit of the Americas Conference:** Secretary O'Leary hosted energy ministers from 27 countries in this Hemisphere to follow up on the energy initiatives agreed to last December in Miami. The representatives met to discuss key energy issues and develop recommendations for cooperation to promote sustainable energy development. The conference achieved significant results:
 - The World Bank, Inter-American Development Bank, and the UN Development Program signed a statement committing to cooperate on a work program to support market-oriented sustainable energy development.
 - Bolivia and the US signed an agreement to provide a framework for private sector partnerships on projects that reduce greenhouse gases.
 - Two U.S. companies signed cooperative statements with Honduras and Nicaragua to develop geothermal energy resources.
- **Upcoming Travel:** Next week, Secretary O'Leary will travel to Louisiana to participate in several events for Congressman Cleo Fields. She will travel to Denver for the Department's annual Environment, Safety and Health Conference for our Federal and management and operating contractors with responsibility for our former weapons facilities. Following this event, she will make a speech to the Colorado Oil and Gas Association and highlight our Administration's initiatives that have benefitted the industry. Secretary O'Leary will participate in two events at the request of the Democratic National Committee.

OFFICE OF PERSONNEL MANAGEMENT

- **Veterans' Day:** OPM is working to arrange a press availability at which Director King and other administration officials will explain that, reflecting your commitment to veterans preference, the percentage of veterans in full-time government positions has slightly increased in the past two years, even as overall government employment had declined.

UNITED STATES INFORMATION AGENCY

- **1995 Fulbright Prize:** The US Fulbright (Alumni) Association has announced that Austrian Federal Chancellor Franz Vranitzky has been selected to receive the 1995 Fulbright Prize for International Understanding. The \$50,000 prize will be awarded on November 11 in Washington.
- **Hillary Clinton Scholarships Awarded:** USIS Lahore and Lahore University held press events to publicize the Hillary Clinton Scholarships for female students. Five students received grants from \$500 to \$2,000. The scholarships are funded by Pakistani-American businesses and were announced by the First Lady during her South Asian tour.

DEPARTMENT OF DEFENSE

- **Japan:** The Secretary's trip to Japan was very positive. Defense Department officials will be providing details after his return, but it looks like good news regarding Japanese expectations vis-a-vis U.S. bases, more aggressive Japanese leadership on the treaty issue, and a foundation for a robust Security Declaration during your visit.
- **Haiti:** With talk of postponing the elections until January 21 and inauguration sometime in late March, the U.S. will be under increasing pressure to delay our troop withdrawals now scheduled to begin at the end of February. Given the Defense Department's experience with the elections process in Haiti, and the continuing rumors and intelligence reporting indicating that Aristide may choose to stay in power, it is possible that further election delays will occur.
- **Travel:** Secretary Perry will travel to Brussels on November 7-9 for a meeting with MOD Grachev. He will then visit US training sites in Germany.

DEPARTMENT OF STATE

- **Balkans Update:** The Bosnia Proximity Talks got off to a good start. As expected, opening plenary statements by Milosevic, Tudjman and Izetbegovic were tough. However, all three sides avoided painting themselves into negotiating corners. The atmospherics were positive: the three presidents shook hands, albeit grudgingly, at the outset of the plenary, and Secretary Christopher was able to get Tudjman and Milosevic together for a frank and private session at day's end. With Tudjman returning to Croatia for a week, discussions will focus on Bosnia first before turning to the thorny Eastern Slavonia question.
- **Amman Economic Summit:** The Amman Summit demonstrated that not only is the Middle East open for business, it is also doing business. There was tremendous business participation and a good deal of fast-paced networking between businessmen from Israel, the U.S., and Arab

countries. Qatar, which will host the Summit in 1997, announced a gas deal with Israel; the establishment of the Middle East Development Bank was announced, although a number of press reports highlighted the fact that key European countries, such as France and Germany, do not currently intend to join.

- **Quebec Referendum:** Your timely public statement supporting a united Canada probably helped the very narrow federalist victory in the October 30 referendum. In a post-referendum telephone conversation, a relieved Foreign Minister Quillet credited yours and Secretary Christopher's remarks with having made a difference. However, Quebec separatists can claim a "moral victory" and may call another referendum next year. Many Canadians blame Chretien and will likely resist his constitutional proposals to resolve the Quebec issue. Administration officials can expect to see a more inward-looking Canada in the months to come.
- **NATO Succession:** Ruud Lubbers, former Netherlands Prime Minister, visited Washington for meetings with Tony Lake, John White and Secretary Christopher. Major, Chirac and Kohl have all come out publicly in support of his candidacy. It is important, however, that Administration officials not allow the Europeans to stampede them into endorsing Lubbers' candidacy until they are satisfied he is the best person for the job.
- **China:** Leading up to your next meeting with President Jiang in Osaka, the State Department is working to build on the momentum created by the New York meeting. They have followed-up with the Chinese in Washington and Beijing on the range of issues discussed with Jiang. Chinese public statements on the New York meeting and the prospects for Osaka are upbeat.
- **Northern Ireland:** Leaders of the two main Unionist parties, David Trimble and the Rev. Ian Paisley, met with Department officials this week. Both forcefully advocated the idea of an elected assembly as a way to bring about talks between Sinn Fein and Unionist representatives; both believe an arms decommissioning commission could proceed in parallel. It is encouraging that the two Unionists are still engaged in offering positive ideas in hope of ending the current impasse. However, the reaction of Sinn Fein and others to their proposal is uncertain.

UNITED NATIONS

- **CARE World Leadership Dinner:** On November 8, Ambassador Albright will be back in Chicago serving as the keynote speaker at one of seven dinners held nationwide to celebrate the fiftieth anniversary of CARE. The dinners will be linked by video and will feature awards honoring each of the post World War II Presidents. She will be accepting awards on behalf of the Truman, Eisenhower, Johnson and Nixon Administrations. Accepting in their own behalf at other dinners across the country will be former Presidents Ford, Carter and Bush. In New York, Secretary Rubin will accept the award on behalf of the Clinton Administration.
- **Bosnia:** The UN Security Council is monitoring the events of the Proximity Talks in Dayton, Ohio intensely. Continuing with their efforts at the UN to resolve the Balkan conflict, they plan to introduce a draft resolution this week denouncing the atrocities in Bosnia, calling on all the parties to cooperate with the War Crimes Tribunal and demanding that they refrain from destroying or altering evidence of war crimes.

• **Iraq:** United Nations officials expect a renewal of UN sanctions against Iraq on November 8th. Iraq's record of compliance is terrible and its credibility with the Security Council is as low as it has been during Ambassador Albright's tenure at the United Nations.

cc: The Vice President
Leon Panetta
Harold Ickes
Erskine Bowles
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Donald Baer
David Strauss

November 2

NH-

IF the President asks,
we are NOT doing a
letter to Jerry Bradshaw,
Afton's son. Lynda mentioned
something about the need to
consider Maurice Smith's
feelings -- I guess his daughter's
and Jerry's marriage
ended on a bitter note.

MS - Maurice
won't mind this
writing Jerry on this - I think
I should be

Copy sent to Maureen
Lewis. for reply.

THE WHITE HOUSE
WASHINGTON

November 3, 1995

Myrtle Bradshaw
304 Nathan Drive
Wynne, Arkansas 72396-2437

Dear Myrtle:

I was so sorry to learn of Afton's death and wanted you to know I'm thinking of you.

Hillary and I hope that the love and support of your family and friends will comfort and sustain you during this difficult time. You and Jerry are in our thoughts and prayers.

Sincerely,

Bill Clinton

MEMORANDUM

TO: Maureen
FROM: Lynda
SUBJECT: Death of Afton Bradshaw
DATE: November 2, 1995

Please send sympathy letter to:

WIFE: Myrtle Bradshaw
304 Nathan Drive
Wynne, AR 72396-2437

WYNNIE — Afton E. Bradshaw, age 72, of Wynne, a native of Wynne, died Friday, November 2, 1995 at Wynne, Arkansas. He was the son of the late Noble Earl Bradshaw and Lila Smith Bradshaw. He was born August 25, 1923 in Wynne, Ark.

Mr. Bradshaw has lived in Wynne County since 1950. He received his M.A. Degree from Washington State in 1950. He received his M.A. Degree and Speaking Degree from the University of Arkansas. He served in the Navy from 1945 to 1947. He was a former member of the Wynne Lions Club, a member of the Board of the Methodist Day School and the Board of Missions of the First United Methodist Church. He was a member of the National Teachers Association. He was a member of the First United Methodist Church. He was an avid hunter and fisherman.

Survivors include his wife, Myrtle Bradshaw, and two sons, Earl Bradshaw and Afton Bradshaw. He is survived by his wife, Myrtle Bradshaw, and two sons, Earl Bradshaw and Afton Bradshaw. He is survived by his wife, Myrtle Bradshaw, and two sons, Earl Bradshaw and Afton Bradshaw.

Funeral services will be held at the First United Methodist Church, Wynne, at 9:30 a.m., Friday, November 3, 1995. Rev. Roger Hooten will officiate. Burial services will be held at the Wynne Cemetery, Wynne, Arkansas, at 10:00 a.m., Friday, November 3, 1995.

The family requests that all contributions be sent to the First United Methodist Church or Missions of the First United Methodist Church, Wynne, Arkansas. Contributions may be made in cash or by check.

THE WHITE HOUSE
WASHINGTON

November 6, 1995

To: Erskine
Harold

I have interviewed a very strong candidate for the third slot in my office, whom I wanted to bring to your attention. I'm ready to move forward with her, pending your approval.

She is an African-American woman with an excellent academic record, good work/political experience and very good references.

I would obviously like to proceed with this as quickly as possible. Please let me know how you'd like to handle it.


Todd

cc: Leon

HELEN P. HOWELL
2800 Quebec St., N.W., #848
Washington, D.C. 20008
(202) 363-1912

EDUCATION

Columbia University Law School, Juris Doctor (J.D.), January, 1989.

Areas of Concentration: Civil Rights, Human Rights and Intellectual Property
Activities: Associate Editor, Columbia Journal of Transnational Law, 1986-87
Human Rights Internship (with a Senior Advocate, Supreme Court of India)
Black Law Students Association

Oxford University, Diploma in Legal Studies, 1985.

Subjects Studied: Jurisprudence, Moral and Political Philosophy,
Public International Law, Criminal Law and Penology

Vassar College, Bachelor of Arts (B.A.), Law and Journalism, 1984.

Awards: Honors
Distinction on Thesis
Maguire Fellowship for study at Oxford University

PROFESSIONAL EXPERIENCE

United States Senator Patty Murray

Washington, D.C.

Legislative Assistant/ Counsel

January, 1993 to July, 1995

Advise the Senator on civil rights, women's rights, women's health, and social welfare issues. Responsibilities include: policy formulation (research, analysis, development, and drafting); advising the Senator on relevant committee work (e.g., Labor, Health and Human Services, and Education Appropriations); developing communications strategy (drafting speeches, press releases and op-ed pieces, preparing the Senator for editorial board meetings, talking with reporters); counseling Senator Murray on internal employment law and ethics issues; and, publicly representing the Senator with constituents, interest groups and lobbyists in the nation's capital and in Washington state.

National Abortion Rights Action League (NARAL)

Washington, D.C.

Staff Attorney

February, 1992 to January, 1993

One year advocacy/public policy position. Responsibilities included: drafting and supervising the research for and distribution of publications such as Facing a Future Without Choice: A Report on Reproductive Liberty in America by the National Commission on America Without Roe; writing and editing legal analyses, fact sheets, talking points and other materials on court decisions, legislation and action/inaction by the Administration; technical assistance to NARAL affiliates, federal and state legislators, and state executive branch officials on reproductive rights issues; and public speaking on abortion rights.

Children Now

Oakland, CA

Development Consultant

July, 1991 to February, 1992

Raised over \$275,000 through grantwriting and direct mail campaigns, and produced two organizational newsletters. Also, generated a long-range development plan for the Low Income Housing Fund in San Francisco during this time.

HELEN P. HOWELL

Resume, Page Two

Public Advocates, Inc.

Development Director

San Francisco, CA

April, 1990 to June, 1991

Managed fundraising and public relations on behalf of this public interest, legal organization. Responsible for directing foundation research and grantwriting, newsletter publication and distribution, direct mail campaigns, and other public relations efforts. Also established a computerized development tracking system.

Sonoma State University

Lecturer, Media and Law

Rohnert Park, CA

Spring Semester, 1990

Taught fifty-five junior and senior undergraduate students in the Communications Studies Department at this California State University campus. Topics included: free speech theory, prior restraint, defamation and privacy law, reporter's privilege, copyright, etc.

Howard, Rice, Nemerovski, Canady, Robertson & Falk

Associate

San Francisco, CA

March, 1989 to January, 1990

Practiced primarily with the firm's Litigation Department working on general commercial, copyright, and trademark matters.

PROFESSIONAL LICENSES AND ASSOCIATIONS

State Bar of California
American Bar Association

RELEVANT VOLUNTEER ACTIVITIES

Center for Common Concerns Inc. (HomeBase)

Member, Board of Directors

San Francisco, CA

November, 1991 to November, 1993

A nonprofit, public interest organization dedicated to minimizing homelessness and poverty in the San Francisco Bay Area region.

PERSONAL

Computer literate. Enjoy attending the ballet, frequenting comedy clubs, and exercise in the form of running, aerobics and weight lifting.

References available upon request.

THE WHITE HOUSE
WASHINGTON

NOVEMBER 3, 1995 95 NOV 3 P 8 : 35

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
OCTOBER 29-NOVEMBER 4

DEPARTMENT OF TREASURY

- **Secretary's Activities Next Week:** On Sunday, November 5, Secretary Rubin will be the keynote speaker at a seminar hosted by New York Rep. Carolyn Maloney. On Wednesday, November 8, he will meet with House members of the "Mainstream Forum" and the Democratic Budget Group on the debt limit. He will attend a Congressional Black Caucus luncheon to discuss the debt limit, and travel to New York to address CARE's 50th Anniversary Dinner on your behalf. On Thursday, November 9, he will meet with House members of the Hispanic Caucus to discuss the debt limit and will be interviewed on Black Entertainment Television regarding the budget and debt limit.
- **Congressional Activity:** Last week, in an attempt to balance House and Senate differences over the non-profit language, the conferees reported the bill along with Rep. Istook's amendment in "true disagreement." Recognizing that a separate vote on the amendment would be politically awkward and that the Senate and possibly even the House would vote down the non-profit language, the Speaker instructed Chairman Livingston to delay action on the bill until further notice. The conferees for the VA-HUD-Independent Agencies FY 96 appropriations bill were named this week. It is unlikely that the conferees will meet this week, but they may begin action on the bill early next week. CDFI remains zero-funded in both bills and funding will not likely be added to the program unless the Administration enters into negotiations on the bill in the wake of a Presidential veto.
- **Budget Review:** The Senate considered several dozen amendments, most of which were defeated by party-line votes. However, a number of significant amendment did pass. For example, the pension reversion provision was stricken by a vote of 94 to 5. In addition, the self-employed health insurance deduction was increased to 55 percent, pursuant to an amendment sponsored by Senators Bond and Pryor, which passed by a vote of 99 to 0.
- **Regulatory Reform:** S. 383 has been stalled since last summer when Majority Leader Dole was unable to get cloture after several attempts. At a press conference Monday morning,

Senator Dole indicated he may try to get another cloture vote soon. If that fails, he said he may allege that the Democrats are obstructing meaningful regulatory reform.

- **Reauthorization of Federal Law Enforcement:** The Subcommittee on Crime of the House Judiciary Committee plans to hold three days of hearings in November on reauthorizing federal law enforcement. These hearings are intended to examine the statutes that federal law enforcement agencies enforce and where duplication and overlapping jurisdiction exist. The schedule for these hearings remains unclear and probably will not be defined until the GAO report is available.
- **Bosnia:** The IMF and World Bank provided the G-7 with two papers on Bosnia this week. The first paper is on Bosnia's balance of payments and reconstruction needs. It suggests that after deep debt reduction, Bosnia will face financing needs over the next four years of around \$6 billion, 2/3 of which the IFIs assume that bilateral donors will fill. The second paper is on the fiscal and monetary arrangements Bosnia needs to build a single state. The paper suggests Bosnia create a single monetary authority with little, if any, discretion in the conduct of monetary policy. On fiscal policy, the Fund starts from the premise that given the distrust between Muslims and Serbs, it is likely the Bosnian central government will have highly limited responsibilities.
- **Foreign Source Income:** The Ninth Circuit Court of Appeals has affirmed the Tax Court's decision in *Intel v. Commissioner*, a case addressing the source of a taxpayer's income from export sales of property produced in the United States. The case is significant for all US exporters because it enables US taxpayers selling through foreign independent distributors or foreign subsidiaries to generate more foreign source income on their export sales. This type of foreign source income is subject to little, if any, foreign tax, and can therefore be used to offset foreign taxes on other income, reducing US taxes due otherwise.
- **Tax Benefits for Mutual Life Insurance Companies:** On October 25, Commerce officials met with Rep. Bob Filner to discuss his proposal to cut back on the tax benefits available to mutual life insurance companies, which he claims will raise roughly \$2 billion per year. Rep. Filner argues that Congress had intended that stock and mutual life insurance companies, and review his revenue estimates.

DEPARTMENT OF COMMERCE

- **Secretary's Schedule Next Week:** On Monday, November 6, Secretary Brown travels to Maine to open an Export Assistance Center (EAC) and to address the Chamber of Commerce in Portland, Maine. On Wednesday, November 8 he will deliver remarks at a meeting with the President's Export Council and will introduce you at the DNC African American Leadership Forum luncheon. On Thursday, November 9, Secretary Brown will deliver remarks at the PEC Trade and Technology Forum with Speaker Gingrich and, as a follow-up to the Amman Summit, he will speak at the Arab American Institute's 10th Anniversary Conference. On Wednesday, November 8, he leaves for Osaka for the APEC meeting. He will travel to Seoul and Tokyo before returning to Washington on Tuesday, November 21.

- Commerce will Release the Following Economic Data:**

Wholesale Trade for September 1995	November 7
Manufacturing and Trade: Inventories and Sales for September 1995	November 15
Housing Starts and Building Permits for October 1995	November 17
- Export Control Procedural Reforms:** DOC is awaiting issuance of an executive order which will implement export control procedural reforms, most of which were proposed by the Administration last year in the proposal for a new Export Administration Act. The executive order will establish firm time limits for export license application review by other agencies and set up an orderly procedure to resolve interagency disputes which limits the right to escalate disagreements to political-level officials. The order is being managed by the National Economic Council and is currently waiting for your signature.
- Red Snapper Fishery Individual Transferrable Quotas (ITQ):** Regulations to implement ITQs in the Red Snapper fishery in the Gulf of Mexico are expected to be published this week. ITQ will establish a limited entry program for the red snapper fishery in the Gulf of Mexico. Approval of these ITQs received substantial Congressional attention, especially from the Louisiana delegation. As the implementation of this program gets closer to reality it is expected to generate further Hill and media attention.
- Two New Schools on the Internet:** As part of your initiative to connect California schools to the Internet by March 9, 1996, a Silicon Valley coalition led by Sun Microsystems, 3Com, the San Jose Education Network, Smart Valley and other companies, will complete full wiring and connect Arundel School in San Carlos and Piedmont Hills High School in San Jose to the Internet. The two schools are prototypes for future Netday '96 connections. A message from you will be read at the event and placed on the school's homepage on the Internet.
- TIIAP Winners to be Announced:** Commerce's National Telecommunications and Information Administration (NTIA) plans to announce the 1995 winners of its Telecommunications and Information Infrastructure Assistance Program (TIIAP) grants on November 9. Funded projects will promote the widespread use of advanced telecommunications and information technologies in the public and non-profit sectors. The announcement will be made at a press conference at the Commerce Department.
- Competitiveness Report to be Released Next Week:** Commerce will be releasing their annual Competitiveness Report within the next week. Additionally, a report on trade and technology will be released at the end of the month, accompanied by targeted press events. The Trade and Technology Report will implement a new policy that summarizes recent economic analysis which demonstrates how export competitiveness and investment in civilian technologies reinforce each other and then demonstrates how Commerce programs work to bring trade and technology issues together for the benefit of US businesses and workers.
- Impact of Budget Cuts on Statistics:** The *Washington Post* is working on a story about the ramification of budget cuts to the accuracy of our statistics. They have talked to Census Director Martha Riche, and will talk with additional Commerce officials leading up to publication of the story late next week.

DEPARTMENT OF LABOR

- **Wage Gap Speech:** On Tuesday, November 7, Secretary Reich will deliver a major speech to 500 women on the wage gap and the need to increase the minimum wage at the national conference sponsored by *Women Work! The National Network for Women's Employment*. During the speech, he will announce a new DOL "1-800" number for low-wage workers to call and tell their stories about how difficult it is surviving at or near a minimum wage salary. On November 29, Secretary Reich will use the most compelling stories before the Senate Committee on Labor and Human Resources in a hearing on the minimum wage.
- **Jobs for America's Graduates Speech:** On Wednesday, November 8, Secretary Reich will be presented with the Jobs for America's Graduates (JAG) National Leadership Award and will deliver a speech at the awards luncheon. His remarks will focus on the budget and the GI Bill for America's Workers. After the event, Speaker Newt Gingrich, Ohio Governor George Voinovich and Secretary Reich will participate in a press conference.
- **BLS Data Releases:** On Tuesday, November 7, the Bureau of Labor Statistics will release Productivity and Costs for the third quarter 1995.
- **Interstate Commerce Commission Termination:** On Wednesday, November 1, the House Transportation and Infrastructure Committee reported out of committee H.R. 2539. This bill transfers all labor protection provisions to the newly created Transportation Adjustment Panel at the Department of Transportation. The Administration's bill would transfer these provisions to DOL. There is no immediate action scheduled in the Senate on the companion bill.
- **UAW Strike at Chrysler Plant in Detroit:** On November 1, approximately 1,000 hourly workers, represented by the United Auto Workers, struck Chrysler Corp.'s McGraw Glass plant in Detroit. The McGraw plant produces glass for nearly every Chrysler built vehicle. Direct negotiations are continuing.
- **Boeing Strike Found to be Unfair Labor Strike by NLRB:** The NLRB regional director in Seattle has found "reasonable grounds" to conclude that Boeing failed to bargain in good faith with the Machinists, and that the strike, which began on October 6, "has been an unfair labor practice strike from its inception."
- **Detroit Newspaper Strike Update:** In a letter to the striking unions, Detroit's newspapers formally rejected an October 5 offer to return to work if the newspapers agreed to intensive negotiations followed by arbitration of unresolved issues. The newspapers maintain that less than 200 jobs remain unfilled at the Detroit Free Press and the Detroit News. Negotiations continue.
- **Minneapolis-St. Paul Transit Strike:** On October 27, the Amalgamated Transit Union, representing some 2,100 bus drivers, mechanics, and other support workers, reached an agreement with the Minneapolis-St. Paul regional transit system. Service resumed on October 29, ending the strike which began on October 10.
- **Government Files Brief in *Chamber of Commerce v. Reich*:** Last week the Government filed a brief in *Chamber of Commerce v. Reich*, arguing that the district court correctly dismissed a

pre-enforcement challenge to the permanent striker replacement executive order. The Government contends that the court may not review the President's decision to issue the Order and, if this argument is rejected, that the President acted within his authority under federal procurement laws and that the Order does not run afoul of the National Labor Relations Act.

DEPARTMENT OF TRANSPORTATION

- **Grade Crossing Safety Task Force:** In the aftermath of the collision between the commuter train and the school bus in Fox River Grove, IL, on October 25, Secretary Pena announced the formation of a Departmental Grade Crossing Safety Task Force, which will conduct a comprehensive national review of highway-rail crossing design and construction safety measures, headed by Associate Deputy Secretary Huerta. The initiative will include a survey of all locations where highway signal systems are interconnected with highway-rail crossing warning devices. Secretary Pena has directed the task force to report back by March 1, 1996.
- **Chicago Air Route Traffic Control Center (ARTCC) Service Interruption:** On November 1, the Chicago ARTCC experienced two interruptions of the main computer system that feeds radar and flight information to displays for air traffic controllers' use. Air traffic transitioned to the back-up radar processing system. Safety was not compromised. While operating in the back-up system, the system capacity is reduced to approximately 30% of normal to maintain safety. The first interruption began at 2:34 PM and lasted 13 minutes. The second interruption began at 3:03 PM and lasted 45 minutes. There were 202 aircraft delays attributed to this equipment interruption. Federal Aviation Administration software experts are conducting an analysis of the system software to determine why the system did not handle the conditions that caused the interruption. There have been five service interruptions at Chicago ARTCC since mid-May. The equipment is 25 years old at the Chicago Center. There is no common denominator that would correlate any of the previous interruptions. Interim computer equipment is scheduled to be operational in October 1997 to replace this aging equipment. FAA Administrator Hinson is in Chicago today for several previously scheduled speaking engagements and interviews with the Chicago Tribune, Business Weekly, McNeil-Lehrer (PBS) and the local CBS affiliate.
- **Extension of Heightened Domestic Security Measures:** On October 27, the Federal Aviation Administration held a conference call with industry associations, air carriers, and airports to discuss the extension from October 31 to December 1 of the increased security measures implemented on October 3. FAA will continue to work with the intelligence community and the National Security Advisor's staff to determine if the measures can be modified or lifted earlier than December 1. FAA will conduct unannounced testing of the measures, November 2-15.
- **New Jersey Environmental Impact Statement:** At an October 31 news conference in Newark, New Jersey, the FAA announced its final decision on the environmental impact statement for the State of New Jersey. After careful consideration of extensive public comments received over a four-year period, the agency will modify current procedures to incorporate a mitigation measure--known as the Solberg mitigation proposal--to reduce aircraft noise in areas of Union County, New Jersey. Under the mitigation proposal, noise will be reduced for 18,755 Union County residents, who have expressed concern about increased noise

levels since the 1987 realignment of East Coast aircraft routes. This plan has generated a great deal of interest from the New Jersey and New York congressional delegations.

- **Partnership Between Northwest Airlines and KLM Royal Dutch Airlines:** This partnership is under strain, because of reported plans by Northwest to place before its Board of Directors on November 16 a "poison-pill takeover defense." Reports state that two provisions are involved: one to cap the amount of ownership that KLM or any shareholder can have at around 20 percent or less; another provision would remove a company bylaw that requires 60 percent of the original shareholders to approve major transactions. If both provisions were passed, Northwest co-chairmen Checchi and Wilson would be able to market Northwest to other potential buyers, over the objections of minority-holder KLM, if an additional consolidation phase becomes a reality among United States airlines.
- **U.S. - India Aviation:** A second round of consultations with India is in progress in New Delhi. India is seeking greater access to the U.S. market and a priori control of capacity to protect Air India. United plans to begin round-the-world service through New Delhi on December 14, 1995. United has not received Indian Government approval for this service. On October 30, 1995, United announced that they had reached a joint cooperative agreement with Air India effective December 15, 1995.
- **U.S. - Japan Aviation:** The second round of cargo talks with Japan has been scheduled to take place in Washington November 28-30, 1995. The United States is proposing that a liberal regime for all-cargo services be phased in over a 3- to 5-year period.
- **NAFTA:** Secretary Pena is planning visits to six southern border points of entry on December 3-6 to assess preparations for the opening of the border to commercial trucking operations on December 18. He will conduct these visits with other senior-level officials from federal agencies with operations at the border, state officials, and, for at least one port-of-entry, with his Mexican counterpart, Secretary Carlos Ruiz Sacristan.
- **California and Virginia Contracting Goals:** On October 24, the Department of Transportation sent letters to the California Department of Transportation (CALTRANS) and the Virginia Department of Transportation withholding final approval for each state's proposal to reduce its fiscal year 1996 Disadvantaged Business Enterprise (DBE) goal to 10% for federal-aid highway contracting. Both states proposed to reduce their goals (CALTRANS from 20% and Virginia from 12%) as a result of the Supreme Court's decision in *Adarand v. Peña*. DOT, after consultation with the Department of Justice, determined to withhold final approval until each state submits further information justifying the reduction.
- **FY 96 DOT Appropriations:** On Tuesday, October 31, the Senate cleared the FY 96 transportation appropriations bill by a vote of 87-10. The total funding for this appropriation is \$37.5 billion. It provides for funding that will permit critical programs to move forward, particularly many of the initiatives at the Federal Aviation Administration. It cuts transit operating assistance to states and localities by 43 percent from last year's level.

- **Federal Aviation Administration Reform Markup:** On November 1, the House Committee on Transportation and Infrastructure passed by voice vote H.R. 2276, the FAA Revitalization Act of 1995. Senate Commerce Committee markup of the McCain/Ford/Hollings is tentatively set for November 7.
- **Interstate Commerce Commission (ICC) Sunset:** Legislation to sunset the ICC was passed by the Surface Transportation Subcommittee, the Railroad Subcommittee and the full House Transportation and Infrastructure Committee. H.R. 2539, the Interstate Commerce Commission Termination Act of 1995, was adopted by both Subcommittees without amendment. The final issue to be worked out has to do with whether Class 2 railroads will be exempted from having to provide labor protection to their employees. The Committee hopes to file the report in the near future and bring the bill to the full House within the next week or two.
- **Congressional Hearings:** On November 3, the Senate Commerce, Science and Transportation Committee held confirmation hearings on the nomination of Nancy McFadden to the position of General Counsel and Charles Hunnicut to Assistant Secretary for Aviation and International Affairs. On November 7, the Committee will meet to mark up the Federal Aviation Administration reform legislation and vote on confirmations.
- **Air Bag Performance:** In the near future the National Highway Traffic Safety Administration (NHTSA) will publish a request for public comment on overall air bag performance during a crash. Air bags have proven to be an effective safety feature, but there have been cases in which an air bag appears to have contributed to serious injuries and even death to vehicle occupants. It appears that in most cases where this has occurred the occupants were either unbelted or improperly belted.
- **Air Traffic Control System Press Coverage:** *New York Times Magazine* will write a lengthy article on the air traffic control system. The article's focus will be on the New York facilities. *Atlantic Monthly* is also working on a similar article.
- **Regent Cruise Line Declares Bankruptcy:** Cable News Network (CNN) is broadcasting reports that Regency Cruise Lines is bankrupt and that passengers aboard its cruise ships have been left stranded in Nassau, Bahamas and Piraeus, Greece. The FBI, Department of State and the Coast Guard are continuing to monitor events to assure passenger safety.
- **Innocent Victims Drunk Driving Prevention Campaign:** On November 6, the Ad-Council will initiate its 1995/96 Drunk Driving "Innocent Victims" media campaign. The campaign, now in its third year, includes newspaper, magazine, television, radio and outdoor materials. People throughout the U.S. gave the National Highway Traffic Safety Administration permission to use stories about their loved ones who died needlessly because of drunk drivers.
- **\$4.5 Million in Emergency Relief Funds Given to Oklahoma:** On October 18, \$4.5 million in emergency relief funding was approved for repair of damage to Federal-aid highways in 30 counties in Oklahoma caused by severe storms and flooding during May and June.

U.S. TRADE REPRESENTATIVE

THE PRESIDENT HAS SEEN
11/6/95

- **Fast Track Meeting:** At the request of Representatives Dreier and Richardson, a meeting was convened with the two members and Amb. Kantor on fast track. The door is open slightly on a possible compromise, although the Administration and Dreier, on behalf of House Republicans, reiterated their positions on labor and the environment. Amb. Kantor indicated that the current Republican language is unacceptable. The Administration is drafting language on the consultation process to see if further specification will lead to an acceptable compromise.

SMALL BUSINESS ADMINISTRATION

- **DELTA Program:** On November 10, Administrator Lader and Senator Dianne Feinstein are scheduled to roll out the DELTA program at an event in Los Angeles. On November 14, the Administrator will do a similar event with Representative Mike Forbes in NY.

Pay to us
Fun
Oklahoma City Grants: The November 1 Daily Oklahoman read "City Bomb Relief Hits Red Tape" and focused on HUD grants and SBA loans. There is some question as to whether or not disaster victims should have to apply for (and be denied) an SBA loan before applying for a HUD grant. We are currently working with HUD and OMB on this issue.

DEPARTMENT OF JUSTICE

Grabbed more!
Removals of Criminal Aliens Exceed Projections for FY 95: On October 26, INS released preliminary statistics showing a total of 31,244 criminal alien removals during fiscal 1995, nearly 10 percent more than the projected goal of 28,500. Total removals for the year, which include both deportations and exclusions in all categories, were 48,361, or about 6.7 percent higher than the previous year's total.

- **The Ninth Circuit Denies Request In Oregon Timber Case For An Emergency Stay Pending Appeal Of An Injunction Requiring The Release Of 62 Timber Sales Under The Rescissions Act:** *Northwest Forest Resources Council v. Glickman, et al.* (D. Ore.). The sales at issue were released on October 26, 1995, to the extent that they were not otherwise subject to Court Order or high bidders no longer existed. In related matters, Federal District Judge Michael Hogan will hear cross motions for summary judgment on the major remaining issue in the Section 318 litigation on November 7, 1995. The government has withheld 228 million board feet (mmbf) of Forest Service section 318 timber sales on the grounds that murrelets are "known to be nesting" in these sale units. Industry challenges the government's interpretation and argues for a much narrower interpretation which would require release of almost all of this old growth acreage.
- **Agreement Reached with Shoshone-Bannock Tribes re: Passage of Navel Nuclear Spent Free Shipments to Facility in Idaho:** In October, the U.S. and Idaho reached a settlement in *U.S. v. Batt* providing for a 40 year plan for the storage of spent nuclear fuel at the Idaho National Engineering Laboratory. On October 24, members of the Shoshone-Bannock Tribes

blocked the first train transporting fuel pursuant to the settlement as it entered the tribes' reservation. They eventually allowed the train to proceed and reached a tentative agreement with the tribal leadership which permits the transport of the fuel across tribal land. Among other things, the Navy agreed to hold a public meeting on the reservation before November 27.

 **First Iowa Charge in Domestic Violence Case Under 1994 Crime Act:** Shawn A. Hungate had been charged with possession of a firearm while being subject to a domestic violence restraining order. The charge was the first of its kind in Iowa, and one of the first in the nation under a provision of the 1994 Crime Act.

- **COPS Office Obligates Funding For COPS More Program:** The Community Oriented Policing Services (COPS) office has reviewed all of the 5,904 applications for the program and has obligated funding for 5,853 awards, totaling over \$409.3 million. This amount is enough to fund 6,288 officers and deputies. This should be ready for announcement at the end of the month.
- **Supreme Court Certiorari Granted in Selective Prosecution Discovery Case:** On October 30 the Supreme Court granted the government's petition for a writ of certiorari in *United States v. Armstrong*, which involves the standards for ordering discovery on a claim of selective prosecution. This case involved four defendants in a drug case who claimed prosecution because of race and sought discovery from the government's files to support their claim. The indictments were dismissed after the government refused to comply with a district court's order to comply with the discovery request. The *en banc* Ninth Circuit affirmed and held that a district court has discretion to compel discovery in a case where the defendant claiming selective prosecution on the basis of race if the defendant can show that the prosecution of similarly situated black persons over a period of time. The court of appeals dispensed with this requirement. The government's certiorari petition challenges that holding, arguing that some showing of discriminatory purpose and effect must be made before the district court can compel discovery into the prosecutor's files.
- **Court Denies Motion for TRO To Enjoin the Child Protection Restoration Act:** On October 24, 1995, a court denied plaintiff's motion for a temporary restraining order was denied in *Connection Distributing Co. v. Attorney General* (N.D. OH) on the grounds that plaintiff failed to show substantial likelihood of success of the merits. The plaintiff, a Cleveland corporation that publishes adult magazines, argued that the act unconstitutionally suppresses its First Amendment right to freedom of speech. The Child Protection Act requires producers of matter containing visual depictions of actual sexually explicit conduct to create and maintain records concerning the age and identity of the performers depicted, and to indicate in the publication the location of the records maintained.
- **Federation For American Immigration Reform ("FAIR") Files Appeals *Federation for American Immigration Reform, Inc. v. Reno*:** On October 23, 1995, FAIR filed an appeal in the D.C. Circuit from the district court's dismissal of its complaint for lack of standing. FAIR (a nonprofit membership organization that advocates eliminating illegal immigration and lowering legal immigration) challenged the validity of the government's implementation of the agreement reached in September 1994 between the U.S. and Cuba and alleged that the Attorney General abused her statutory parole authority and violated the immigration laws by paroling Cubans into the U.S. so that they can apply for adjustment of status under the Cuban

Adjustment Act. FAIR alleged its members will be harmed because many of the paroled Cubans will settle in Miami and contribute to overcrowded schools, less accessible and efficient medical services, reduced protection from crime, and diminished employment opportunities. Judge Joyce Hens Green dismissed for failure to satisfy the traceability and redressability elements of the constitutional standing test.

- **Intervention Granted In Illinois CD Challenge:** On October 19, 1995, the court granted the government's motion to intervene as defendant in *PAC for Middle America v. State Board of Elections* (N.D. Ill.), which challenges the First and Fourth Illinois Congressional Districts under *Shaw v. Reno* as unjustified racial gerrymanders. The court also granted the motion of private plaintiffs PAC for Middle America and James Kelly to dismiss their claims without prejudice because of their inability to obtain new counsel. The only claim now before the court is the challenge to the Hispanic majority Fourth Congressional District. A status conference is set for November 8, 1995.
- **Supreme Court Denies Certiorari in Case Upholding Army Corps of Engineers' Regulatory Jurisdiction:** On October 30 the Supreme Court, as we urged, denied certiorari in *Cargill v. United States*, in which the Ninth Circuit had upheld, as authorized by the Clean Water Act and as not exceeding Congress's constitutional powers, the Army Corps of Engineers' exercise of regulatory jurisdiction over isolated seasonal ponds used by migratory birds.
- **U.S. Files Brief in Case Involving Undercounting of Minorities in Census:** On November 9, the U.S. will file a brief in *United States Department of Commerce v. City of New York*, which involves the under counting of minorities in the 1990 census. It is generally acknowledged that the decennial census consistently undercounts the true population of the United States, and that the undercount of racial minorities has historically been greater than the undercount of non-minority residents. Following the completion of the 1990 census, the Secretary of Commerce investigated the possibility of statistically adjusting the census figures that had been transmitted to the House of Representatives in January, 1991. The Secretary ultimately determined that an adjustment should not be made. A variety of plaintiffs filed suit. The district court ruled in favor of the federal defendants, but the court of appeals reversed and remanded the case, concluding that "plaintiffs amply showed that the Secretary did not make the required effort to achieve numerical accuracy as nearly as practicable, and that the burden thus shifted to the Secretary to justify his decision not to adjust the census." The government will argue that the Secretary acted lawfully in valuing distributive accuracy over numeric accuracy and in concluding that the proposed statistical adjustment had not been shown to improve distributive accuracy.
- **Attorney General's Schedule:** On Monday, November 13, Attorney General Reno will address the Maryland Federal and State Officials Community Policing Event in Annapolis. On November 14, she will address the National Health Care Anti-Fraud Conference and on November 16, she will meet with the Colombian Defense Minister.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Northeast Press Roundtable on Budget Cuts:** On November 8, Secretary Cisneros will host a roundtable discussion with press from the Northeast/New England area to discuss the overall impact of the Congressional budget cuts on their region.
- **Demolition of D.C.'s Public Housing:** On Thursday, November 16, Mayor Barry and Secretary Cisneros will kick-off the demolition of Ellen Wilson Homes, a dilapidated 13-building public housing development near the U.S. Capitol. The site will be redesigned as a \$25 million townhouse community that fits into the architectural character of Capital Hill.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Department Reviews Welfare Proposals for New Hampshire and California: The Department may approve a New Hampshire request for welfare waivers next week, the first such application submitted under the new 30-day fast track approval process. The California proposal would operate in San Diego County and require AFDC recipients ages 16-18 to attend school or participate in JOBS.

FDA Announces Biotech Drug Reinvention: Next week, FDA will announce significant changes in the drug approval process for most biotech drugs. These changes will cut drug development times by months and save companies millions of dollars. The high safety standards that patients and physicians count on will remain the same. HHS is coordinating the announcement with the Vice President's office.

Report on Impact of Managed Health Care: The Council on Graduate Medical Education will issue a report about the growing dominance of managed health care systems in the United States. The report concludes, in part, that managed care adds to the oversupply of physicians and especially specialists and fosters a modest need for more generalist physicians.

- **HCFA Announces Finalists for Managed Care Demonstration:** As part of a continuing effort to expand Medicare beneficiaries' choice of health plans, the Health Care Financing Administration will soon announce finalists for a new demonstration project called "Medicare Choices." Under "Medicare Choices," a variety of managed care plans that are not now available under Medicare will become eligible to participants in the program on a trial basis. Final awards are expected to be announced in early 1996. The finalists for the awards are from the following seven market areas: Sacramento, CA; Atlanta, GA; Jacksonville, FL; New Orleans, LA; Columbus, OH; Philadelphia, PA; and Houston, TX.
- **Panel to Discuss New Drug for Obesity:** On November 16, an FDA advisory panel will continue its consideration of the use of dexfenfluramine hydrochloride for obesity. The panel voted against approval, based on animal safety data. Because of the seriousness of the problems of obesity the panel was asked to consider whether the drug should be marketed under condition that the manufacturer do extensive studies on the first users and pull it off the market if risk were shown.
- **Drug-Related Emergency Room Data To Be Published:** The Substance Abuse and Mental Health Services Administration will soon release data showing cocaine-related hospital

emergency episodes increased by 15 percent in 1994 after an apparent leveling off in 1993. Cocaine-related episodes increased dramatically from 1985 through 1989, dropped off in 1990 and increased again in 1991 and 1992. In 1994, cocaine was mentioned in approximately 28 percent of emergency department episodes, reaching its highest level in history.

- **HCFA to Study Medicare Payments for Medical Equipment:** HCFA will award a contract to expand its efforts to bring Medicare payments for durable medical equipment and supplies in line with market prices.
- **Race and Ethnicity Survey of Medicare Beneficiaries Begins:** The Health Care Financing Administration has initiated a targeted beneficiary race and ethnicity survey to support HCFA's efforts to ensure that beneficiaries are receiving high quality medical care, regardless of race or ethnic origin. Questionnaires are being mailed to approximately 2.4 million beneficiaries whose race or ethnicity annotation in the Medicare Enrollment Database is "unknown" or "other," or whose surnames meet Bureau of Census criteria as Hispanic.
- **FDA Retaliation:** On November 15, the House Commerce Subcommittee on Oversight and Investigations will hold a hearing on alleged retaliation by the FDA against companies and health care providers.
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OFFICE OF NATIONAL DRUG CONTROL POLICY

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DEPARTMENT OF EDUCATION

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- **National Education Goals Panel:** On November 9, Secretary Riley will speak at a press conference for the National Education Goals Panel. On November 10, he will travel to New

York to meet with the Mayor and community leaders in Buffalo, to tour the State University of New York at Buffalo, and to address the New York PTA and the Independent Education Consultants Association.

- **CAREERS/Workforce Development Conference:** House and Senate conferees have been appointed for the conference on CAREERS and the Workforce Development Act. The tentative target date for completion of the conference is Thanksgiving.

DEPARTMENT OF THE INTERIOR

- **FY 1996 Interior Appropriations Conference:** On October 31, the Conference on the 1996 Interior and Related Agencies Appropriations Bill reported a new Conference agreement, rejecting a September 29 agreement because it did not contain a moratorium on processing hardrock mining patent applications. The Conference did not address any of the Administration's objections to funding levels in the original Conference bill and made no changes to bill language other than the mining patent moratorium. Objectionable language concerning logging in the Tongass National Forest, an ecosystem study of the Interior Columbia River basin, and the funding for the Mojave National Preserve was retained.
- **Endangered Species Act Press Conference:** On Monday, Interior officials held a press conference to issue the biennial status report to Congress on the Endangered Species Act required by 1988 amendments to act. The report found that only seven of the country's 909 threatened and endangered species have become extinct, and that nearly three-fifths of those protected the longest are either in stable or improving condition. They highlighted the current annual cost of only \$40 million a year for recovery programs. Interior is anticipating an upcoming GAO report with large numbers on what recovery programs *might* cost, but the Department is continuing to emphasize that the *actual* costs are very reasonable.
- **Upcoming Travel:** On November 4, Secretary Babbitt travels to Florida for an event with the Dade County Democratic Party. On November 6, he will be in New York to attend an event for Rep. Nita Lowey in Manhattan. He will then travel to Greenwich Point, Connecticut, to participate in a walk around Eagle Pond and a reception attended by local environmental reporters. On November 8, Secretary Babbitt will address West Point cadets on the environment.

ENVIRONMENTAL PROTECTION AGENCY

- **New York City Drinking Water:** On November 2, the State of New York, New York City, Catskill-Delaware watershed towns, and EPA Region II announced an agreement that would protect the Catskill-Delaware watershed which serves as a source of drinking water for New York City residents. This agreement will enable New York City to avoid the very high cost of filtering City drinking water. EPA has maintained throughout the negotiation process that we could accept cost-effective means to protect the public health of nine million New Yorkers while addressing the economic needs of the watershed towns.

- **Annual Air Trends:** EPA will release its Annual Air Trends Report that tracks how cities are doing in fighting air pollution. It shows that a ten-year trend of improvements in air quality is continuing and that thanks to pollution reduction measures in the Clean Air Act, our nation's skies are getting cleaner.

DEPARTMENT OF AGRICULTURE

- **USDA To Host Food Safety Forum:** On Wednesday, November 8, Secretary Glickman will host a USDA Food Safety Forum in Washington, D.C. The topics will include the necessity of legislative changes to the federal meat and poultry inspection acts, cooperation between USDA and state inspection programs, and government and private sector roles in consumer education regarding safe food handling practices.
- **Farm Bill Work Continues:** Senate Agriculture Committee staff continue to work through the remaining titles of the 1995 Farm Bill, with a markup scheduled for November 7. Sen. Dole recently introduced the conservation title, which could have a significant adverse impact on USDA's conservation and wetlands programs.
- **Rescissions Act/Timber Sale Litigation Continues:** On November 7, a district court in Oregon will hear oral argument on the "known to be nesting" issue in *Northwest Forest Resource Council v. Glickman*. The U.S. position is that the best science dictates the use of survey protocol to determine the probability of whether marbled murrelet nests are present on National Forest lands. The timber industry's position is that the Rescission Act intended a higher "known to be nesting" standard and requires physical evidence such as eggshell fragments or a nest sighting. A decision is expected within a week after the hearing. On October 25, the Ninth Circuit denied the government's motion for a stay pending appeal of an October 17 order, noting the government's arguments had a "negligible" chance of success. Timber sales are now being awarded in accordance with the court order, with the following exceptions: sales in which the government asserts that Endangered Species Act-listed birds are "known to be nesting"; sales which were enjoined in prior litigation, pending approval of the judges involved in the previous litigation; and sales where the highest bidder is no longer in business.
- **Railroad Issues Heating Up:** The agriculture industry is concerned with the potential effect on agriculture of the House bill (H2539) to repeal the ICC and deregulate the railroad industry, which is a principal means of transportation for the agriculture industry. The industry has requested that Senator Larry Pressler hold a hearing to address this issue. Secretary Glickman may testify at a November 8 hearing on the impact of railroad consolidations on small business. Finally, the lack of railcar availability in Iowa, Minnesota, and other parts of the Midwest is generating serious concern. According to a recent USDA report, the lack of railcar availability can have a significant impact on the price farmers receive for their grain. These issues have been the subject of extensive media coverage in the agricultural press and the *Des Moines Register*.
- **Urban Resources Partnership Funds Awarded In California:** On October 30, Los Angeles Mayor Richard Riordan and USDA Under Secretary for Natural Resources and Environment Jim Lyons jointly announced that USDA will provide \$500,000 in grants and conservation

assistance to 39 groups in Los Angeles as part of the Urban Resources Partnership (URP). The URP helps people achieve their environmental protection and restoration goals for the local community.

- **Number Of Food Stamp Recipients Drops:** Secretary Glickman announced a drop in the number of food stamp recipients to 25.9 million nationwide in August, the first time participation has dropped below 26 million in three years. This represents a decrease of 1.2 million since August 1994. The decline in participation has resulted in a savings of more than \$661 million since August 1994.
- **Disaster Declaration Near In South Florida:** The USDA Florida State Farm Service Agency office is working with FEMA and the Florida Commissioner of Agriculture's office to secure a Secretarial Declaration of disaster to permit emergency loans for agricultural losses in south Florida. Some areas have had rainfall of 20 inches in 24 hours.
- * **U.S. Rice Sales To Japan Top 80,000 Tons:** Japan's food agency bought 100,000 tons of foreign rice recently, including 50,000 tons from the U.S. This is the second rice import tender by Japan in fulfilling its Uruguay Round minimum access commitment.

DEPARTMENT OF ENERGY

- **Results of the Energy Follow-up to the Summit of the Americas Conference:** Secretary O'Leary hosted energy ministers from 27 countries in this Hemisphere to follow up on the energy initiatives agreed to last December in Miami. The representatives met to discuss key energy issues and develop recommendations for cooperation to promote sustainable energy development. The conference achieved significant results:
 - The World Bank, Inter-American Development Bank, and the UN Development Program signed a statement committing to cooperate on a work program to support market-oriented sustainable energy development.
 - Bolivia and the US signed an agreement to provide a framework for private sector partnerships on projects that reduce greenhouse gases.
 - Two U.S. companies signed cooperative statements with Honduras and Nicaragua to develop geothermal energy resources.
- **Upcoming Travel:** Next week, Secretary O'Leary will travel to Louisiana to participate in several events for Congressman Cleo Fields. She will travel to Denver for the Department's annual Environment, Safety and Health Conference for our Federal and management and operating contractors with responsibility for our former weapons facilities. Following this event, she will make a speech to the Colorado Oil and Gas Association and highlight our Administration's initiatives that have benefitted the industry. Secretary O'Leary will participate in two events at the request of the Democratic National Committee.

OFFICE OF PERSONNEL MANAGEMENT

- **Veterans' Day:** OPM is working to arrange a press availability at which Director King and other administration officials will explain that, reflecting your commitment to veterans preference, the percentage of veterans in full-time government positions has slightly increased in the past two years, even as overall government employment had declined.

UNITED STATES INFORMATION AGENCY

- **1995 Fulbright Prize:** The US Fulbright (Alumni) Association has announced that Austrian Federal Chancellor Franz Vranitzky has been selected to receive the 1995 Fulbright Prize for International Understanding. The \$50,000 prize will be awarded on November 11 in Washington.
- **Hillary Clinton Scholarships Awarded:** USIS Lahore and Lahore University held press events to publicize the Hillary Clinton Scholarships for female students. Five students received grants from \$500 to \$2,000. The scholarships are funded by Pakistani-American businesses and were announced by the First Lady during her South Asian tour.

DEPARTMENT OF DEFENSE

- **Japan:** The Secretary's trip to Japan was very positive. Defense Department officials will be providing details after his return, but it looks like good news regarding Japanese expectations vis-a-vis U.S. bases, more aggressive Japanese leadership on the treaty issue, and a foundation for a robust Security Declaration during your visit.
- **Haiti:** With talk of postponing the elections until January 21 and inauguration sometime in late March, the U.S. will be under increasing pressure to delay our troop withdrawals now scheduled to begin at the end of February. Given the Defense Department's experience with the elections process in Haiti, and the continuing rumors and intelligence reporting indicating that Aristide may choose to stay in power, it is possible that further election delays will occur.
- **Travel:** Secretary Perry will travel to Brussels on November 7-9 for a meeting with MOD Grachev. He will then visit US training sites in Germany.

DEPARTMENT OF STATE

- **Balkans Update:** The Bosnia Proximity Talks got off to a good start. As expected, opening plenary statements by Milosevic, Tudjman and Izetbegovic were tough. However, all three sides avoided painting themselves into negotiating corners. The atmospherics were positive: the three presidents shook hands, albeit grudgingly, at the outset of the plenary, and Secretary Christopher was able to get Tudjman and Milosevic together for a frank and private session at day's end. With Tudjman returning to Croatia for a week, discussions will focus on Bosnia first before turning to the thorny Eastern Slavonia question.
- **Amman Economic Summit:** The Amman Summit demonstrated that not only is the Middle East open for business, it is also doing business. There was tremendous business participation and a good deal of fast-paced networking between businessmen from Israel, the U.S., and Arab

countries. Qatar, which will host the Summit in 1997, announced a gas deal with Israel; the establishment of the Middle East Development Bank was announced, although a number of press report highlighted the fact that key European countries, such as France and Germany, do not currently intend to join.

- **Quebec Referendum:** Your timely public statement supporting a united Canada probably helped the very narrow federalist victory in the October 30 referendum. In a post-referendum telephone conversation, a relieved Foreign Minister Quillet credited yours and Secretary Christopher's remarks with having made a difference. However, Quebec separatists can claim a "moral victory" and may call another referendum next year. Many Canadians blame Chretien and will likely resist his constitutional proposals to resolve the Quebec issue. Administration officials can expect to see a more inward-looking Canada in the months to come.
- **NATO Succession:** Ruud Lubbers, former Netherlands Prime Minister, visited Washington for meetings with Tony Lake, John White and Secretary Christopher. Major, Chirac and Kohl have all come out publicly in support of his candidacy. It is important, however, that Administration officials not allow the Europeans to stampede them into endorsing Lubbers' candidacy until they are satisfied he is the best person for the job.
- **China:** Leading up to your next meeting with President Jiang in Osaka, the State Department is working to build on the momentum created by the New York meeting. They have followed-up with the Chinese in Washington and Beijing on the range of issues discussed with Jiang. Chinese public statements on the New York meeting and the prospects for Osaka are upbeat.
- **Northern Ireland:** Leaders of the two main Unionist parties, David Trimble and the Rev. Ian Paisley, met with Department officials this week. Both forcefully advocated the idea of an elected assembly as a way to bring about talks between Sinn Fein and Unionist representatives; both believe an arms decommissioning commission could proceed in parallel. It is encouraging that the two Unionist are still engaged in offering positive ideas in hope of ending the current impasse. However, the reaction of Sinn Fein and others to their proposal is uncertain.

UNITED NATIONS

- **CARE World Leadership Dinner:** On November 8, Ambassador Albright will be back in Chicago serving as the keynote speaker at one of seven dinners held nationwide to celebrate the fiftieth anniversary of CARE. The dinners will be linked by video and will feature awards honoring each of the post World War II Presidents. She will be accepting awards on behalf of the Truman, Eisenhower, Johnson and Nixon Administrations. Accepting in their own behalf at other dinners across the country will be former Presidents Ford, Carter and Bush. In New York, Secretary Rubin will accept the award on behalf of the Clinton Administration.
- **Bosnia:** The UN Security Council is monitoring the events of the Proximity Talks in Dayton, Ohio intensely. Continuing with their efforts at the UN to resolve the Balkan conflict, they plan to introduce a draft resolution this week denouncing the atrocities in Bosnia, calling on all the parties to cooperate with the War Crimes Tribunal and demanding that they refrain from destroying or altering evidence of war crimes.

- **Iraq:** United Nations officials expect a renewal of UN sanctions against Iraq on November 8th. Iraq's record of compliance is terrible and its credibility with the Security Council is as low as it has been during Ambassador Albright's tenure at the United Nations.

cc: The Vice President
Leon Panetta
Harold Ickes
Erskine Bowles
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Donald Baer
David Strauss

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Northeast Press Roundtable on Budget Cuts:** On November 8, Secretary Cisneros will host a roundtable discussion with press from the Northeast/New England area to discuss the overall impact of the Congressional budget cuts on their region.
- **Demolition of D.C.'s Public Housing:** On Thursday, November 16, Mayor Barry and Secretary Cisneros will kick-off the demolition of Ellen Wilson Homes, a dilapidated 13-building public housing development near the U.S. Capitol. The site will be redesigned as a \$25 million townhouse community that fits into the architectural character of Capital Hill.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Department Reviews Welfare Proposals for New Hampshire and California: The Department may approve a New Hampshire request for welfare waivers next week, the first such application submitted under the new 30-day fast track approval process. The California proposal would operate in San Diego County and require AFDC recipients ages 16-18 to attend school or participate in JOBS.

FDA Announces Biotech Drug Reinvention: Next week, FDA will announce significant changes in the drug approval process for most biotech drugs. These changes will cut drug development times by months and save companies millions of dollars. The high safety standards that patients and physicians count on will remain the same. HHS is coordinating the announcement with the Vice President's office.

Report on Impact of Managed Health Care: The Council on Graduate Medical Education will issue a report about the growing dominance of managed health care systems in the United States. The report concludes, in part, that managed care adds to the oversupply of physicians and especially specialists and fosters a modest need for more generalist physicians.

HCFA Announces Finalists for Managed Care Demonstration: As part of a continuing effort to expand Medicare beneficiaries' choice of health plans, the Health Care Financing Administration will soon announce finalists for a new demonstration project called "Medicare Choices." Under "Medicare Choices," a variety of managed care plans that are not now available under Medicare will become eligible to participants in the program on a trial basis. Final awards are expected to be announced in early 1996. The finalists for the awards are from the following seven market areas: Sacramento, CA; Atlanta, GA; Jacksonville, FL; New Orleans, LA; Columbus, OH; Philadelphia, PA; and Houston, TX.

Panel to Discuss New Drug for Obesity: On November 16, an FDA advisory panel will continue its consideration of the use of dexfenfluramine hydrochloride for obesity. The panel voted against approval, based on animal safety data. Because of the seriousness of the problems of obesity the panel was asked to consider whether the drug should be marketed under condition that the manufacturer do extensive studies on the first users and pull it off the market if risk were shown.

Drug-Related Emergency Room Data To Be Published: The Substance Abuse and Mental Health Services Administration will soon release data showing cocaine-related hospital

emergency episodes increased by 15 percent in 1994 after an apparent leveling off in 1993. Cocaine-related episodes increased dramatically from 1985 through 1989, dropped off in 1990 and increased again in 1991 and 1992. In 1994, cocaine was mentioned in approximately 28 percent of emergency department episodes, reaching its highest level in history.

- **HCFA to Study Medicare Payments for Medical Equipment:** HCFA will award a contract to expand its efforts to bring Medicare payments for durable medical equipment and supplies in line with market prices.
- **Race and Ethnicity Survey of Medicare Beneficiaries Begins:** The Health Care Financing Administration has initiated a targeted beneficiary race and ethnicity survey to support HCFA's efforts to ensure that beneficiaries are receiving high quality medical care, regardless of race or ethnic origin. Questionnaires are being mailed to approximately 2.4 million beneficiaries whose race or ethnicity annotation in the Medicare Enrollment Database is "unknown" or "other," or whose surnames meet Bureau of Census criteria as Hispanic.
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*No Action
L. Riley*

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THE WHITE HOUSE
WASHINGTON

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October 27, 1995

MEMORANDUM FOR THE PRESIDENT**FROM: ALEXIS HERMAN**
DIRECTOR OF PUBLIC LIAISON**SUBJECT: OFFICE OF PUBLIC LIAISON BI-WEEKLY ACTIVITY REPORT**
*The Two Weeks Ending October 27, 1995***I. Overview of Office-Wide Activities**

The Office of Public Liaison focused on three major events over the last two weeks: your speech on race relations, the budget debate, and the Midwest Economic Conference in Columbus, Ohio.

In an effort to amplify your speech on race relation that you gave in Austin, Texas, we faxed or mailed the speech to the following constituencies: **over 2,800 key contacts in the African American community, over 350 religious leaders and organizations, , over 300 key contacts in the law enforcement community, 50 Hispanic national organizations and 200 Hispanic appointees, 75 key contacts in the Jewish American community, and 50 key contacts in the Asian American community.**

In addition, we continued to keep seniors groups, welfare groups, educations groups, religious groups, and children and family groups fully informed concerning the budget debate. We disseminated the White House document outlining the impact of the Republican cuts on children to hundreds of key contacts for further distribution. Also, we held meetings, briefings, and conference calls for groups such as: the Charity Health System, AIDS groups, the Coalition for patient care, the Florida Hospital Association, 80 children's groups, Voices for Retarded Citizens, WIC directors, the American Association of Learning Disabilities, the New Jersey Teaching Hospitals, and the American Medical Association.

Finally, we put a lot of effort into the organization and execution of the Midwest Regional Economic Conference. We developed a list of participants, invited the guests, staffed you at the conference, managed the participants at the conference, put together and orchestrated the panels and break-out sessions, and hosted two receptions following the conference.

II. Constituency-Based Activities

A. Seniors

* We have kept the core seniors organizations updated about key Administration statements and events including talking points from the Reno/Shalala event on Medicare fraud and abuse, the article in the Washington Post entitled "AMA, Internists, Private Insurers Big Winners Under GOP Medicare Bill," and your Medicare veto remarks.

* The seniors groups engaged in a number of activities to continue to apply pressure against the Republican Medicare cuts including a candlelight vigil at the Capital, a mock hearing from the group "Speak Out! USA," and a noon rally at the capital spearheaded by labor retiree groups.

B. Hispanics

* Sent the computer disk version of the document outlining the impact of the budget cuts on children to the top five national Hispanic organizations so that they could distribute it to the community. Since most Hispanic children are affected by the Medicaid program, they have a lot to lose under the Republican plan.

* Your message on the use of tobacco by youths has resonated with the Hispanic community; it even made the cover of the National Coalition of Hispanic Health & Human Services Organizations. We are working with HHS to identify Hispanic organizations to join the Campaign for Tobacco Free kids.

* Regional and national press continue to do stories related to the visit of President Zedillo. Texas press are doing pieces on "who" was invited to the dinner and how we are taking care of our Hispanic politics and the National Journal did a piece on how those who attended the State Dinner were the individuals who were helpful in '92 and who will be helpful next year. (see attached)

* We are working with Media Affairs to ensure that the Hispanic press will be included in a White House reception for the Nobel Prize Awardees to cover Mario Molina, a 51 year old Mexican American professor at MIT, who was chosen as one of three chemists to receive the Nobel Prize.

* Three key Latino groups have launched major initiatives to increase the Hispanic voter turnout by 1 million before next November. The Southwest Voter registration Education Project has already conducted 24 registration drives in California, Illinois, New York, Texas, and Colorado. The other organizations that will participate are Midwest/Northeast Voter and the Hispanic Educational Fund and they will conduct more than 400 separate drives.

C. Law Enforcement

* Organized and staffed your meeting in the Oval Office with the 14 winners of the National

Association of Police Organization's (NAPO) Top Cop awards. Unfortunately, you had a scheduling conflict and could not attend the awards ceremony. However, NAPO and the award winners were appreciative that you would take time out of your day to meet with them. In addition, all 14 winners did regional print and radio interviews surrounding their visit.

- * Sent White House representation to attend the Top Cop Awards Dinner and to work with the Vice President's staff to organize his attendance and his remarks.

- * Mailed your speech concerning race relations, your statement on the crack cocaine legislation, and an information sheet on our record on crime to every major law enforcement organization in the country and over 300 key contacts in the law enforcement community.

- * Held a meeting with Robert Kleismet and Art Reddy from the International Union of Police Associations. While they are supportive of your actions with the Crime bill and all of the other crime-related legislation and statements, they expressed some concern that they have not been received the sort of attention that they deserve from the Administration. They endorsed you early on in '92 and feel like they should be major players. Unfortunately, NAPO and FOP are much larger than they are and have overshadowed them at times. However, we are working with Dennis Burke in Domestic Policy to try to resolve a labor issue concerning uniformed secret service officers, whom they represent, and to make an effort to incorporate them in a more substantial fashion.

- * Faxed a copy of your remarks to the United Nations to Vic O'Boyski, president of the Federal Law Enforcement Officers Association. He was extremely gratified to hear your remarks about international terrorism and drug trafficking and was anxious to distribute them to his membership.

D. Veterans

- * Conducted a briefing for VA Deputy Secretary Gober and representatives from DOD, JCS and State concerning the "Veterans Initiative" program sponsored by the Vietnam Veterans of America. This humanitarian program is designed to assist the Vietnamese government account for their estimated 300,000 MIA's from the war, facilitate exchange of information concerning US MIAs and provide a "healing" process for US Vietnam veterans. This effort has resulted in the recovery of approximately 7000 Vietnamese remains and represents an effort to fulfill the request of the Vietnamese government for this type of assistance.

- * Coordinated a series of meetings to obtain technical data that will assist the Vietnamese government address the issue of handicapped accessibility during this period of reconstruction in Vietnam.

- * Participated in a luncheon with local Vietnamese American community leaders and discussed the impact of the Medicare/Medicaid proposal on their community. It was clear that many in this community are disturbed by the actions of the Republican Congress and are shifting their support to you.

* Participated in the Interagency Veterans Policy Working Group meeting representatives from Cabinet Affairs, Domestic Policy, and 16 Veterans and Military Coalition groups to discuss the health care needs of the defense/veterans community and economic issues affecting this group. Medicare subvention stimulated considerable discussion as did the DOD Tricare health program. In addition, the groups expressed concern about the status of Defense Transition programs and Veterans employment trends in the Federal government.

* The veterans community continues to want to work with the Administration on issues directly affecting them. More and more frequently, they are expressing the fact that you have ensured that they are involved at higher levels than any other administration and that they sincerely appreciate it.

* Provided White House talking points and documents concerning Medicare/Medicaid information 42 Veterans Organizations and 23 Military Coalition Organizations with a request that they share it with their local structures.

E. Non-Profits

* The nonprofit organizations are continuing their work against the Istook amendment. They appreciate your support on this issue but they would appreciate it if you were more vocal on the issue.

F. Education

* Faxed material on the impact of the Republican budget cuts on children to 50 national education organizations, mailed the report to 150 state organizations, and invited 50 Washington-based organizations to an informational briefing and to pick up the material.

* The education groups are fully mobilized to distribute the budget information. They are supportive of your position regarding cuts to education and to cuts that impact children but they are leery of any deal that may be cut on the Hill. They are urging you to remain firm on their stance against cuts that harm children.

* Arranged for the Council of American Private Education to include our document outlining the impact of the Republican budget cuts on children in a presentation to their board members.

G. Business

* The large majority of our efforts went toward the Midwest Economic Conference and related activities. We worked with other White House offices and agency staff to develop the list of participants. We invited over 300 participants and over 175 participated in the conference. (It should be noted that the relatively short notice had a negative impact on leading corporate participation from Fortune 500 companies.) We worked to construct the panels and select the panelists and coordinated the logistical aspects of the dinner. In addition, we planned and executed the breakout sessions where 10-15 participants met as a

group for 1 and 1/2 hours with a cabinet member or senior White House official. The participants felt that this activity was particularly valuable. Finally, we staffed two receptions immediately following the conference, the first for members of the OSU community and the second for close to 30 executive board members of the Ohio AFL-CIO.

- * Hosted a briefing for 150 brokers of Commonwealth Equity to discuss budget issues, the educational technology initiative, small business issues and international investment opportunities created as a result of your trade policies. The participants felt the briefing was informative and valuable.

- * Conducted a briefing for members of the Trade Association Liaison Council. The briefing focused on budget and tax issues but the participants repeatedly returned to the issues of regulatory reform. They are interested in a meeting with the White House on that issue and hope to help work for a bill that you will be able to sign.

- * Helped to construct the invitation list and staffed you at the National Medals of Science and National Medals of Technology event.

- * The community has strong feelings regarding the budget and debt ceiling issue. They are cynical in that most feel that political posturing is overwhelming the process and that your comments on taxes "took the wind out of our sails."

- * Sent out follow-up letters to the participants of the Midwest Region Economic Conference.

- * Faxed talking points on the UN Anniversary, on Bosnia Policy, on the Budget, and on Medicare to our core list of key contacts in the business community.

H. Jewish

- * Conducted a briefing for community leaders, supporters and organizational directors on the Oslo II Israel-Palestinian Interim Agreement signed at the White House.

- * Staffed you at the State Department reception and the all other events at the United Jewish Appeal/International Leadership Reunion where you were presented with the Isaiah Award for Distinguished World Leadership by Prime Minister Rabin. To follow-up, we are sending out videos of your remarks and the award presentation to local Jewish Federation Councils throughout the country.

- * Held a meeting with Jewish community leaders in Chicago to discuss outreach efforts and strategy over the next 6 - 12 months.

- * Coordinated with community leaders and organizations following your speech on race relations. While very few expressed concern that you did not mention Farrakhan by name in your condemnation, the overwhelming majority thought your message was very positive. The issues you spoke of resonate deeply in the American Jewish community.

* Worked with members of the community on the Jerusalem Embassy legislation. There was strong concern that you, the president who has done so much for Israel and the American Jewish community, would not be placed in a position of having to veto this legislation.

* Mailed copies of your speech on race relations to 65 key contacts in the American Jewish community and faxed copies of the White House statement regarding the Jerusalem Embassy legislation to 25 key opinion leaders.

I. Ethnic

* To maximize your trip to Cedar Rapids, Iowa for the dedication of the National Czech and Slovak Museum and Library, we invited 20 leaders from these communities to attend the dedication ceremony and a reception where they could meet you and Presidents Havel and Kovac. In addition, we provided staff support at the event, provided input for your remarks, and distributed your remarks to the ethnic press and all of those who were invited.

* Coordinated your participation in the National Italian American Foundation dinner. The event was attended by 3,000 people. In addition, we conducted a White House briefing for Italian American business leaders and a reception for NIAF leaders and VIPs.

* The Italian American Democratic Leadership Council held a reception for Italian American appointees and honored Marilyn DiGiacobbe of our office as Italian American Democrat of the Year.

* We arranged for George Stephanopoulos to attend Archbishop Iakovos' Annual Nameday dinner, for a video from Mrs. Clinton to be shown, and for statements to be made to the Greek-American press. The event was attended by 1,800 Greek Americans.

J. African Americans

* Mailed your speech from Austin, Texas on race relations to over 2,800 key contacts in the African American community throughout the country.

* Organized and provided staff support for your drop-by at Africare's Bishop Walker Dinner reception and your photo opportunity with the heads of state from various African nations. We will do specialty press around the event, in particular releasing the photo to Jet magazine.

* Held a meeting with minority business leaders to discuss proposed changes in the "Rule of Two" DOD procurement program. They are upset over rumors that the program is about to be suspended. The "Rule of Two" (created by regulation not by statute) requires that DOD set aside a contract for bidding only by disadvantaged minority businesses when there are two or more such firms qualified and able to bid on the contract.

* Conducted a briefing for the graduate and undergraduate students who won the Executive Leadership Council's essay contest on "Diversity as a Global Business Issue." The students from Harvard, MIT, Duke, University of Texas at Austin and the University of North Carolina

received a detailed briefing on the budget and background on the workings of a Presidential speechwriter. Through this briefing, we reached the top students on the respective college campuses and provided a White House perspective to the activities of the ELC and its 300 corporate members during its annual legislative meetings in Washington.

- * The community is excited about the success of the Million Man March. This could be a great opportunity for the Administration to capitalize on the call to register millions of unregistered blacks and the call to take responsibility for families and children.

- * Colin Powell's popularity does not seem to be as strong in the community as it was two weeks ago. He is drawing a lot of criticism from African Americans for giving lukewarm support to the march and for not showing up for the march.

- * To coincide with your UN activities in New York, we conducted a background briefing on our Africa policy for five representatives from the African American media including Carib news, the country's largest weekly newspaper targeted to the Caribbean American community, circulation 60,000 in NYC; and the Amsterdam News, New York's largest and oldest African American newspaper, circulation 100,000+ in NYC. The briefing was well received because: 1) the African American media seldom receives high-level foreign policy briefings; 2) the briefing served to amplify the Administration's outstanding efforts in Africa which few in the African American community know about; and 3) although you were in the city, and unable to visit with two key NYC constituencies (African American and Caribbean American), the briefing provided an alternate means of reaching out indirectly and connecting with the communities.

K. Children and Families

- * Faxed the document outlining the impact of the Republican budget cuts on children to 400 national children's organizations, faxed state-specific information to 350 state-based children's organizations, and mailed over 900 reports to children's organizations throughout the country.

- * Organized White House participation in three conference calls that were held by the National Association of Child Care Resources and Referral Agencies with their membership organizations in the states.

- * The children's groups are energized to get the budget information out to their community. They are extremely supportive of your initiatives but they are anxious regarding any compromise that may be made in the Congress.

L. Asian Pacific Americans

- * Conducted a conference call with fifteen community organizations to discuss welfare and to reiterate our position on this issue.

- * Sent White House representation to speak to 800 Asian American community and business leaders at the Korean American Family Service Dinner, a community organization that works

with women and children.

- * Justice for Immigrants, a large coalition that has been running full page ads in the Washington Post against the stance on immigrations of both the Administration and the Congress, has agreed to disseminate White House talking points information to their membership. As a result, they held a press conference with both mainstream and specialty press supporting the Administration. In addition, they urged the community to begin a letter/fax campaign supporting the Administration.

- * Held a meeting with members of the Japanese American clergy from California to discuss the Administration's positions on welfare and immigration. They were very supportive and we discussed ways in which the church can play a role in helping the community understand these issues.

- * Mailed copies of your speech on race relations to over 50 key members of the Asian Pacific American leadership.

M. Women

- * Sent White House representation on a trip with Congressman Barney Frank to Fall River, Massachusetts, a blue-collar textile town, to highlight women workers in textile plants and to lead a public discussion on women in business. In addition, we organized an outreach meeting for 200 women leaders and business women and met with 60 local women leaders for lunch.

- * Conducted a meeting with key women leaders to discuss welfare reform. Their reaction was very positive and the women in attendance said that they felt renewed and energized by being included in the process for the welfare debate.

- * Sent the White House document outlining the impact of the Republican budget cuts on children to 350 women's organizations and 200 women political appointees.

- * Conducted a briefing for 200 women political appointees to discuss the impact of the budget cuts on women and children's programs.

- * Coordinated a briefing for the National Association of WIC Directors from all 50 states. The purpose was to discuss the impact of the budget cuts on women and children's programs, and, in particular, the WIC program.

- * Coordinated a polling meeting for White House staff to discuss the recent Celinda Lake's new AAUW polling and voting data on women and education. The conclusions of the polling shows that education should be the next "Medicare issue" for the Administration.

N. Religious

- * The religious community as a whole unanimously embraced your message on race relations. They felt it was an "excellent" speech. Some are initiating efforts to "bridge the racial gap"

by holding dialogues similar to the one held in Los Angeles on October 24. The Los Angeles citywide dialogues on racial healing were led by the Los Angeles Council of Churches.

* According to the Inter-Church Committee on Ireland, leaders from the four largest churches represented in Ireland, the Catholics the Presbyterians, the Episcopalians, and the United Methodists, should be invited to participate on the delegation to Ireland.

* Three moderate organizations/denominations have conveyed their support of your stance on youth use of tobacco including the National Association of Evangelicals, the Southern Baptist Convention, and the Mormons. The Southern Baptist's are doing a supportive article in their membership newsletter.

* Included 10 representatives from religious organizations in a briefing on the budget with particular focus on children's issues.

* Most of the mainline Protestants and the Catholics want you to stand firm and veto the budget cuts relating to Medicare/Medicaid and anything to do with children. There are several of the mainline Protestant organizations, particularly the National Council of Churches of Christ (NCCC), that are focusing on Welfare Reform.

III. Events/Briefings

- * Race Relations speech to Students at University of Texas (October 16)
- * Catholic Health System (October 17)
- * Equity Commonwealth Briefing (October 17)
- * Africare Event (October 19)
- * Italian American CEO's (October 20)
- * Mid-West Economic Conference in Columbus, Ohio (October 20)
- * Czech-Slovak Museum Dedication (October 20)
- * National Italian American Foundation Dinner (October 21)
- * Briefing for Pioneer Hi-Bred (October 24)
- * Briefing for Advocates for the Mentally Retarded (October 24)
- * Briefing for Transportation Growth Companies (October 24)
- * Briefing for Nursing Deans (October 24)
- * Briefing for WIC Directors (October 26)
- * Briefing for Japanese American Clergy (October 26)

IV. The Week Ahead

- * White House Conference on Travel and Tourism (October 30)
- * Asian Pacific American Community Breakfast (November 2)
- * Briefing for American Council of Young Political Leaders, South Africa (November 1)
- * Business Liaisons Meeting (November 2)
- * National Association of Fundraising Executives (November 2)

cc: Leon Panetta
Harold Ickes
Erskine Bowles

Police Organizations Tell the President They Appreciate His Backup

■ **Law enforcement:** They come away from private meeting praising Clinton's commitment to putting more cops on the streets.

By GEOFF BOUCHER
TIMES STAFF WRITER

SANTA ANA—A dozen representatives of Southern California police organizations met privately with President Clinton Friday, praising him for increasing the number of officers patrolling the nation's streets and asking how they can keep those additional cops on the job indefinitely.

The brief, informal meeting between the President and leaders of police associations and unions occurred privately. But later, the participants said they were encouraged by the President's commitment to strengthening law enforcement.

The group, which met for about 15 minutes with Clinton, included the leaders of police associations in Anaheim, Huntington Beach and Long Beach.

Don Blankenship, president of the Santa Ana Police Officers Assn., said Clinton's pledge last year to put 100,000 more officers on the streets had grabbed the interest of local police leaders. The follow-up on that promise—the passage of federal legislation that allowed the December hiring or rehiring of 480 law enforcement officers in California—won the gratitude of those same leaders.

"The discussion was at first a 'thank you' to the president for putting his money where his mouth was on the 1994 crime bill," said Blankenship, who organized Friday's meeting at the White House's request. "And then it turned into a discussion of how to make sure we can hang on to these [added officers and resources]."

Republicans have mounted strong congressional opposition to the so-called COPS (Community-Oriented Policing Services) program, a package of bills in the Omnibus Crime Control Act of 1994. They want to remove requirements on local government that the money be spent exclusively to pay the newly hired officers.

In Orange County, 49 officers were hired by 12 agencies with a total of about \$3.6 million in federal grants. Some agencies that had hoped to enjoy the benefits of the bill—such as the Huntington Beach Police Department—could not put up the matching funds required for the grants, a situation officials attributed to the repercussions of the Orange County bankruptcy.

The police leaders from Orange, Los Angeles and Riverside counties who met with Clinton on Friday were eager to hear how they could fight to ensure the program's money remains dedicated specifically to hiring officers. The President told them to step up lobbying efforts, participants said.

"We've hired 40 extra cops in Long Beach," said Detective John W. Rose, president of the Long Beach Police Officers Assn. "It has made things safer for Long Beach and safer for my officers."

John Brimmage, president of the Assn. of Orange County Deputy Sheriffs, said the President has also won over fans in the law enforcement community with his efforts to pass legislation banning assault weapons and more restrictive handgun laws.

"He's on the right track, that's for certain," Brimmage said. "And anything that puts cops on the street is good. He's following his conscience, and I think he's trying to do the right thing."

The police leaders also were eager to tell the President they were impressed with his political resolve, said Art Reddy, vice president of the International Union of Police Assns., a group that represents 80,000 sworn officers.

"We just told him we are really proud that he had the courage to stand up and support his original position with the crime bill, and we told him we knew how difficult that was," said Reddy, a former sergeant and 33-year veteran of the Los Angeles County Sheriff's Department. "And crime is down. That's the net benefit of his efforts."

As the veteran cops filed out of the Boys & Girls Club, they also said they were pleased Clinton had made an effort to reach out to them as representatives of front-line law enforcement.



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JAMES M. DUNN
Executive Director

Statement by James M. Dunn
Executive Director
Baptist Joint Committee on Public Affairs
Washington, DC

One of the shocking cartoons in the word pictures of Jesus was the one of a father giving to his hungry child a stone when the young one asked for bread.

Even more shocking after 2000 years of civilizing history is the sordid snapshot we see in the building behind us ... a stone for bread.

Members of the United States Congress who purport to represent the people are spending billions of dollars on illogical, unasked for, lobby-demanded military hardware ... there's another stone for bread.

When only one billion's worth of a bomber already proven unworkable would transform the safety net for hungry children ... a stone for bread.

It is the height of irony for religio-political extremists to claim a Christian agenda, a pro-family program and vote against demonstratedly successful provisions for poor children.

For people of faith, there is a strong belief that biblical mandates to feed the hungry are not optional.

It is nothing less than evil to put politics ahead of people ... stones for bread.

All kinds of folks with different faiths would label as absolute blasphemy the lading of a layer of religiosity over some hard ball politics as both leaders of the House and the Senate have done and are doing today with an unholy union with the so-called Christian Coalition ... that's blasphemy!

The hard questions are: What would Jesus say about school lunches? What would Jesus do about WIC? What would Jesus do to the least of these?

He gave us a hint. He said to treat the least of these with disrespect and lack of care would put a person in a pretty dangerous position. It would be better if a stone were put around his neck and he was cast into the sea.

Alliance of Baptists
American Baptist Churches in the U.S.A.
Baptist General Conference
Cooperative Baptist Fellowship

National Baptist Convention of America
National Baptist Convention U.S.A., Inc.
National Missionary Baptist Convention
North American Baptist Conference

Progressive National Baptist Convention, Inc.
Religious Liberty Council
Seventh Day Baptist General Conference
Southern Baptist state conventions & churches

F4T
F10

The cheapest political stunt of all

It was a cheap political stunt, and about time, too.

Religious leaders distributed plates of stones to members of Congress, acting out the biblical query, "Is there anyone among you who, if your child asks for bread, will give a stone?"



TOM
TEEPEN

James M. Dunn of the Baptist Joint Committee and other clerics were answering, "You bet: this Congress."

They are right, too. In the name of budget-balancing, this Congress — Republican with the wraps off — is squeezing school lunches, the crucial WIC nutrition program (for Women, Infants and Children) and food stamps.

It is part of a broad political assault in which high-minded claims of fiscal prudence are cover for the low business of sticking it to society's neediest and least powerful.

The little bit of political theater staged by the divines won't prevail, of course. Only votes count. But it was useful as a reminder that, despite the righter-than-thou Christian Coalition, not all faiths or all faithful are in cahoots with reactionary politics.

And the event served to highlight the hilarity of the claim by the GOP right that any who oppose its social agenda are practicing "class warfare."

Class warfare is afoot all right, but it is being waged top down, the haves against the have-nots. Social Darwinism finally has an army, and it marches to a cadence that goes something like this: The just shall be rewarded. I've got this great BMW. Therefore, I am just.

That political mantra is chanted as spiritual armor against the few in the field still whining about fairness and other airy abstractions and fretting about the widening gap between rich and poor.

The point is nowhere more clear than in the roughly concurrent drives in Congress to 1) give the well-off big tax breaks and 2) raise the taxes of the working poor.

The U.S. Treasury figures that the pending GOP tax cuts will give the top 12 percent of families — those taking in more than \$100,000 — a cut of about \$4,000 a year. The 1 percent making more than \$350,000 a year — will get an aver-

age break of \$19,000.

To help pay for that, Congress is hacking at the Earned Income Tax Credit, which in effect boosts the incomes of the working poor, a strong anti-poverty and anti-welfare program.

Until this year the credit had enjoyed hardy bipartisan support, but now some 13 million low-income families will be hit for an additional \$43 billion. About a fifth will be cut off altogether.

Meanwhile, the welfare cowboys of the West are still indulged in federally subsidized grazing and giveaway mining rights. Huge agribusinesses still pocket subsidies meant for struggling family farms. Profitable industries still cruise through tax loopholes and loiter around on cushy special-interest tax breaks.

And the Pentagon has had more money lavished on it than it dared to ask for.

The hungry? Let them fly Stealth bombers.

Teepen is national correspondent for Cox Newspapers.

DOONESBURY HAS MOVED

Looking for the Doonesbury comic strip? Starting this week, you'll find it on the comics page in the Life section.

Austin American-Statesman

A 11

THE PRESIDENT HAS SEEN
11/6/95

THE WHITE HOUSE
WASHINGTON

November 3, 1995

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: RAHM EMANUEL R.E.

SUBJECT: WEEKLY REPORT

CRIME:

This afternoon Bruce and I met to develop a number of crime-fighting initiatives. By mid-next week we should have a memo that outlines the ideas and actions for the administration. The administration continues to maintain high level of credibility in the area of crime fighting and these new initiatives will reinforce that image.

For the first time, the administration's anti-drug actions are receiving coverage. This week the President's signing of the sentencing guidelines legislation set-up his Thursday speech. The Thursday speech was covered by NBC and wrapped into a story concerning adolescent drug use.

aguy → It is important to remember that all our anti-drug communication should be accompanied with an anti-violence message. The President is on stronger ground on the issue of crime and violence. The Republicans want to isolate the issue of drugs and force us to address it alone. Our goal is to link drugs and violence and always speak out on both subjects together.

IMMIGRATION:

INS announced the computer verification program in Santa Ana on Tuesday. They received good coverage in the Southern California media market, leading with a front page story in the LA Times and coverage on all the L.A. affiliates.

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The objective over the next month is to continue to focus on the border and begin to expand the Administration's anti-immigration profile in the workplace. This is the area the GOP is most vulnerable.

Building upon the Southpaw and computer verification announcements made in the last week, Doris intends to be present for a workplace raid. We intend to prepare an executive order for the President to sign banning all companies that have prior fines for illegal employees from receiving government work, and to highlight weaknesses in the GOP immigration legislation as it pertains to workplace enforcement.

WELFARE:

In a separate memo, Bruce and I have outlined a roll-out strategy for the OMB study. The general approach is to embrace this study and use it as leverage to produce a better bill out of conference. The study should not be seen as something new, but as a continuation of the administration's past statements and concerns in the area of budget cuts and welfare reform.

In addition to the poverty report, HHS is prepared to release a study on child support collection. This annual report will show a record amount of child support collection and that our reforms are working.

The welfare reform conference is progressing slowly. As it stands now you can expect the welfare reform legislation to be wrapped into reconciliation.

ECONOMICS:

Although I do not usually comment or work on this subject, I do think we are missing the boat in our rhetoric. There is a whole segment of the electorate waiting to hear us address the subject of fatter paychecks. Nothing we have been saying communicates to families about their paychecks getting smaller or their paychecks being eaten away by health-care costs, taxes, education, and retirement costs. The sooner we address this subject beyond the present budget battle, the better off we will be.

I have set-up a meeting with Laura Tyson to develop a post-budget economic agenda.

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11/1/95

LOS ANGELES TIMES

PAGE A-1

Plan to Block Illegal Workers Unveiled by INS

By PATRICK J. McDONNELL
TIMES STAFF WRITER

SANTA ANA—In the controversial first test of what could become a national model, U.S. authorities Tuesday unveiled a long-awaited program that will initially allow more than 200 Southern California companies to use a computer tie-in to verify whether new employees are legally authorized to work in the United States.

U.S. Immigration and Naturalization Service Commissioner Doris Meissner called the pilot project a major breakthrough toward developing broad, nationwide work-site verification—a longtime goal of authorities seeking to curtail job opportunities that encourage illicit immigration. The proliferation of false documents has allowed millions to circumvent a 1986 law prohibiting employment of illegal immigrants.

"Most illegal immigrants come here for jobs, so we have to look to the workplace," said Meissner, who outlined the pilot project during a

Please see PROJECT. A21

PROJECT

Continued from A1
news conference at a Santa Ana bicycle factory, one of the area employers that have signed up for the verification plan.

The Clinton Administration—eager to appear aggressive on the immigration issue in this pre-election year, particularly in California—is stressing work-site enforcement as a necessary adjunct to its much ballyhooed buildup along the U.S.-Mexico border. The pilot project, to be accompanied by increased visits by INS agents to work sites, will focus on two communities, Santa Ana and the City of Industry, where many illegal immigrants have found work.

"You have to bolster border enforcement by reducing the availability of jobs; otherwise pressure will just build up at the border again," Meissner said during a meeting at The Times after her Santa Ana appearance.

Rights advocates immediately expressed alarm at the plan, which they say is of dubious constitutionality, may violate privacy rights and is likely to increase discrimination against all immigrants—and against any job-seekers who appear to be foreign-born. Several critics categorized the project as a first step in an incremental push toward the introduction of a national identification

system, or even a mandatory ID card—which civil libertarians on the left and right consider an Orwellian anathema.

"The whole world is watching this system to see if the INS will be able to take it nationwide to become a Big Brother verification system for the whole country," said Charles Wheeler, directing attorney for the National Immigration Law Center, a Los Angeles-based legal services organization.

Said Lucas Guttentag of the American Civil Liberties Union: "This is the INS's Halloween trick or treat."

A likely result of the new system, civil rights advocates said, is that employers would illegally use the process to pre-screen potential workers. Under anti-discrimination laws, employers are supposed to verify workers' status only after they have been hired.

The verification initiative is emerging as calls are mounting in Congress for implementation of some kind of broad system to detect and ferret out illegal immigrants in the workplace, especially in California, home to up to half of the nation's more than 4 million illegal immigrants, many of them employed.

Meissner acknowledged that authorities hope to expand the pilot program to about 1,000 employers by next year. But she said that any plan to proceed with a national identification system—such as a

10/2

universal ID card or registry of eligible employees—could not go forward without congressional authorization.

The Clinton Administration is opposed to a national ID card and is seeking to move ahead on verification before a congressional decision on a national registry. A registry would require years to assemble and cost billions of dollars to prepare—while raising strong privacy concerns.

"Nothing can happen that requires all employers to take action unless Congress authorizes it," said Meissner, who stressed that employers in the pilot project were

participating voluntarily.

The overall enforcement strategy, the commissioner said, is to focus in on the small minority of the nation's more than 7 million employers who knowingly hire illegal immigrants, often at sub-minimum wages. Complete verification allows legitimate employers to hire only those here legally, thus allowing agents to zero in on sweatshops and other violators.

"Most businesses in this country want to hire lawful workers," Meissner said, "but they have faced obstacles in trying to comply with the law."

Technological advances have

just now allowed the INS to introduce the almost fully automated system, which officials called a much more sophisticated version of a previous telephone verification project involving nine employers nationwide.

Under the new system—launched in Southern California because it is the locus of the illegal immigration problem, one INS official said—participating employers use computers and a software program to tap into an INS-generated database and verify whether non-citizens are authorized to work.

The program unveiled Tuesday, officials conceded, is missing a major component: a mechanism to verify workers' Social Security numbers, which are widely faked.

Additional pilot projects are on the drawing board for next year, including one plan that will allow employers to tap into data from both the INS and the Social Security Administration. Checking Social Security numbers will eventually allow employers to verify the status of both foreign nationals and employees who claim to be U.S. citizens.

A central shortcoming of the verification scheme, critics say, is its reliance on the INS' notoriously inaccurate database.

However, Meissner said the INS database is much improved and termed the new verification system "fail-safe," since any worker whose status is not immediately verified will be passed on for a

secondary check, which should not take more than three days. Those employees whose status remains unclear will be given 30 days to visit the INS and straighten out their paperwork, officials said. In practice, officials said, illegal immigrants probably will walk away from their jobs at that point.

In recruiting project participants, the INS sought companies with at least 50 employees and high percentages of non-citizen workers. The 223 firms enrolled in the project, with more than 80,000 workers, represent a wide variety of industries, including manufacturing, retail sales, food service, hotels and entertainment.

Participating employers extolled the verification plan, saying it removed the uncertainty about workers' status. Although the INS officially unveiled the project Tuesday, many employers have been using the system for about a month.

"It makes our job easier," said Bill Galloway, vice president of GT Bicycles, the Santa Ana manufacturer where authorities made the project public.

Under current law, employers must review the documents of all new workers and fill out forms attesting that the new hires are eligible to work in the United States, based on the employers' review of the paperwork. However, there has been no way for employers to verify the documents' authenticity.

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11/1/95

Register

METRO 4

INS inspectors don't wait for computers

IMMIGRATION: The agency sends extra teams to Santa Ana and Industry while it works on a high-tech verification system.

By MARTIN C. EVANS
The Orange County Register

SANTA ANA — Federal officials are working to perfect a pilot project that allows employers to check worker immigration documents via computer with the hope of eventually asking Congress to make the computerized checks mandatory.

At the same time, the Immigration and Naturalization Service is flooding the cities of Santa Ana and Industry with 18 additional workplace inspectors to ensure that employers are not hiring illegal workers.

INS officials said Tuesday at a news conference that the increase should allow them to double at least the rate of company inspections in the two cities. Until the increase, a maximum of 35 inspectors — and as few as 25 — worked the seven-county area that makes up the INS' Los Angeles district.

The voluntary computerized pilot program, unveiled Tuesday by INS Commissioner Doris Meissner at GT Bicycles in Santa Ana, allows employers to telephone a computer to find out whether the government has issued immigration papers for an individual. Noncitizen workers whose records cannot be found

have 30 days to prove their immigration papers are valid.

"We do believe there needs to be a national employee-verification system," Meissner said.

Meissner said such checks shouldn't be seen as a step toward national identification cards — an idea that has engendered wide resistance — because employers since 1986 have been required to check the immigration status of their workers.

Meissner said she would wait to see whether the voluntary program needs adjustments to avoid unfairly burdening employers or workers before asking Congress to require participation.

"We would hope that Congress would one day make mandatory our employee-verification system," Meissner said.

Executives with the more than

200 companies participating in the experimental program — more than half of them in Santa Ana — praised the automated verification system, saying it has provided them assurances that hiring decisions would not come back to haunt them. Manufacturer GT Bicycles is among the businesses.

"It's a great deal for business because they can comply with

10 of 2

the law and know their employees are authorized to work," said Robert Davis, president of St. John Knits, an Irvine-based garment maker with 2,500 workers.

Davis said of 50 people his company hired in the past month, only one could not be immediately matched with INS records.

But some business leaders expressed concerns that the increased enforcement could make employers liable for unintentional errors.

"It looks like a velvet glove with a punch in it," said Tom Gardner, regional manager for The Employers Group, which represents more than 1,000 businesses in Orange County. "I think employers will be concerned that the more agents that are going through employers' records, the more opportunities for finding things."

Along with tightened border controls implemented last year in the San Diego area, the computer checks and increased inspectors are part of an effort to curb illegal immigration into California.

The screening program was hailed at the news conference by Santa Ana Mayor Miguel Pulido and Industry City Manager Chris Roper.

Robert Bach, INS policy and planning chief, said a smaller test of the computerized system two years ago failed to approve documented workers at acceptably high rates because the computer's records were incomplete. Bach said those rates should improve now that the records have been updated.

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THE ORANGE COUNTY
Register

PAGE

INS project helps companies screen workers

IMMIGRATION: Santa Ana firms will be under intense verification scrutiny by agency.

By JONY SAAVEDRA
and GUILLERMO X. GARCIA
The Orange County Register

They left in busloads, 203 workers carted away by immigration agents in 1993 because Vans Inc. in Orange couldn't distinguish between real and bogus green cards.

Now the company has help.

With the tap of a computer keyboard, Vans can link into an Immigration and Naturalization Service database and verify the papers in seconds. The company is among 200 employers in Orange and Los Angeles counties recruited for a pilot project to test what could evolve into a national computerized verification system.

"We're not losing sleep anymore saying, 'Gee, I wonder if I made the wrong call on this document and if the INS audits us, how many are going to come back bad?'" said Craig Gosse, vice president and general counsel for the 1,100-employee shoe manufacturer. "It takes the guesswork out of a very difficult process of reviewing scores of documents."

The computer project, coupled with a program to unleash 18 new agents on employers in Santa Ana and Industry, brings an unprecedented level of scrutiny to the two areas.

There are concerns, however. Civil-rights groups and minority leaders nationwide have long argued that the automated system would violate the privacy of job applicants and rely on a notoriously backlogged computer database.

FREES INVESTIGATORS

But INS officials say the online service would help employers who want to comply with hiring laws, but are baffled by more than 29 documents that can be offered as proof of eligibility, such as passports and work permits. The system also would free INS investigators to concentrate on companies that knowingly hire illegal workers.

"This pilot is an attempt to keep unauthorized workers from taking jobs from Americans or from workers who have the legal right to be here and be employed," said Bob Bach, INS associate commissioner for policy and planning in Washington, D.C.

Immigration chief Doris Meissner is scheduled to unveil the pilot project today in a news conference at a Santa Ana bicycle factory. If successful, the program, which costs less than \$750,000, would be expanded next year to 1,000 firms in other immigration-heavy states and could ultimately form the groundwork for a national system, officials said.

The project focuses mostly on Orange County and Industry, primarily because of their large populations of immigrant workers and past problems with ille-

gal hiring, officials said. Many of the firms involved have been raided or audited by the INS. And many complained they had been duped by counterfeit documents.

The project is an outgrowth of a nine-company verification system tested two years ago, using a device made for checking credit cards. It uses INS issued software to link by modem into a 50-million-document database stored at Lockheed Martin Corp. in Orlando, Fla.

After a noncitizen worker is hired, his immigration number, his first initial and the month and year of his birth are entered into the computer. If the data is not confirmed, further INS databases are checked within three days.

If verification still does not arrive, the worker is told to report to the local INS office within 30 days to clear up the problem.

SAFEGUARDS BUILT IN

Built into the project, the INS says, are safeguards to ward against discrimination and invasion of privacy. The documents are checked only after the worker has been hired, and he remains employed throughout the process.

And the database has been retooled to make information easier to find, officials said.

"The critics can fire away and the burden is on us. But it's not that we've made mistakes, it's that we haven't been able to find the (records) fast enough," said John Nahan, an INS director involved in the project.

DATE 11-1-95

THE ORANGE COUNTY
Register

PAGE _____

INS puts focus on Santa Ana

IMMIGRATION: The city has been chosen for a pilot project to allow instant verification of citizen status.

By TONY SAAVEDRA
and GUILLERMO X. GARCIA
The Orange County Register

Santa Ana is the primary testing ground for a nationally watched computer project that allows employers to instantly verify immigration papers — a system that many say is crucial to keeping undocumented workers off U.S. payrolls.

About 200 Southern California businesses — more than half in

Santa Ana — were recruited for the pilot project being unveiled today by Immigration and Naturalization Commissioner Doris Meissner.

The INS also is sending 18 new agents to investigate employers in Santa Ana and Industry — creating an intense double-punch strategy that if successful could spread nationally, officials said.

"If we can do it in cities like Santa Ana and Industry, we can (try) with the other districts," said Richard Rogers, director of the agency's seven county Los Angeles district.

The combination will bring an unprecedented level of scrutiny to Santa Ana businesses. Typically, only 35 agents are assigned to check employers from San Luis Obispo to San Clemente.

Immigrant advocates questioned whether the INS' database can be trusted, and whether the effort is fair.

"My fear is it's going to be discriminatory because they are not going to do it for the white Canadians, just the brown Mexicans," said Tustin immigration lawyer Kathryn Terry.

Critics, however, point to one lawsuit alleging that the agency misplaced records for thousands of political-asylum applicants.

"We get so many errors generated by their computer system ...

it's broken all the time, it's always down," said Tustin immigration attorney Kathryn Terry.

More than half of the companies testing the system are in Santa Ana, where minorities — primarily Hispanics — make up 77 percent of the population and counterfeiters hawk fake immigration documents for \$100.

The city will soon come under the most intense scrutiny ever in Southern California. Along with the computer project, the INS

has brought in 18 new agents to focus on hiring practices in Santa Ana and Industry. That is nearly 10 times the scrutiny typically focused on all of Orange County.

Bill Harris invites the attention.

Harris said his company, Fireplace Manufacturers Inc. in Santa Ana, has paid thousands of dollars in INS fines for having incomplete records.

"(Now) we can quickly, effectively and cheaply get it checked

out — it removes the burden from us having to determine if the document is legal or counterfeit," said Harris, who volunteered the firm for the pilot project.

Not everyone was so open.

A spokesperson for the Employer's Group, which represents more than 1,000 Orange County companies, said most

members balked at participating because they didn't trust the INS.

"They don't want to be exposed to compliance issues and there is no guarantee that they would not be," said consultant Elizabeth Winfree Lydon.

But the INS plan was backed by Mike Potts, executive secretary of the 100,000-plus member

Los Angeles Orange County Building and Construction Trades Council.

Potts said intensified screening will spare workers from having to compete with illegal immigrants, and protect legitimate contractors from those who cut costs by paying illegal workers under-the-table wages.

"It makes it more fair for the legitimate contractor who follows the rules," Potts said, "and weeds out the scum buckets."

Register staff writer Martin C. Evans contributed to this report.

San Jose Mercury News

November 1, 1995

Worker ID program starts in S. Calif.

Los Angeles Times

SANTA ANA — In the controversial first test of what could become a national model, U.S. authorities Tuesday unveiled a program that will initially allow more than 200 Southern California employers to use a computer tie-in to verify whether new workers are legally authorized to work in the United States.

U.S. Immigration and Naturalization Service Commissioner Doris Meissner called the pilot project a major breakthrough toward developing broad, nationwide work-site verification — a long-time goal of authorities seeking to curtail the job opportunities that drive illicit immigration. The proliferation of false documents has allowed millions to circumvent a 1986 law prohibiting the employment of illegal immigrants.

"Most illegal immigrants come here for jobs, so we have to look to the workplace," explained Meissner. The pilot project, to be accompanied by increased visits by INS agents to work sites, will focus on two communities — Santa Ana and the City of Industry — where many illegal immigrants work.

Rights advocates immediately expressed alarm at the plan, which they say is of dubious constitutionality, may violate privacy rights and is likely to increase discrimination against all immigrants — or against any job-seekers who appear to be foreign-born. Several critics categorized the project as a "first step" in an incremental push toward the introduction of a national identification system, or even a mandatory ID card — an Orwellian anathema to civil libertarians on both the left and right.

A likely result of the new system, said civil rights advocates, is that employers would illegally use the system to pre-screen potential workers. Under anti-discrimination laws, employers are only supposed to verify workers'

status after they have been hired.

Meissner acknowledged that authorities hope to expand the pilot program to some 1,000 employers by next year. But she said any plan to proceed with a na-

Critics labeled the project

a 'first step' in an

incremental push toward

the introduction of a

national identification

system, or mandatory 'ID'

card.

tional identification system — such as a universal ID card or "registry" of eligible employees — could not go forward without congressional authorization. A registry would require years to assemble and billions of dollars to prepare while raising strong privacy concerns.

The overall enforcement strategy, the commissioner said, was to focus in on the small minority of the nation's more than 7 million employers who knowingly hire illegal immigrants, often at below minimum wage. Complete verification allows legitimate employers to hire only those here legally, thus allowing agents to zero in on sweatshops and other violators.

Under the new system, participating employers use their computers and a software program to tap into an INS-generated database and verify whether non-citizens are authorized to work.

The program unveiled on Tuesday, officials conceded, does have a major missing component: a mechanism to verify workers' Social Security numbers, which are widely faked. A central shortcoming of the verification scheme, critics say, is that it relies on the INS' notoriously inaccurate database.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-6-85

TO:

Leon

FROM: Staff Secretary

yes - I read this
as option B -- making
clear why the President
opposes, but leaving
open possibility of
demonstration projects.
TRP

to T Stern
gla
mja
95 NOV 6

THE WHITE HOUSE
WASHINGTON

AG: 27
October 31, 1995

This is written for the following reasons - but would be willing to discuss possible demonstration options.

MEMORANDUM FOR THE PRESIDENT

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

I'd like to say to oppose this as written for the following reasons.... but would be willing to discuss possible demonstration options.

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: LAURA TYSON AND 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

11-6

Episkone -

The Riley letter
was not a response to
POTUS comment. It was
done before that at
Gene's request for Riley's
use at an event.

I agree that POTUS
was asking for thank
you notes, & we'll have
those done. *Red*

Todel - Did we really send the attached letter to Riley - see only for the President's work

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
11-3-95

November 2, 1995

95 NOV 2 P8:57

95 NOV 6

Jocelyn Colley --

Per POTUS' note,
Pls prepare thanks
notes to the
Senators.

MEMORANDUM FOR THE PRESIDENT

FROM: ERSKINE BOWLES
LAURA TYSON
GENE SPERLING
THE BUDGET WORKING GROUP

SUBJECT: Budget Working Group Report For November 2, 1995

- **Rapid Response to House Vote on Environmental Riders.** At this morning's Working Group meeting, it was decided that a rapid-response statement from you should be released in the event that the House voted to eliminate the special interest environmental riders. Ten minutes after the vote, Mike McCurry released your statement on environmental riders.

The AP wires ran a quote from your statement, saying, the riders are "a step in the right direction" but the Republican budget "still dismantles vital protections to keep our nation healthy, safe and secure."

*I showed
not needed
you to
fill in
L*

Direct Lending. Secretary Riley's press conference today with Senators Biden, Harkin, Kennedy, Levin, Murray, Robb, and Simon was well attended by the media, including AP, Gannett, McNeil-Lehrer, and the *Chronicle of Higher Education*. The Secretary stated that "Partisan politics and special interests are winning out over common sense and the best interests of students, schools and taxpayers."

The Secretary concluded by reading from a letter from you to him where you explicitly directed Congress not to "send me a bill that limits the ability of schools to choose whether to be in Direct Lending."

The AP wires quoted from your letter: "Those who propose to end direct lending are putting the interests of middlemen and special interests above the interests of students."

- **Medicaid Reporters Briefing.** Chris Jennings and Admin. Bruce Vladeck of HCFA held a press roundtable today attended by wire services, trades, and national press (see attached list). Points emphasized include the changes in the GOP state-by-state medicaid formula, nursing home reforms, and spousal impoverishment.
- **Health Care Radio.** Chris Jennings was interviewed today during the morning drive-time on 7 radio stations, including the number one talk stations in Manchester, New Hampshire, Cedar Rapids, Iowa, and Dayton, Ohio.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 2, 1995

STATEMENT BY THE PRESIDENT ON ENVIRONMENTAL RIDERS

Today's vote on the 17 special interest environmental riders is a step in the right direction, but we still have a long way to go if we are to stop Congress' assault on public health and the environment.

Even with the elimination of the riders, the Republican budget still dismantles vital protections that keep our nation healthy, safe, and secure. It still cuts funding for enforcement of environmental laws in half. America cannot protect the environment if we gut enforcement of anti-pollution laws.

As important as today's vote was, Congress' responsibility does not end here. Now, Congressional Republicans must take the next steps and change their bill to fully protect public health and the environment. As we balance the budget in the interest of our children, we must not leave them a world that is more polluted and less livable.

30-30-30

THE WHITE HOUSE

WASHINGTON

November 2, 1995

The Honorable Richard W. Riley
Secretary of Education
Washington, D.C. 20202

Dear Secretary Riley:

As the Congress moves to Conference on reconciliation, I wanted to reaffirm to you my position on Direct Lending.

I strongly oppose the Congressional majority's efforts to eliminate or cap the Direct Lending program.

Our goal should be to do everything in our power to promote opportunity for all Americans by making it more feasible for more families and students to realize the dream of a college education.

Direct Lending works to promote the goal of opportunity. This program is already saving taxpayers billions of dollars, while getting college students their funds faster, with less government red tape, better services, and less administrative costs for colleges and universities. By allowing students to pay back their loans as a small percentage of income over time, the Direct Lending program also allows students to choose the occupation of their choice and improves their ability to repay the money they borrow and cut the default rate.

Those who propose to end Direct Lending are putting the interests of middlemen and special interests above the interests of students. The best solution to the current dispute is for us in Washington to give schools across the nation the freedom to choose the student lending program that works best for them. We should let the market work by letting the consumer decide.

Every school should have the option to join Direct Lending. Let's not take that choice away by Congressional mandate. So let me be clear to Congress: do not send me a bill that limits the ability of schools to choose whether to be in Direct Lending.

Sincerely,

