

MEMORANDUM

95 DEC 22 P7:15

Thom B. Guy
Bob
Patterson *TH*

TO: NANCY HERNREICH

FROM: JOHN HART

DATE: 12/20/95

Bishop Pilla asked my to convey this personally to the President. Could you please make sure he receives it?

Thank you.

12/22

Todd,

12/23/95

To dorskind for reply?

☒ yes ☐ no

(Jessica, send the original letter to dorskind)

BC 519,



Office of the President

3211 4th Street, N.E. Washington, DC 20017-1194 (202)541-3100 FAX (202)541-3166 TELEX 7400424

Most Reverend Anthony M. Pilla, D.D., M.A.

Bishop of Cleveland

President

95 DEC 22 P7:15

December 14, 1995

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

Dear Mr. President:

Thank you once again for meeting with me last month to discuss the Catholic bishops' concerns about the federal budget. You know how strongly we believe that Medicaid and welfare proposals that would send more children into poverty must be rejected.

I write to you today on another urgent matter of life and death for young children. I know your advisors have urged you to veto H.R. 1833, the Partial-Birth Abortion Ban Act of 1995. With all due respect, Mr. President, I want to tell you that to do so would be a terrible mistake.

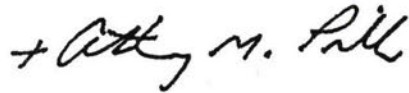
It would be a legal mistake. Your advisors' claim that this bill runs counter to Roe v. Wade is rebutted by Roe itself. Laws forbidding the killing of a child who has begun to leave the womb were explicitly exempted from the reach of Roe [410 U.S. 113, 117 n. 1 (1973)]. The claim that this kind of law must include a loosely worded "health" exception to be constitutionally valid is without foundation, because the Supreme Court has never ruled on the issue.

To veto this bill would also be a profound moral mistake, reaching beyond our longstanding disagreement on abortion. As we said in our Senate testimony, the partial-birth procedure is "one-fifth abortion and four-fifths infanticide." It directly and brutally kills a child who is mostly already born alive. To allow this procedure is to confirm that our society can no longer protect life even outside the womb.

Finally, to veto this widely supported bill would alienate millions of Catholics and other Americans with deep convictions on this life-and-death issue. Partial-birth abortion is a late-term procedure so brutally inhumane that it is opposed by many in Congress and the general public who support legal abortion. The American Medical Association's Council on Legislation unanimously recommended supporting H.R. 1833. Practitioners of late-term abortions have said that there is no medical need for the procedure and that they would never use it. Even "moderate" commentators say that in defending this indefensible procedure, abortion advocates have placed themselves on the extreme fringe of American sentiment. I urge you not to join that fringe.

Please know that I speak so candidly because I think you deserve to hear the facts before making an irreversible decision. I would welcome an opportunity to meet with you to discuss this issue further.

Sincerely yours in Christ,

A handwritten signature in black ink, appearing to read "Anthony M. Pilla", preceded by a small cross symbol.

Most Reverend Anthony M. Pilla
President, NCCB/USCC

12.22.95

→
Erskine:

Please deliver the enclosed letter and photograph to the President. Last Christmas, he presented a touching and meaningful gift to Barbara's father. This year, as the President sends our troops on a mission of peace to Bosnia, Barbara would like the President to share (through the photograph) the pleasure imparted to her father by the President's gift acknowledging his role in bringing peace to Europe in his generation.

Thank you.

Ron

Ron

Sent to
SMP Sec

Do min reply
to them for

12/22
Todd,

For Dorskind for reply?

✓ yes no

12/23/95
Original to
Dorskind
JRA

December 20, 1995

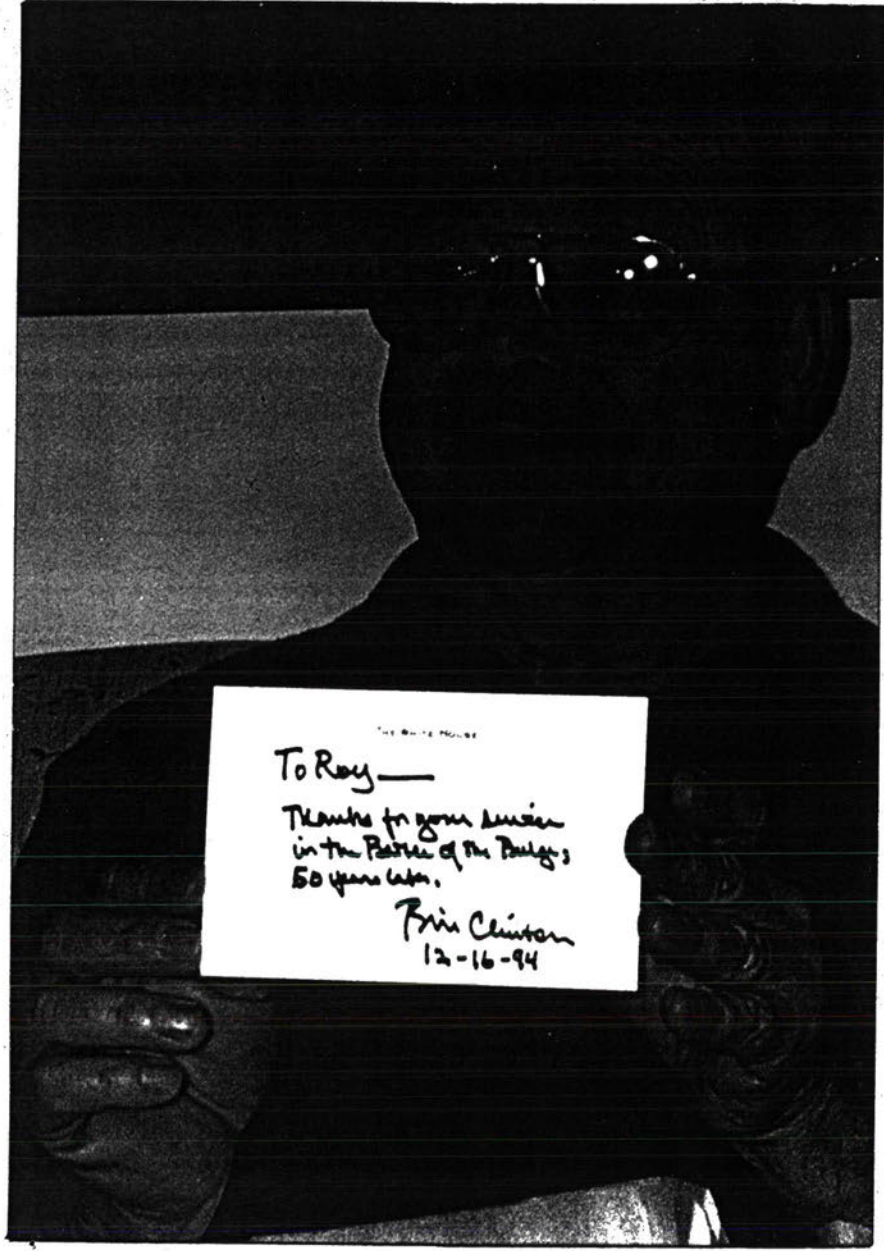
my Christmas,

Barbara A. Matzner
and
Ronald J. Matzner

Dear Mr. President,

One of your greatest gifts is your ability to touch the heart. You certainly touched mine last Christmas when, as your guest at a White House dinner, you presented me with a most considerate and meaningful gift for my father, a man you had never met. This Christmas, as you send this generation of America's soldiers on a mission of peace to Bosnia, my father and I would like to share with you (through the photograph) his profound gratitude and pleasure in receiving your acknowledgment of his role in bringing peace to Europe in his generation.

My father was completely overcome with the honor you bestowed upon him by your simple note. He proudly displays it in his barber shop in Nutley, New Jersey. He tells everyone who enters the story. He joins my mother, my husband Ronald, and me in wishing you, Hillary and Chelsea a blessed Christmas... and may peace be with us all.



Mrs. Ronald F. Metzger
250 South Washington St., #601
Alexandria, Va. 22314

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

Jack Rosen

900 Sylvan Avenue
Englewood Cliffs, NJ 07632
201-567-4600

*Todd sent
1/2/96
seen*

December 15, 1995

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

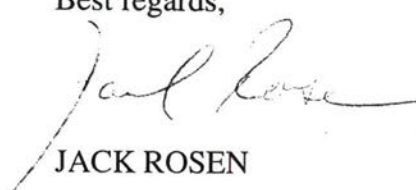
Dear Mr. President:

In January, I'll be attending the first Russian Jewish Congress, which will be held in Moscow. The three-day event will engage Jewish leaders from around the world to help Russian Jews celebrate their heritage and advance the Russian renewal of Jewish cultural, educational, and religious life. Specifically, I and the other attendees will be working to revive the use of Hebrew, support national Jewish schools, restore historic synagogues, and provide financial assistance for the elderly and disabled.

Such a gathering would have been unthinkable only a few years ago; this Congress represents the first unification event for Russian Jews since the advent of political and economic reforms. The Congress is being organized by Jewish community leader Vladimir Goussinsky, a talented, energetic businessman with whom I have worked cordially and successfully in opening new international business partnerships in Russia.

Since many of the reforms that make this Congress possible were instituted during the Yeltsin administration, it would be important to many of us if, on the occasion of the Congress, you could encourage the fact that Mr. Yeltsin has been supportive of religious freedom for Russian Jews, either verbally or through a letter of thanks on behalf of Americans. A few words from you would benefit the Jewish community in Russia immensely and free even further cultural and economic exchanges between Jews in Russia and those around the world.

Best regards,


JACK ROSEN

12/22

Todd,

To NSC for Reply?

☒ yes ☐ no

12/23/95

Jessica, if this goes to NSC for reply, give NSC the original, marking our chron copy as such.

s

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12-23

12/23/95
original
to Dorskind
JRA

TO: ✓ Chas. C. ✓
Jim Dorskind

FROM: Staff Secretary

Could you please
coord. note on a
reply?

TJH

12/18/85 10E 17:00 FAX 202 672 1001
December 8, 1995

*Per our
discussion*
Chris

The Honorable William J. Clinton
The White House
Washington, D.C. 20500

95 DEC 22 P12:45

Dear Mr. President:

The habeas corpus provisions in the Senate terrorism bill, which the House will soon take up, are unconstitutional. Though intended in large part to expedite the death penalty review process, the litigation and constitutional rulings will in fact delay and frustrate the imposition of the death penalty. We strongly urge you to communicate to the Congress your resolve, and your duty under the Constitution, to prevent the enactment of such unconstitutional legislation and the consequent disruption of so critical a part of our criminal punishment system.

The constitutional infirmities reside in three provisions of the legislation: one requiring federal courts to defer to erroneous state court rulings on federal constitutional matters, one imposing time limits which could operate to completely bar any federal habeas corpus review at all, and one preventing the federal courts from hearing the evidence necessary to decide a federal constitutional question. They violate the Habeas Corpus Suspension Clause, the judicial powers of Article III, and due process. None of these provisions appeared in the bill that you and Senator Biden worked out in the last Congress together with representatives of prosecutors' organizations.

The deference requirement would bar any federal court from granting habeas corpus relief where a state court has misapplied the United States Constitution, unless the constitutional error rose to a level of "unreasonableness." The time-limits provisions set a single period for the filing of both state and federal post-conviction petitions (six months in a capital case and one year in other cases), commencing with the date a state conviction becomes final on direct review. Under these provisions, the entire period could be consumed in the state process, through no fault of the prisoner or counsel, thus creating an absolute bar to the filing of a federal habeas corpus petition. Indeed, the period could be consumed before counsel had even been appointed in the state process, so that the inmate would have no notice of the time limit or the fatal consequences of consuming all of it before filing a state petition.

Both of these provisions, by flatly barring federal habeas corpus review under certain circumstances, violate the Constitution's Suspension Clause, which provides: "The privilege of the Writ of Habeas Corpus shall not be suspended, unless when in the cases of rebellion or invasion the public safety may require it" (Art. I, §9, cl. 2). Any doubt as to whether this guarantee applies to persons held in state as well as federal custody was removed by the passage of the Fourteenth Amendment and by the amendment's framers' frequent mention of habeas corpus as one of the privileges and immunities so protected.

The preclusion of access to habeas corpus also violates Due Process. A measure is subject to proscription under the due process clause if it "offends some principle of justice so rooted in

December 8, 1995

Page 2

the traditions and conscience of our people as to be ranked as fundamental," as viewed by "historical practice." Medina v. California, 112 S.Ct. 2572, 2577 (1992). Independent federal court review of the constitutionality of state criminal judgments has existed since the founding of the Nation, first by writ of error, and since 1867 by writ of habeas corpus. Nothing else is more deeply rooted in America's legal traditions and conscience. There is no case in which "a state court's incorrect legal determination has ever been allowed to stand because it was reasonable," Justice O'Connor found in Wright v. West, 112 S.Ct. 2482, 2497; "We have always held that federal courts, even on habeas, have an independent obligation to say what the law is." Indeed, Alexander Hamilton argued, in *The Federalist* No. 84, that the existence of just two protections — habeas corpus and the prohibition against ex post facto laws — obviated the need to add a Bill of Rights to the Constitution.

The deference requirement may also violate the powers granted to the judiciary under Article III. By stripping the federal courts of authority to exercise independent judgment and forcing them to defer to previous judgments made by state courts, this provision runs afoul of the oldest constitutional mission of the federal courts: "the duty ... to say what the law is." Marbury v. Madison, 5 U.S. (1 Cranch) 137, 177 (1803). Although Congress is free to alter the federal courts' jurisdiction, it cannot order them how to interpret the Constitution, or dictate any outcome on the merits. United States v. Klein, 80 U.S. (13 Wall.) 128 (1871). Earlier this year, the Supreme Court reiterated that Congress has no power to assign "rubber stamp work" to an Article III court. "Congress may be free to establish a ... scheme that operates without court participation," the Court said, "but that is a matter quite different from instructing a court automatically to enter a judgment pursuant to a decision the court has not authority to evaluate." Gutierrez de Martinez v. Lamagno, 115 S.Ct. 2227, 2234.

Finally, in prohibiting evidentiary hearings where the constitutional issue raised does not go to guilt or innocence, the legislation again violates Due Process. A violation of constitutional rights cannot be judged in a vacuum. The determination of the facts assumes "an importance fully as great as the validity of the substantive rule of law to be applied." Wingo v. Wedding, 418 U.S. 461, 474 (1974).

The last time habeas corpus legislation was debated at length in constitutional terms was in 1968. A bill substantially eliminating federal habeas corpus review for state prisoners was defeated because, as Republican Senator Hugh Scott put it at the end of debate, "if Congress tampers with the great writ, its action would have about as much chance of being held constitutional as the celebrated celluloid dog chasing the asbestos cat through hell."

In more recent years, the habeas reform debate has been viewed as a mere adjunct of the debate over the death penalty. But when the Senate took up the terrorism bill this year, Senator Moynihan sought to reconnect with the larger framework of constitutional liberties: "If I had to live in a country which had habeas corpus but not free elections," he said, "I would take habeas corpus every time." Senator Chafee noted that his uncle, a Harvard law scholar, has called habeas

December 8, 1995

Page 3

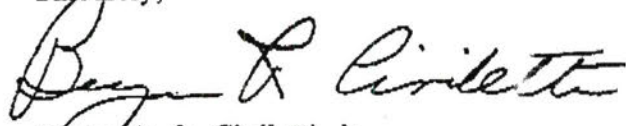
corpus "the most important human rights provision in the Constitution." With the debate back on constitutional grounds, Senator Biden's amendment to delete the deference requirement nearly passed, with 46 votes.

We respectfully ask that you insist, first and foremost, on the preservation of independent federal review, i.e., on the rejection of any requirement that federal courts defer to state court judgments on federal constitutional questions. We also urge that separate time limits be set for filing federal and state habeas corpus petitions — a modest change which need not interfere with the setting of strict time limits — and that they begin to run only upon the appointment of competent counsel. And we urge that evidentiary hearings be permitted wherever the factual record is deficient on an important constitutional issue.

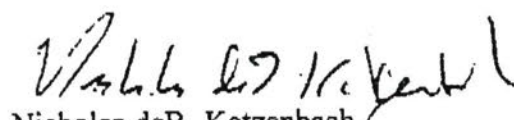
Congress can either fix the constitutional flaws now, or wait through several years of litigation and confusion before being sent back to the drawing board. Ultimately, it is the public's interest in the prompt and fair disposition of criminal cases which will suffer. The passage of an unconstitutional bill helps no one.

We respectfully urge you, as both President and a former professor of constitutional law, to call upon Congress to remedy these flaws before sending the terrorism bill to your desk. We request an opportunity to meet with you personally to discuss this matter so vital to the future of the Republic and the liberties we all hold dear.

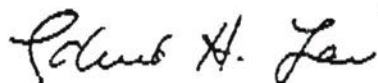
Sincerely,



Benjamin R. Civiletti, Jr.
Venable, Baetjer & Howard
1800 Mercantile Bank & Trust Bldg
2 Hopkins Plaza
Baltimore, MD 21201



Nicholas deB. Katzenbach
906 Great Road
Princeton, NJ 08540



Edward H. Levi
University of Chicago
Harper West 606
1116 East 59th Street
Chicago, IL 60637



Elliot L. Richardson
Milbank, Tweed, Hadley & McCloy
1825 I Street, N.W.
Washington, D.C. 20006

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12-22

TO:

Lanvin

Alexis

FROM: Staff Secretary

Does this help?
Should we do a
letter at all? It
so what do you want
to say? Please
advise. Todd

95 DEC 22 P12 : 06

December 22, 1995

MEMORANDUM TO THE PRESIDENT

FROM: BRUCE LINDSEY 

SUBJECT: DRAFT OF SECURITIES LITIGATION RESPONSE TO
SUPPORTERS OF H.R. 1058

Attached for your review is a draft response to supporters, including those in the high-tech community, of the securities litigation reform bill.

I know how strongly you supported securities litigation reform. I have attached a copy of my veto statement for your review.

This bill was one of the more difficult legislative decisions I have had to make. I believed, and still believe, that meaningful reforms of the procedures governing securities litigation are needed. I also believe that responsible corporations should be able to provide investors with useful information about future projections, together with appropriate cautionary statements, without fear of being sued if the projections do not come true. At the same time, true victims of financial fraud should not be unreasonable denied their day in court. This is why I had hoped for a narrow correction in the bill.

Reasonable people disagree about the expected effects of the bill's provisions. I hope that the unintended effects on meritorious litigation do not materialize; and if they do, I would hope that Congress will act quickly to make any corrections.

THE PRESIDENT HAS SEEN

12.22.95

THE WHITE HOUSE

WASHINGTON

December 8, 1995

95 DEC 8 P7:07

MEMORANDUM FOR THE PRESIDENT

FROM: Alexis M. Herman 

RE: Bosnia

Per our conversation, attached is a summary of letters and key editorials in support of our Bosnia policy that we have distributed to Members on the Hill.

Specifically regarding your concern about African American support, see page marker on letter from Tuskegee Airmen. Additionally, most of the Black Caucus, Mayors, key leadership are on board. Jesse Jackson and Roger Wilkins are on Black radio on our behalf. Ambassadors Albright and Holbrook have also been extremely helpful in our targeting efforts of key constituencies.

Attachment

cc: Leon Panetta w/attachment
cc: Harold Ickes w/attachment
cc: Erskine Bowles w/attachment

AMH:RGM

95 DEC 22 All : 25

DORSEY

12-22-95

original
CARD to
Doriskind

S.

Mr. President and Hillary,

Holiday Greetings from the Palace!

Ya'll come!

Lynda and Bill Webster

With our warmest wishes for the
new year.

ST. PETERSBURG.

4777 Dexter Street, N.W.
Washington, D.C. 20007

Christmas 1995



THE WHITE HOUSE
WASHINGTON
December 22, 1995

To: Leon Panetta
George Stephanopoulos
Gene Sperling
Don Baer
Michael Waldman

Fr: Todd Stern

Re: Budget message

Along the lines of the point I made at the meeting this morning, I think the President could say something like this today (assuming House goes out and we get no CR):

- My Administration and the Republicans in Congress are both trying to achieve a balanced budget. They have one view of how to try to do that. I have a different view. But there is no question that the task before us is to try to negotiate an agreement.
- I have been trying in good faith to do that. I have talked with the Republican leadership on numerous occasions and have met with them twice in this week, including several hours Tuesday and several hours today. Our staffs met yesterday for most of the day. I have offered several proposals designed to try to bridge the gap between us.
- Let me also say that I do not doubt the sincerity of the Republicans in the House or Senate. I understand that they have strongly held views. I disagree with them and I have strongly held views of my own. But I accept that we have honest differences.
- What I cannot understand and cannot accept is their refusal to allow this government to open while we negotiate. Let there be no mistake -- the closure of our government is causing real pain to real people at the cruelest possible time -- during the Christmas season.

I am not just talking about the thousands of families who cannot visit our nation's great monuments and museums -- though the disappointment of so many who have come to Washington over the holidays for just that reason is real enough. But I am talking most of all about our nation's veterans who very soon will have to go without benefit checks. I am talking about mothers in poverty who won't get the checks they need to buy food for their children or pay rent.

- And I cannot understand how Republicans in Congress can vote to leave town and go home for a Christmas recess while these and so many other people who depend on our government are left in the lurch. It is wrong.
- Of course I know that there are many Republicans in Congress who do not agree with these tactics. Who are prepared to do the right thing, open the government, and then -- with the government open -- negotiate like responsible adults. Unfortunately, there are too many others who prefer to use strong-arm tactics no matter who it hurts.
- Their position is that they will open up the government and allow checks to be sent to our veterans and neediest citizens *only* if I accept their way of achieving a balanced budget. This is no way for serious representatives of the American people to behave. It is irresponsible.
- Let me be clear: I am not making any comparable demand. My position is simple. We have disagreements. Let's try to work them out. But as we do that, let us not hold our veterans, needy mothers and children hostage.
- Whether the Republicans in Congress like it or not, neither the Congress nor the President can act alone in our system. We must work together. There is no other choice.
- Thus, the question before us right now is not whose view on balancing the budget is right and whose view is wrong. The question is not about whether I agree with their proposal or they agree with mine. There will be plenty of time to discuss our opposing views at the bargaining table. The question before us now is whether it is right to make innocent Americans pay while we try to settle our differences. It is not.
- So I call on Republicans in Congress to put aside the demand that says "it must be our way or no way." Let the government open. Let the checks go out in this Christmas season to our veterans and our hungry children. And then let us work together at the bargaining table to try to reach common ground. That is our job as elected officials.
- It is time for responsible leadership.

THE PRESIDENT HAS SEEN

12/21/95

December 12, 1995

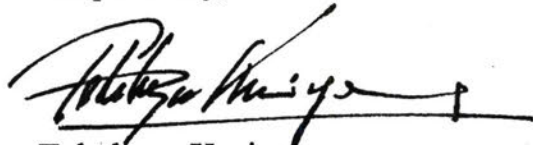
Dear Mr. President:

On behalf of my wife Mimi and myself, I want to thank you for your wonderful gifts. It was very thoughtful of you. These beautiful mementos will serve as a great reminder of the many fond memories we have acquired here in Washington.

Though our official work here will end very soon, our experiences here have given Mimi and me, the determination to continue to work toward strengthening the bond between our two countries.

Again, many thanks for your kind gesture, and Mimi joins me in sending you and your family our best wishes for the holiday season and for a happy and healthy New Year.

Respectfully,



Takakazu Kuriyama
Ambassador of Japan

12/21

from Oval
to RM

Dorskind #

OR

NSC

12/21/95

Tim or whoever,

Earlier I gave you back NSC package number 9005 -- Report to Congress on U.S. Armed Forces in Bosnia-Herzegovina, Croatia and Hungary.

When I stamped 'The President has seen', I am certain I used the date of 12-22-95. Well, hello, today is the 21st.

Could you please change that date for me.

Thanks.

sharon

12/21/95

NSC West Wing Desk,

About 10:00 PM this evening, I realized that today is the 21st not the 22nd. Earlier this evening I brought back to you several memos stamped 'The President has seen' and used the date of 12-22-95.

This is a list of the ones I mismarked so you can correct the date on your original memos --

- 8697 Medal of Freedom
- 8972 Thank you notes to Congressional Members who voted to Support Bosnia Mission
- 8979 Ltr of Congratulations/Spanish Prime Minister
- 8752 Letter to Northern Ireland Community Leader Jackie Redpath
- 8573 Congratulatory letter to Amb. Robert Krueger

- 8980 North Korea
- 8877 redo Conternarcotics Update

Sorry for the inconvenience.

Sharon Wagner/
Staff Secretary's Office

BILL CLINTON

w/ incoming
Craig Smith
Ann Lewis
→ via political Affairs

December 21, 1995

Kathleen Elizabeth Willey
2320 Castlebridge Road
Midlothian, Virginia 23113

Dear Kathleen:

Thanks for your letter of December 5. I'm sorry I missed you when you were in town last week, but it was good to hear from you and to get an update on your activities. The Convention on Biological Diversity must have been fascinating.

Thanks, too, for your continued desire to serve the Administration. I'm glad to hear you've already met with Brian Bailey and Ann Lewis regarding a job with the campaign. It sounds like you're on the right track.

Have a wonderful holiday season.

Sincerely,

Bill Clinton

mf
rad 12/17

Kathleen Elizabeth Willey

Dear Mr. President,

I have just returned from Jakarta, Indonesia, where I attended the Convention on Biological Diversity as a public member with the United States delegation. Thank you once again for allowing me the opportunity to be with such a fine group representing you and our country. Our delegation was comprised of knowledgeable, well-respected members whose advice and counsel was constantly sought after, even though our Senate has not yet ratified the Rio Convention. Special recognition should be given to our head of delegation, Rafe Pomerantz, from the State Department and David Hales, Director of The Global Environment Center at USAID, our second head of delegation. It goes without saying that Tim Wirth did his usual outstanding job representing the United States. It was a great honor being

There. I learned so much and made many new friends from all over the world. I also spent one day in a rain forest, followed by a day diving the coral reef on the island of Sulawesi, experiences which I will never, ever forget.

Although I have been in constant touch with Bob Nash in Presidential Personnel, we are still having a lot of difficulty finding a job for me, which is understandable with all of the current budget cuts. In light of that fact, I respectfully ask that you consider me for a position on your re-election campaign, on a national level. I have worked on various campaigns over the years and feel that I have much to offer your campaign. It is more important than ever, for our country, for our children and their children that you are re-elected and I am committed to that goal. I am now in a position to move to Washington and know that while I am very much in need of employment, I think that the

Clinton/Gore Campaign needs me too. I am free to travel and work on your behalf for the next year.

I will be in Washington on December 11th and 12th, and I hope that I might be able to have a few minutes of your time to discuss this further. I will call Nancy and let her know when I arrive.

I have followed every day of your trip to Europe this past week and have seen the wonderful reception given you at every stop. How proud you must be of your role as peacemaker in this troubled world of ours!

Thank you for taking the time to read this - I hope to see you next week.

Kindly,
Katatam

December 5, 1995

with travel time, introduced by Rep. Fawell (R-IL) and H.R. 2531, a bill to amend the Fair Labor Standards Act of 1938 (FLSA) to exempt house parents from the minimum wage and maximum hours requirements, introduced by Rep. Hutchinson. The Subcommittee passed and ordered all three bills reported favorably to the full Committee. All votes were party line voice votes, with the Democrats opposing all the bills and the Republicans supporting them. Regarding his compensatory time bill, Subcommittee Chairman Ballenger made it clear that he would like to work with the Democrats to get a bill that the Congress could pass and that the President would sign. Rep. Owens (D-NY), Ranking Member, stated that Committee needs to consider raising the minimum wage along with these other issues. These bills seek to amend the FLSA and erode some of the worker protections afforded by that Act.

ERISA Enforcement: On December 11, Secretary Reich announced that DOL would soon be proposing a rule that shortens the amount of time employers can hold workers' 401(k) monies. This action is part of a campaign which began earlier this year to deter misuse of 401(k) plans. In addition, the Department is working towards the introduction of the ERISA Enforcement Improvement Act of 1995, legislation that, among other things, would require plan administrators and their auditors to report serious violations of ERISA to DOL. A memorandum outlining Labor's communications strategy is forthcoming.

- **Minimum Wage:** On Friday, Secretary Reich testified before the Senate Labor and Human Resources Committee on your proposal to increase the minimum wage.

New SEIU President: The Service Employees International Union (SEIU) has chosen Richard W. Cordtz, former secretary-treasurer of the union, to fill the unexpired term of former president John Sweeney. Betty Bednarczyk will fill Cordtz's unexpired post. At this time, Cordtz is not expected to run for the presidency of the 1.1 million-member union at the 1996 convention.

Jim Dorskind

please coordinate
the reply.

Do concepts
letters

as Federal Express Corp. company officials have stated that they are only a es short of getting a new National Mediation Board (NMB) authorized election for the 2,800 pilots engaged in a labor dispute against the firm. The association (ALPA) dismissed the statements as false and claims that flight en severely disrupted, thus proving union solidarity. Magdalena Jacobsen, b, has scheduled a resumption in talks at board headquarters in Washington

- **IAM Ends Strike Against Boeing:** International Association of Machinist members ended a 69-day strike against Boeing Corporation by ratifying a tentative agreement on December 14. IAM members approved the pact by a resounding 18,604- 2,779 vote. The contract runs until September 1, 1999. The agreement provides for lump-sum incentives and general wage increases of about 3% per year; improvements in job security and restrictions on subcontracting; a joint approach to administering health care with no employee copayments if costs remain below the national average; and other additional benefits.

- **Caterpillar Delays Re-Hiring Striking Workers:** In the recently concluded dispute at Caterpillar, UAW sources contend that the company has delayed re-hiring striking workers and has thus created tension at all company facilities. The UAW rejected a company proposal, but ended the strike on December 3.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12/21/95

✓
TO: HAROLD ICKES
DOUG SOSNIK ✓

FROM: Staff Secretary

F A C S I M I L E

CONTACT President Bill Clinton

FROM Roy Spence

GSD&M

COMPANY c/o The White House

JOB NUMBER

DATE · TIME 12/14/95 10:00 AM CST

NUMBER OF PAGES · INCLUDING COVER 7

COMMENTS/MESSAGES Nancy, Would you mind forwarding at your convenience.

Many thanks and happy holidays! Roy Spence

IF RECEIVED INCOMPLETE PLEASE CALL 512 327 8810

RETURN FAXES TO NUMBER INDICATED BELOW

☐ AS YOU REQUESTED☐ AUTO FAX (4TH FLOOR) · 512 327 1775☐ FOR YOUR COMMENTS☐ ACCOUNTING FAX · 512 329 2615☐ NOTE AND FILE☐ 2ND FLOOR FAX · 512 329 2744☐ FOR YOUR FINAL APPROVAL☐ 3RD FLOOR FAX · 512 329 2717☐ FOR IMMEDIATE RESPONSE☐ 5TH FLOOR FAX · 512 329 2747☐ 6TH FLOOR FAX · 512 329 2996

GSD&M MARKETING & PUBLIC RELATIONS CORPORATION · ONE CIRCLE CENTER · 1250 CAPITAL OF TEXAS HWY · FOURTH FLOOR · AUSTIN, TEXAS · 78746 · 512 327 8810 · FAX 512 327 1775

Roy M. Spence, Jr.
1250 Capital of Texas Hwy., Suite 400
Austin, Texas 78746

95 DEC 21 11:48:50 AM

ce doing \$
to Mr.

December 12, 1995

Dear Mr. President:

You are doing an excellent job and the polls are obviously reflecting that. Funny how when you do a great job and you focus on letting people know what you are doing for them, even if they don't agree with everything, they in turn respect your intentions.

Enclosed is what will end up being the final draft of the *mission* of the 21st Century Democrats. We have coalesced an extraordinary group of diverse people united behind this mission.

In the final analysis the mission is very clear because it is anchored in the truth. And that is without a strong and prospering middle class and without the hope and the real opportunity for the working poor to enter the middle class, there is no way the United States of America will continue to achieve the greatness that I believe we are destined to achieve.

**The 21st Century Democrats.
A strong middle class means a strong
America.**

Please tell Hillary that I miss her and I look forward to seeing and talking with you soon.

Best regards,


Roy Spence
Attn.

DRAFT

The Mission.

"We will relentlessly pursue ideas that will leave Texas and America better off than we found them."

The 21st Century Democrats have *one* mission.

We want to make a measurable difference. We are dedicated to the idea that it is our turn to take on the responsibility of passing on a state and nation that are stronger and provide more opportunity for each individual to become better off than any generation before us.

We reject the narrow partisanship of the past.

We embrace the values of diversity, opportunity, responsibility, accountability, freedom and community.

We are more interested in *progress than politics*.

The 21st Century Democrats will reflect upon our past but will race toward the future.

Those citizens who have already made it will receive our respect. Those who simply cannot make it will get our empathy. But those who are willing to pay the price to *try to make it* will get our heart and soul. For it is now, and always has been, those ordinary citizens who do extraordinary things who make our nation something special.

We will be grass roots. We will seek massive input. We will be bottom-up, not top-down, driven. We will establish *ownership* of our mission. We will, however, require a commitment of equity from our members, both financial and sweat.

We will be 15,000 to 20,000 strong here in Texas. We will bring in new people. Our strength will come not from the spin of our message but from the *conviction of our mission*...to make a difference. Our mission will be anchored in our core values. Those values will be our perpetual guiding star. And we will focus on those issues that unite people, not divide them. For historically Democrats and visionary Presidents had one thing in common—we were healers, architects and builders.

The primary focus of the mission of the 21st Century Democrats is to help in whatever way we can to refocus the Democratic Party, our policies, people and our politics upon the *pocketbook* issues that face all Texans and Americans.

We firmly believe, and history confirms, that the foundation of any strong and sustainable Democracy, which is anchored in the idea of free enterprise, is an expanding, inclusive and prospering middle class.

There is now no question that the middle class is shrinking. This trend must be reversed over time. And the time to start that reversal is now.

In addition, our top priority must be to offer real and tangible opportunities for those who are not yet part of the middle class (the working poor), but who have the work ethic and determination to succeed. These hard-

working Americans must not be left behind or the very idea of a strong, expanding, and prosperous middle class will crumble.

The 21st Century Democrats also believe that a strong, expanding and prospering middle class is good for business. We reject the antibusiness bias of the past. We know that a healthy business community and a healthy middle class are absolutely linked to one another. The great majority of businesses are dependent upon a prospering middle class to have the purchasing power to be able to afford to buy goods and services. Therefore, we are committed to developing policies that encourage business to support our mission of adding new growth, vitality and prosperity to the middle class.

There should be no trade off between what is good for business and what is good for the middle class.

The 21st Century Democrats.
A strong middle class means a strong America.

The following are the three principles upon which our mission will be focused:

- The real opportunity for a lifetime of at least modest *financial security* for those families who are trying to make it and who play by the rules.
- A new generation educated and prepared for the extraordinary challenges of the New Economy and a real commitment to the principle of retraining and the opportunity for a lifetime of learning.

- The quest to make our communities safe and secure for our families.

These principles will be our focus. Our challenge.
Our reason for being.

The Three Defining Strategies of the 21st Century Democrats.

A mission, not a message.

We are more interested in the conviction of our mission than the spin of our message. We are on a mission to leave our state and nation better off than we found them. Individuals within the 21st Century Democrats are, of course, free to support the more single issue principles that also make up the Democratic Party, but our efforts will be focused upon the *pocketbook issues* that cut across most constituencies.

The purpose of the 21st Century Democrats is to focus our efforts on the central idea that the creation and sustainability of a strong, expanding, inclusive and prospering middle class must be America's top priority—where the opportunity for at least a modest degree of financial security is afforded if one works hard, pays taxes and plays by the rules.

In addition, we believe that we must focus upon short- and long-term solutions to provide more safety and security for our families and communities.

Candidates and public servants who support the mission.

The 21st Century Democrats will seek out, embrace and encourage those candidates and public servants who fundamentally support our mission. Discipline and focus will guide us. Fifty-one percent of the vote will be our measurement.

New people. New energy. New victories.

The 21st Century Democrats will seek new people—especially the young, the entrepreneurs and the next generation of business and civic leaders. We will empower them to lead and take on responsibility. This is a new world. And the next generation must have a real stake in the outcome of our mission. Our mission to make a difference will depend on our courage and energy to make it happen. The wisdom of age and the vitality of youth will be the combination that will unlock the door to victory.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12.21

TO: Bob Nash

FROM: Staff Secretary

pyl. Any thoughts?

Ted

cc: Rahm Emanuel
Jack Quinn

Anthony J. Schembri
5 Lake Avenue
Bedford, New York 10506
(914) 234-6251

December 13, 1995

95 DEC 21 10:43

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

Attention Rebecca Cameron:

Dear Mr. President:

Several years ago when we met at the White House I was under your consideration for Director of NIJ. Shortly thereafter I was appointed Commissioner of Corrections in New York, the largest jail system in the world. I was of some assistance to you in the passage of the Crime Bill.

I have recently left the Giuliani administration and authored two books. I understand Dr. Brown will be leaving your administration. This letter will serve to advise you of my interest in that post. Mayor Giuliani will be glad to endorse my candidacy.

As a former Police Commissioner in Westchester, I served as the United Nations Representative of the International Association of Chiefs of Police and sat on the Narcotics Committee for the INEOA. As a former law professor, I developed the first course on *Corruption in Government* at an American law School. I have the distinction of having been appointed by two New York Mayors, a Governor and a City Manager who nominated me for an *Innovations in Government Award* at Harvard. I am about to assist the South African government in reorganizing their police and corrections systems.

I enjoyed our last meeting at the White House and I hope I may have the privilege to return and speak with you about what I can bring to this post.

All my best!

Sincerely,



Anthony J. Schembri

A Boston Law School Insists Students Get Real-World Training

Northeastern University Dean Stresses 'Public Interest,' Starts Inner-City Project

A Higher-Ed Balancing Act

By JOSEPH N. BOYCE
Staff Reporter of THE WALL STREET JOURNAL
BOSTON — It is a long way from the corridors of an all-black school in Savannah, Ga., 1965, to the dean's office of a Boston law school, 1995.

And yet, for David Hall, it really is not so far after all.

As a young basketball player, his dream of making the NBA vaporized after a stint with a team in Italy. As a young student, he scored poorly on the crucial admissions test and nearly missed his chance at law school. Now, Mr. Hall, 45, runs the Northeastern University School of Law, expanding its dramatically different — and sometimes controversial — approach to teaching law and training lawyers.

He insists on imbuing students with a keen sense of ethics, justice and a lawyer's obligation to society. The most vivid symbol: This year, Northeastern opened the Urban Law and Public Policy Institute on campus, a community resource center designed to bridge the often-alienated worlds of law and the inner city.

For Mr. Hall — who grew up in the segregated South, whose parents never went beyond third grade — this approach is entirely appropriate. "If we have a system of law . . . that alienates and destroys large segments of society, we need to rethink those things and come up with educational and legal systems that are fairer and that can inspire," he says.

And Northeastern, a private school near heavily black areas such as Roxbury and Mattapan, is the perfect place to begin: "Law schools have to contribute in other ways than just producing lawyers," he says.

This makes Mr. Hall, dean since 1993, "one of the most important leaders in legal education today," says Harvard Law Prof. Charles J. Ogletree Jr., an expert in criminal justice. "When you think of teachers, he is what I would hope to be."

Passing the Bar

Mr. Hall's school does this while maintaining high standards in a remarkably diverse environment: In recent years, Northeastern's first-time bar-passing rate has hovered between 84% and 93%. About 92% of last spring's grads got jobs within six months of leaving the school. And this year's new class of 193 students is 67% female and 27% "people of color," a school spokeswoman says.

But the school's philosophy has its critics, who say Northeastern must not be so intent on pushing a social agenda as to lose sight of its main purpose — to teach the fundamentals of law.

Central to Northeastern's approach: Professors must infuse their courses with values and ethics and teach students the effects of discrimination and poverty.

So when Mr. Hall teaches contracts, he cites cases involving slave ownership — to remind students that at one time slaves had legal standing only as property.

A first-year torts course, taught by former Dean Daniel J. Givelber, includes cases in which calling someone black or gay was ruled defamatory — "in effect communicating that these are 'bad things' to be," he says.

The idea, Mr. Hall says, "is to test students; to see if they are willing to do the same thing that those judges were willing to do — talk about these cases as just cases and ignore the human beings."

Into the Community

Now Mr. Hall is going a step further, with the Urban Law and Public Policy Institute.

The institute has received a \$1.6 million grant over five years from the U.S. Department of Education to work with health, youth and family service groups in Roxbury and Mattapan. "We're trying to train the next generation of community activists," says Dennis J. Wright, a Roxbury native, Northeastern law grad and the institute's first executive director.

They are likely to get a welcome reception from residents besieged by crime and estranged from the legal system.

In Roxbury, a group that helps at-risk children expects the institute to work with youths represented by overburdened public defenders.

In Mattapan, community leaders asked the institute to help identify owners of vacant properties and hazardous-waste sites. Lillie Searcy, director of the Mattapan Family Service center, says, "For once I want to be part of building something that's going to make a difference in this community." Mattapan, still mostly middle-class, has undergone alarming change, she says. "There's gangs now and crime. And death. Lots of death."

Life was more segregated but far less violent in Savannah, where Mr. Hall was born, raised and schooled. His father, a railroad laborer, and his mother, a domes-

Please Turn to Page A7, Column 1

Continued From First Page
tic, "never made me feel 'less than,'" he says. Still, Mr. Hall remembers, the "injustices were very stark and clear. . . . We weren't receiving the same amount of resources that others were receiving in the city." One day, in sixth grade, his teacher asked her students what they wanted to be. "I said 'lawyer' because it sounded good," he says. The teacher "stopped in her tracks, looked at me and said, 'You would be a good one.' Her words of affirmation really made me latch on to that dream."

But first he would try basketball. After an adolescent growth spurt, eventually reaching 6-foot-7-inches, he started practicing at night with a leaky leather ball and a hoop on the side of his house. Young David made up in perseverance what he lacked in natural talent. He led Alfred Ely Beach High School to a state championship, and at Kansas State University, he was both a basketball and academic All-American. But when Mr. Hall took the Law School Admission Test and then tried out for the pros, he scored poorly all around.

After playing in an Italian basketball league, marriage to his college sweetheart and the birth of a son, Mr. Hall came back to the U.S. He enrolled at the University of Oklahoma, getting a master's degree in human relations. He applied to the law school but was initially rejected because of his dismal LSAT score.

Teaching Law

He was subsequently admitted after excelling in a summer program for applicants with low test scores but high potential. Graduation in 1978 was followed by a stint with the Federal Trade Commission in Chicago and teaching jobs at the University of Mississippi and University of Oklahoma law schools.

Mr. Hall committed to teaching early on because so few blacks were on law faculties, and the rewards were more immediate in the classroom than the courtroom. But "to be really respected" as a legal educator, Mr. Hall felt he needed more training. He enrolled in a doctoral program at Harvard Law School and, in 1985, joined Northeastern's faculty.

The university has long had a reputation for involvement in the community and for commitment to diversity.

The law school was founded in 1898 by a group of professors seeking to give working-class students a chance to become lawyers. Among the innovations: night classes. Enrollment peaked at 2,400 in the 1920s, but hard economic times forced the school to close in 1956. It reopened in 1968 with a program of "cooperative" education much like that of the university's undergraduate school, which mixes classroom instruction with related jobs in the field.

Northeastern's students are "dramatically different" from Prof. Givelber's Harvard Law class of 1964. His class was "a sea of white male faces. . . . We learned under a set of circumstances where you could assume that the basics were the same for everybody."

Those assumptions are challenged at Northeastern, starting with a mandatory freshman class called Law, Culture and Difference and designed, the school's catalog says, as "an approach to thinking about the law and its relationship to culture."

Candid Discussions

The heavy emphasis on how law treats racial, gender and cultural differences makes some squirm. At a class of about 80 freshmen, Mr. Hall and two other professors discuss immigration and race. During the spirited interchange, a few students roll their eyes at classmates' observations such as: "Whites, in general, don't like having to say I'm sorry." Or, from a professor: "My son can have a wide variety of friends, but he can also be chased in the aftermath of the Rodney King verdict because he's white."

The course has been criticized by some students who complain that it doesn't contribute to passing the bar. "I'm glad it's controversial," Mr. Hall says. "It should be. The question is, can we say to people that it's legitimate for you to grapple with these things? It's not only legitimate but necessary because we think it will help make you a better lawyer."

Emphasis is heavy on morals and ethics, which Mr. Hall says law schools often relegate to a course or two. It should be a part of every class, he argues.

For second- and third-year students, curricula and clinics continue to emphasize public interest. Among more traditional offerings, such as taxation, trusts and bankruptcy, are classes on welfare law, urban violence and environmental policy. The clinical program includes practical experience in cases involving domestic violence, prisoners' rights and poverty law. Students receive written evaluations instead of grades.

After the first nine months of classes, students go on a year-round schedule, alternating three months of classes with three months of working for one of 800 law firms, government agencies and nonprofit organizations that are co-op members. Of the four co-ops a student will take, at least one must be in the public-interest sector.

This approach, Harvard Prof. Ogletree says, "is not only feasible, it's essential." Mr. Hall "has not simply taught it in the classrooms and halls of prestigious institutions, but also in the back rooms of community groups."

The Public Interest

But has the school gone too far? "There is room for everybody," says Henry G. Manne, dean of George Mason University's school of law and a proponent of relating legal studies to other disciplines. Yet he warns against overemphasizing public-interest work: "You can't put together an international trade deal by simply adding a lot of young, eager law graduates."

While the school's "public-interest package is very real, [the] traditional, solid education is kind of buried in there," Northeastern Prof. Edward O. Correia says. "I'm determined that by the time those people are out of there, they know all the bases of constitutional law well and could go pass the bar right then on constitutional law without a fear in the world. What David has added is to say, 'OK, you can do that, but you can do more than that.'"

The co-op program is what attracted third-year student Scott Frank, 28, to Northeastern. "The public-interest bent of the law school had zero interest to me," says Mr. Frank, who is white and calls himself politically conservative. "A good law school is a balanced law school," he says, and he worries that Northeastern could become a "niche" program.

Asked about a posted invitation to "first-year students of color" to meet with attorneys from major Boston law firms, Mr. Frank shrugs and says, "I hope that within this atmosphere they could work towards more color-blindness." Nevertheless, he adds, "I'm glad I'm here. I wouldn't be elsewhere."

And Mr. Hall wouldn't want him to be. Students are told to "bring your values, your culture, your historical experiences. . . . Know that it's going to be challenged, but know that we are not telling you to leave it at the door," he says.

Prof. Givelber concedes that some view the approach as social engineering, but says: "Tragically, you've got a choice — either ignore it all or look at the issues and then be subject to the accusation that it's indoctrination of political correctness."

Mr. Hall has divorced and remarried, and he and his wife have a three-year-old daughter and live in a Boston suburb. His speaking engagements and evening meetings, many with community groups, make for 80-hour weeks. But that's fine with him. He has kept the same perspective he had when he decided to seek the dean's job, he says: "This isn't about me. It's about the direction of the law school."



David Hall

Alexia

THE PRESIDENT HAS SEEN

12.22.95

Good pie

We showed to

a nice with him

JIM DORSKIND:

Be

Please coordinate the reply.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
12.22.95

95 DEC 18 P4:44

December 18, 1995

RECOMMENDED TELEPHONE CALL

TO: Mr. ✓ Aaron Feuerstein, President of Malden Mills Industries.
Mr. Feuerstein is the owner of the company that was devastated
by a fire in Lawrence, MA.

DATE: Business hours this week.

RECOMMENDED BY: Kitty Higgins, Wendy Smith, and Laurie McHugh.

PURPOSE: To congratulate and thank Mr. Feuerstein for his announcement
that his company will continue to pay EVERY employee despite
the fire.

BACKGROUND: On December 12th, a significant portion of the Malden Mills
Industries complex in Lawrence, MA was seriously damaged by
fire. Twenty four people were injured, a major part of the
operation was destroyed and 2,400 workers were dislocated. On
December 13th, Mr. Feuerstein announced that within 30 days,
approximately 80 percent of existing orders will be filled and
that ALL employees will receive paychecks for the next 30 days
and insurance benefits for 90 days. Mr. Feuerstein has received
kudos from his employees and massive press attention for his
decision.

JIM DORSKIND:
Please coordinate
the reply.

TOPICS:

1. Express your concern about the company fire and its effect
on the employees and the region.
2. Thank Mr. Feuerstein for his decision to place a premium on
his employees and continue to provide paychecks and health
insurance to all of his employees.
3. Discuss how the region has come together to help the
company and its employees. (eg. local restaurants providing
food, a NH tree farm distributing Christmas trees to every
family, a RI man bringing a truck full of toys for Christmas.)
4. Assure Mr. Feuerstein that the federal government and the

MA delegation are prepared to provide assistance. FEMA has been in touch and the U.S. Department of Labor is providing a \$3.7 million grant to help the 2,400 workers dislocated by the fire.

CONTACT PERSON: Mr. Thomas Mendl, 508/659-5010

DATE OF SUBMISSION: December 18, 1995

ACTION:

THE PRESIDENT HAS SEEN

12.22.95

THE WHITE HOUSE
WASHINGTON

December 21, 1995

MEMORANDUM TO THE PRESIDENT

From: Gene Sperling
Subject: Positive Assumptions Article

Should have been this

Peter Passell wrote a very positive piece on assumptions in the New York Times today. One of the interesting points he makes concerns Stephen McNees, Vice President of the Federal Reserve Bank of Boston, who recently documented that CBO has historically been more accurate than OMB *going back to 1976*. (Clearly, OMB has been more accurate than CBO over the last three years). The article states that McNees himself favors the White House economic assumptions. The reason is that McNees' feels that to the degree that CBO has been more accurate in the past, it is because they have been closer to the private sector forecasts. "This time around, the White House is closer to the private sector forecasts."

Passell himself states that "this time around the White House numbers apparently rest on equally firm technical grounds." Passell also closes the article by stating that these technical differences are too uncertain to "stop the rest of us from focusing on the real economic issue of how well the new budget reflects national priorities."

cc: Laura Tyson

Passell

68 DEC 51 14:32

Economic Scene

Peter Passell

Who counts budget beans best, Congress or the White House?

WHEN the bean counters at the Congressional Budget Office disagree with their counterparts on the President's Council of Economic Advisers, whom do you trust?

The question has emerged as the issue of the hour in the political duel over deficit reduction.

On Tuesday, President Clinton agreed that the budget office would manage the accounting for deficit scorekeeping. But the White House insists that the President has not agreed to negotiate a balanced budget on the basis of the relatively pessimistic economic assumptions built into the budget office's projections.

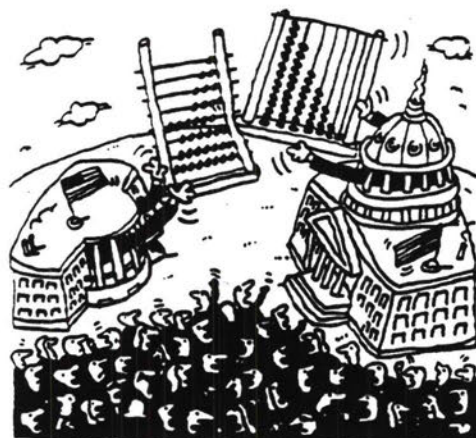
And while those who follow the arcana of budget-making usually side with the Congressional Budget Office because it has a better record at forecasting and a well-founded reputation for nonpartisanship, this time around the White House numbers apparently rest on equally firm technical ground.

"On many points I find myself sympathetic with the Administration," said Laurence H. Meyer, a respected private forecaster in St. Louis.

President Clinton has agreed to wipe out the deficit in seven years. But last week the Congressional Budget Office took a critical look at the President's proposed budget and pronounced it \$115 billion in deficit — not \$2 billion in surplus, as the White House projects.

Some \$39 billion of the difference reflects budget office skepticism about the likely savings from the Administration's proposed spending cuts and tax changes. But two-thirds of the \$117 billion gap mirrors differing economic assumptions.

For one thing, the White House expects technical fixes in inflation accounting to remedy biases that in the past pushed up Government outlays far faster than revenues. The budget office is more conservative — an assumption that adds



billions to its projected deficit. Yet more significant, the White House assumes that the economy will be operating at roughly the current rate of unemployment rather than the more conservative 6 percent assumed by the budget office.

Forced to choose between the forecasts without the luxury of a leisurely examination, most budget watchers would no doubt go with the Congressional Budget Office. Indeed, in newspaper advertisements this week, corporate chief executives proclaimed their collective trust in the "realistic projections" offered by the budget office.

One good reason is that its forecasts have been more accurate in the past. Stephen K. McNees, a vice president and economist at the Federal Reserve Bank of Boston documented this winning record in the July/August 1995 issue of *The New England Economic Review*.

He found that while the Congressional Budget Office and the White House council had both done a respectable job in predicting average two-year inflation rates, the budget office was the clear winner at predicting economic growth between 1976 and 1993. The budget office missed on two-year predictions by an average of just 0.3 percentage point, while the White House was off by 1.1 percentage points. The difference was even great-

er on four-year projections: the budget office's average error was 0.9 percentage point, compared with 1.3 percentage points for the Council of Economic Advisers.

Why, then, does Mr. McNees lean toward the White House projections? One way of explaining the superior performance of the Congressional Budget Office is that its forecasts have more closely tracked the commercial forecasting services. And this time around, the White House is somewhat closer to the private consensus.

The budget office is projecting the average growth of national output in current dollars at 4.9 percent through 2002, while the White House projects 5.4 percent growth. Robert J. Eggert, the editor of *Blue Chip Economic Indicators* in Sisona, Ariz., says that the consensus view of 45 forecasters is 5.2 percent through 2001 and slightly faster thereafter.

Much of the extra difference lies in the budget office's assumption that unemployment will rise from the current 5.6 percent rate to 5.9 percent in 1998 and then to 6 percent in 1999 and beyond. In essence, Mr. Meyer says, the budget office is guessing that the Federal Reserve will prevent the high employment levels necessary to deliver fast-growing tax revenues to fill the Government's coffers.

If there is a one grand moral to this tale, it's that the budget negotiators' time horizon is too long. The one thing forecasters ought to agree about, says Robert D. Reischauer, the former director of the budget office, is that "what you predict won't come to pass."

No one knows whether the economy will grow at 2 percent, 2.5 percent or even 3 percent over the next seven years. That's why no one really knows whether the Republican Congressional package or President Clinton's plan will leave the budget in comfortable surplus or painful deficit in 2002.

There is probably no way for the negotiators to acknowledge this reality and to redefine the terms of the budget battle. But that should not stop the rest of us from focusing on the real economic issue of how well the new budget reflects national priorities.

Doctors Say H.M.O.'s Limit What They Can Tell Patients

THE PRESIDENT HAS SEEN

12-22-95

Gene S

AI

By ROBERT PEAR

WASHINGTON, Dec. 20 — Doctors across the country say that health maintenance organizations routinely limit their ability to talk freely with patients about treatment options and H.M.O. payment policies, including financial bonuses for doctors who save money by withholding care.

In interviews over the last three weeks, many doctors said such restrictions interfered with their ethical and legal duty to provide patients with information about the benefits, risks and costs of various treatments.

Ill feeling over the restrictions is growing as more and more Americans

join H.M.O.'s and employers encourage their use to control costs. Typically, H.M.O.'s offer a wide range of services in return for a fixed monthly premium. They recommend a select list of doctors and hospitals, and patients must pay more if they go outside that network.

H.M.O.'s may limit access to certain tests and treatments and require doctors to obtain permission from the H.M.O. to offer them. Doctors may receive bonuses or other financial rewards from the H.M.O. if they control costs and help restrain the use of health care.

But patients are often unaware of these financial arrangements because many contracts between doctors and H.M.O.'s prohibit the doctors from disclosing them. Increasingly, doctors are objecting to these confidentiality clauses, which they call "gag clauses," and they say that patients are entitled to such information.

For their part, H.M.O.'s say that some of the restrictions are intended to protect trade secrets and proprietary information. Susan M. Pisano, a spokeswoman for the Group Health Association of America, which represents managed care companies, said another purpose was to "discourage doctors from disparaging H.M.O.'s and encourage them to discuss their concerns about payment and treatment policies with doctors and physician managers in the health plan, rather than with pa-

Continued on Page B13, Column 1

Continued From Page A1

tients."

Dr. Christine K. Cassel, president-elect of the American College of Physicians, which represents 85,000 internists, said: "Managed care can be beneficial for patients, but patients need to understand the financial arrangements. To my dismay, gag clauses are becoming more common."

Whitney North Seymour Jr., a lawyer for the League of Physicians and Surgeons in New York, said the confidentiality clauses muzzled doctors who wanted to be advocates for their patients.

A typical clause is found in the contract of Choice Care in Cincinnati, which says, "Physician shall take no action nor make any communication which undermines or could undermine the confidence of enrollees, potential enrollees, their employers, plan sponsors or the public in Choice Care, or in the quality of care which Choice Care enrollees receive."

U.S. Healthcare, which describes itself as the largest operator of H.M.O.'s on the East Coast, has an

almost identical clause in its agreement with doctors. David F. Simon, senior vice president of U.S. Healthcare, said the purpose was to protect patients, to make sure they were "not put in the middle" of economic disputes between doctors and the company.

A recent notice to doctors working for the Kaiser Permanente H.M.O. in Ohio says, "Do not discuss proposed treatment with Kaiser Permanente members prior to receiving authorization" from an outside company that sets guidelines for the treatment of patients. In addition, it says that doctors should not discuss the procedure by which they get such authorization.

Asked about this instruction, Jenny M. Hovinen, a spokeswoman for Kaiser Permanente of Ohio, said, "It's a very unfortunate statement, isn't it?" But she said it was part of an elaborate effort to guarantee high-quality care by making sure doctors were aware of the best treatments before discussing them with patients.

Sometimes doctors want to recommend a treatment not covered by the H.M.O. in which a patient is enrolled. Sometimes they want to refer patients to specialists not affiliated

Signs of tension as health plans try to regulate and monitor doctors' behavior.

with the plan, because they believe that the best care is found elsewhere. Their ability to do so may be severely limited by a confidentiality clause.

"These gag clauses intimidate physicians and discourage them from talking openly to patients about the need for specialty care and the role of managed care companies in limiting tests and treatments," said Neil Weisfeld, deputy executive director of the Medical Society of New Jersey. "It's more like managed silence than managed care."

Doctors who obey such restrictions run legal risks and may be sued for malpractice. Carol L. O'Brien, a lawyer at the American Medical Association, said: "A physician can be held legally accountable for a patient's injury or death if the doctor provides substandard care because

of financial constraints imposed by an H.M.O. Juries have awarded hundreds of thousands of dollars in damages in cases where doctors failed to put the patients' interests first."

The association's ethics authority, the Council on Ethical and Judicial Affairs, declared recently that doctors should inform patients of "all relevant financial inducements," including incentives to limit care.

Doctors in New York have filed a lawsuit challenging a confidentiality clause, on the ground that it "destroys the physician's liberty to convey needed information to patients concerning H.M.O. operations." The lawsuit, by the League of Physicians and Surgeons, says the restriction "stifles discussion of quality of care issues and H.M.O. practices that are harmful to patients." The case was argued last week before a state judge, who has yet to issue a decision.

Other contracts say that doctors may not make "disparaging remarks" or "derogatory remarks" about H.M.O.'s. Some contracts say that if doctors are dropped from a particular health plan for any reason, they may not contact their patients to inform them of that fact. The H.M.O.'s apparently fear that

such doctors will encourage patients to leave one health plan and follow the doctors to another.

The doctors' complaints illustrate the tension between them and H.M.O.'s as health plans try to monitor and regulate the doctors' behavior.

Dr. Daniel A. Gregorie, president of Choice Care in Cincinnati, defended the confidentiality clause as a way to prevent doctors from sharing their frustrations with patients.

"Physicians are angry, frustrated and, to some extent, depressed because the world as they've known it is changing rapidly and radically," Dr. Gregorie said. "But physicians should not take out that frustration in a nonconstructive way by sharing it with patients. That does not help the patients. It just makes them more anxious about the care they are receiving."

An editorial being published on Thursday in The New England Journal of Medicine says that some H.M.O.'s use financial rewards and penalties to force doctors to skimp on care and then try to prevent them from speaking out. A co-author of the editorial, Dr. David U. Himmelstein, had a contract to treat patients of U.S. Healthcare in the Boston area,

but the company terminated the agreement "without cause" last month. The doctor had criticized the H.M.O. at an industry conference a few weeks earlier.

Dr. Himmelstein, an associate professor of medicine at Harvard, is a founder of Physicians for a National Health Program, which advocates a Government-financed system of national health insurance like the one in Canada.

Mr. Simon, who works at the headquarters of U.S. Healthcare in Blue Bell, Pa., said: "This is a tempest in a teapot. Dr. Himmelstein was not dismissed because of his political views, which have been known for many years. His services were no longer necessary to serve our members in New England, given the expansion of our network of doctors in the last year."

Mr. Simon said the company would be willing to talk to Dr. Himmelstein if he wanted to rejoin its network.

REMEMBER THE NEEDIEST!

Gene S
Sullivan
should be able to
C. B. Sullivan

THE NEW YORK TIMES, THURSDAY, DECEMBER 21, 1995

Dec 12
MORRIS



TELEFAX MESSAGE

FROM USA: 011-43-1-31-77-826
FROM EUROPE: 43-1-31-77-826

DATE: December 20, 1995

FROM: Ambassador Swanee Hunt

PLEASE FORWARD TO: Betty Currie, Executive Secretary to
the President

FAX NO: 456-6703

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 2 .

COMMENTS: Betty, please pass to the President with thanks.
Merry Christmas and happy holidays to you,

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

Embassy of the United States of America
Boltzmannngasse 16
A-1091 Vienna, Austria
Telephone: 313 39

(If fax is not received in
its entirety, please call
the number at left. Thanks.)



Office of
The Ambassador

EMBASSY OF THE
UNITED STATES OF AMERICA

Vienna, Austria

December 20, 1995

Swanee on Franz Vranitzky
THE PRESIDENT HAS SEEN
12-22-95

✓
The President
The White House
Washington, D.C. 20500

VIA Fax: 202-456-6703

Dear Mr. President,

✓ Franz Vranitzky won a resounding victory in elections here Sunday.

Thought you would want to know.

✓ I used your letter expressing your admiration of him (for the Fulbright Prize, in November) in a weekly column I write for a paper with a readership of over two million; so your feelings about him were publically communicated, even though a White House visit that Veteran's Day weekend, when he received the prize, was not possible.

✓ I'm off to Sarajevo for a week; Charles is conducting the Sarajevo Philharmonic on New Year's Eve: Beethoven's Fifth. You made it possible. 

Wishing you unexpected moments of joy this holiday season.

Sincerely,


Swanee

ORIGINAL (fax)
given to
NSC
NSC
document
can be
S

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

12.22.95

December 21, 1995

✓
MR. PRESIDENT:

Tony Lake recommends that you award Jan Nowak with the Presidential Medal of Freedom.

Nowak, National Director of the Polish American Congress, was a World War II member of the Polish underground, head of Radio Free Europe's Polish Service for 25 years, and an inspiration to such opponents of the Communist regime as Lech Walesa and Pope Paul II, back when he was the Cardinal of Krakow.

Nowak sounds like a very good suggestion, though you may want to await making any final decision until we have assembled a list of potential Medal winners, from which you could select the whole group to be honored. We would typically submit this to you in March or April.


Todd Stern


Agnew

CC: me
Doriskind
Clerk

THE PRESIDENT HAS SEEN

12-22-95

THE WHITE HOUSE

WASHINGTON

95 DEC 20 P7:05

December 20, 1995

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: ANTHONY LAKE

SUBJECT: Recommendation for the Presidential Medal of Freedom

Purpose

To recommend Jan Nowak of the Polish American Congress for the Presidential Medal of Freedom

Background

Jan Nowak, whom you know, has devoted a lifetime of service to the cause of freedom. A naturalized American born in Poland, Nowak served as a courier to London from the underground Polish Home Army, during which he made hazardous trips between Nazi-occupied Poland and London where he briefed Churchill and Eden. Nowak headed English-language radio broadcasting during the heroic Polish Uprising of 1944 and later escaped to the West. Nowak chronicled his wartime experience in the highly-regarded "Courier from Warsaw," excerpts of which I have attached.

As the head of Radio Free Europe's Polish service for 25 years, Nowak was the voice of democracy for a generation of Poles. The listeners whom he nurtured later founded Solidarity and brought democracy back to Poland: as a teenager, Lech Walesa regularly listened to Nowak and has publicly hailed him as "my professor." When they first met, John Paul II reportedly told Nowak that as a Cardinal in Krakow he had listened to Nowak's broadcasts while shaving in the morning.

Zbigniew Brzezinski engaged Nowak as an NSC consultant during the late-1970's. Nowak has been a valuable and sometimes indispensable source of advice to every U.S. Administration since: wise, discreet, well-connected, passionate in his devotion to freedom and constructive in his service both to his

cc: Vice President
Chief of Staff

adopted and native countries. He is active in efforts to promote Polish-Jewish reconciliation.

Nowak remains influential in Poland and is lionized by Polish Americans (he is a National Director of the Polish American Congress). We continue to value his judgment on matters concerning Poland and European security. Most recently, Nowak convinced the Polish American Congress and other Central European-American ethnic groups to support strongly and publicly the dispatch of U.S. forces to Bosnia.

Zbigniew Brzezinski and Steve Solarz have written to you in support of awarding Nowak the Presidential Medal of Freedom.

RECOMMENDATION

That you award the Presidential Medal of Freedom to Mr. Jan Nowak.

Approve _____

Disapprove _____

Attachments

- Tab A Letters of support from Brzezinski and Solarz
- Tab B Biographic sketch on Jan Nowak
- Tab C Excerpts from Nowak's "Courier from Warsaw":
meeting with Anthony Eden, witness to the
Holocaust, lunch with the editorial board of the
"Times," launching of the Warsaw Uprising

adopted and native countries. He is active in efforts to promote Polish-Jewish reconciliation.

Nowak remains influential in Poland and is lionized by Polish Americans (he is a National Director of the Polish American Congress). We continue to value his judgment on matters concerning Poland and European security. Most recently, Nowak convinced the Polish American Congress and other Central European-American ethnic groups to support strongly and publicly the dispatch of U.S. forces to Bosnia.

Zbigniew Brzezinski and Steve Solarz have written to you in support of awarding Nowak the Presidential Medal of Freedom.

RECOMMENDATION

That you award the Presidential Medal of Freedom to Mr. Jan Nowak.

Approve _____

Disapprove _____

Attachments

Tab A Letters of support from Brzezinski and Solarz

Tab B Biographic sketch on Jan Nowak

Tab C Excerpts from Nowak's "Courier from Warsaw": meeting with Anthony Eden, lunch with the editorial board of the "Times," launching of the Warsaw Uprising



Center for Strategic & International Studies
Washington, DC

November 29, 1995

Dear Tony:

1. I hope you will pass on the enclosed to the President, preferably with your endorsement;
2. Please do not tell Nowak about it.

With best regards,

Sincerely,

A handwritten signature in black ink, appearing to be "Zb", is written over the typed name.

Zbigniew Brzezinski

The Honorable Anthony Lake
Assistant to the President
for National Security Affairs
The White House
Washington, DC 20500



Center for Strategic & International Studies
Washington, DC

November 29, 1995

Dear Mr. President:

I write as a recipient of the Presidential Medal of Freedom to make a recommendation which -- in my opinion -- is justified on its merits but is also potentially good for you politically.

It is to award a Presidential Medal of Freedom to one of the few surviving and genuine heroes of World War II, who happens to be also an active leader in the Polish-American community; namely, Jan Nowak of Annandale, Virginia. (I believe you know him personally.)

Since the award of the Medal to me in 1981, no Polish-American (to my knowledge) has been a recipient. Hence the award to Jan Nowak would be well received by the Polish-American community. As National Director of the Polish-American Congress, Nowak is one of the most active Polish-American leaders, respected for his relentless efforts on behalf of closer American-Polish relations as well as Poland's independence. He has high visibility among Polish-Americans and is a truly popular figure among them.

His service to both America and Poland clearly justifies the award. As a naturalized U.S. citizen, he directed for many years the Polish Desk of Radio Free Europe. Anyone familiar with RFE will confirm that under Nowak's direction the Polish broadcasts contributed directly to the emergence as well as to the eventual success of the Solidarity-led liberation movement. Indeed, Walesa, who was a faithful listener of RFE during the communist dictatorship, has publicly called Nowak his "professor."

Even more extraordinary have been Nowak's wartime accomplishments. As a courier for the Polish Underground he made several perilous trips from Warsaw to London, only to be parachuted back into German-occupied Poland. As a young representative of the Underground, he personally briefed Churchill. During the Warsaw Uprising of 1944, he directed Warsaw's radio service -- the Uprising's only link with the West. He then made a perilous escape across Nazi Germany, reaching London only a few months before Nazism's final defeat.

He moved to Washington in 1977, and shortly thereafter I made him a consultant to the National Security Council. He was critically helpful during 1980-81, when the Soviet Union was poised to intervene militarily in Poland.

In brief, in making the award you would be honoring an American of Polish origin who has served both America and Poland with extraordinary courage and unique dedication.

With best wishes,

Sincerely,

A handwritten signature in dark ink, appearing to read 'Zig', with a horizontal line drawn through the middle of the letters.

Zbigniew Brzezinski

The Honorable William J. Clinton
The President
The White House
Washington, DC 20500

SOLARZ ASSOCIATES
1120 BELLEVUE ROAD
MCLEAN, VIRGINIA 22102

TEL: (703) 759-3324
FAX: (703) 759-0022

December 8, 1995

The President
The White House

Dear Mr. President:

I understand that you've already received a letter from Zbig Brzezinski suggesting that you award the Presidential Medal of Freedom to Jan Nowak.

I'm writing now to strongly second and support this suggestion.

In addition to being one of the genuine heroes of the second World War, having infiltrated Nazi Germany on numerous occasions to run a "black propaganda" operation there on behalf of the Polish Home Army, Jan was also one of the real heroes of the Cold War, having been the director of the Polish Service of Radio Free Europe for 25 years.

During the second World War, Jan was one of the key people in bringing news of the Holocaust to the attention of the allied leaders and during the Cold War he was one of those most responsible for keeping alive the hope of freedom in Poland. I recall his once telling me that when he met Pope John Paul II for the first time, the Pope told him that his voice was a familiar one since he had listened to it for years on Radio Free Europe every morning when he was shaving!

In addition to the substantive arguments in favor of giving such an award to Jan, who has done so much to advance the cause of freedom in our time, I also believe that it would be extremely well received by both the Polish and Jewish communities in our country.

For the Polish community, among whom Jan Nowak is considered a truly historic and heroic figure, it would be seen as a recognition of the contribution which one of their fellow Poles has made to the cause of freedom for their mother country.

For the Jewish community, it would be seen as a welcome recognition of the role he played in bringing the news of the holocaust, at great risk to his own life, to those Western leaders in a position to do something about it.

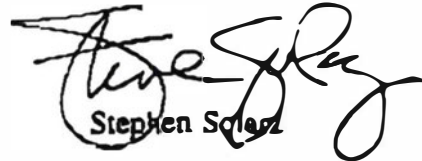
12/15 → TL —
a much rarer
a good idea for
multi-pile
reasons,
mostly the
merits.
Agree — ?
Ⓟ

The President
December 8, 1995
Page Two

I would add one other point: during my 18 years in Congress, there was literally no one I ever met who was better informed about the situation in Poland and its implications for American foreign policy than Jan Nowak. A genuine national treasure, he was enormously helpful to me and other Members of Congress in guiding us toward a policy for Poland which had the best chance of advancing fundamental American interests and the cause of genuine Polish independence.

If Jan had chosen a religious vocation, I have no doubt that he would be high on the list for consideration as a Saint, and with a Polish Pope he would be well on his way to becoming one. Since he chose a secular profession instead, the Presidential Medal of Freedom is probably the next best thing he can be given. But as second choices go, it's not bad, and with Jan now over 80 years old, but still in good health, it would be a wonderful and extraordinary gesture on your part to honor him in this fashion.

Cordially,



Stephen Solarz

SJS/ha

EXCERPTS FROM "COURIER FROM WARSAW"

by Jan Nowak

Meeting with Anthony Eden

My meeting with Anthony Eden was arranged for January 31, 1944...The clock on the mantelpiece began to strike four. Punctually to the second the door opened and the secretary announced: "The foreign secretary is ready to see you." A very elegant, smiling gentleman with the looks of a film star greeted us politely. Before I could speak, Eden began the conversation by announcing that he had heard about me from his associates and had read with interest the reports of the people whom I had already visited.

I began my presentation, which I knew from experience had to be short and concise, with something toward the end that would surprise the listener. Accordingly, I said that the Germans had been unsuccessful in their attempts to exploit Russia's effort to breach the solidarity of the Poles; that Poland had produced no collaborators with the enemy; that on the Eastern Front there were no Polish troops fighting with Germany against Russia; and that the activities of the Home Army against the Germans were increasingly effective. In spite of the Soviet diplomatic break with Poland, the Polish underground movement had given proof of its goodwill toward our eastern neighbor in the recent order by the Home Army commander to attack the German troops locked in battle with the advancing Red Army. In exchange, the Polish people, who in their darkest hour have remained loyal to their British allies, asked only that Polish independence and sovereignty be respected.

Eden replied that the news of the instructions issued to the Home Army by the Polish government and the Home Army commander was received by his government with great satisfaction. His government, he stressed, knew that the Polish underground movement had not suspended its fight against the Germans, that there was no collaboration with the enemy, and that it had ordered its members to avoid action against the communist partisans. The Prime Minister, Eden continued, was doing his utmost to bring about a Polish-Soviet understanding, but the Poles must realize that this goal could not be achieved without serious sacrifices.

At this point I interrupted: "If the Home Army is to play the part of a political trump card in the hand of the British government to assist its efforts at mediation, it ought not to be weakened by halting the drops of personnel and arms." "That

matter is the subject of deliberation by the competent authorities," said Eden, "The number of crews and aircraft destined for flights over Poland will probably be trebled, and the Polish government will be officially notified about this in due course." "This is the best news that I have heard in London," I told him.

Now came time for something new and unexpected. I asked Eden if he had ever seen authentic photographs of an underground army. He was puzzled, and extended his hand to my bundle of photographs. He quickly looked through the snapshots of partisans and of an underground printing press, stopping at one photo in particular. The Poniatowski Bridge and the Vistula were in the background; in the foreground, a low wall along the river. Painted on the wall in enormous letters was "Deutschland Kaputt, 1918-1943." Eden looked at this photograph for a long time in silence. At last he said softly, as if to himself, "Poor Warsaw."

Witness to the Holocaust

During the occupation I witnessed only a few atrocity scenes with my own eyes. I remember vividly the corpses covered with newspapers lying on the ghetto sidewalks, as one saw them when it was still possible to ride through the Jewish district in a "transit" streetcar to the suburb of Powazki. These were mostly people who had died of starvation or typhus. The bodies were collected twice a day, like garbage, by the street-cleaning department. Nor could I forget the sight of men and women arrested by the Gestapo and bundled into prison vans with blood-stained sacks over their heads.

The scene that made the strongest impression on me, however, occurred one day early in 1943 at the district court of Leszno, where I was summoned as a witness in some housing dispute; the magistrates were Polish. The building had an entrance from Ogrodowa Street on the "Aryan" side, but the windows overlooked the Jewish quarter of Leszno.

After the first deportation, the ghetto population was reduced to about 70,000. On that particular day the deportations to the death camp at Treblinka were being resumed after a long interval. From the third-floor courtroom we could hear frightful shrieks from the street below -- the voices of men, women and children mingled in an outcry of bitter lamentation. The loudest shouts were the hoarse outcries of the SS men: "Los! Los! Aber schnell!"

I pushed forward to the window and saw a crowd of Jews being herded along the middle of the street, probably toward the branch

railroad line at Stawki. They were half running, jostling one another, harried from both sides by SS men with long whips. Their tormentors had rolled up their long sleeves and wore their caps pushed well back. They seemed like drunken men, with an expression of animal excitement on their sweating faces. Along the pavement two old Jews with much toil were pushing a handcart full of sick people. No sound was heard from these; their bodies dangled limply, like dolls. Suddenly a well-dressed woman with a baby in her arms detached herself from the throng and tried to reach a Gestapo man on the sidewalk, making signs to him and waving a roll of banknotes -- a last, desperate attempt to save herself and the child. I heard the swish of the whip; the woman staggered and dropped the child, who rolled along the pavement. At that moment an old Jewish woman raised her hands and eyes to heaven and screamed at the top of her voice like one possessed: "Hitler, may grass grow on the walls of your house!" I turned my head away and stepped back from the window, not wishing to see what would happen.

In the middle of the courtroom was a table covered with green baize, and on it a crucifix. The judge behind the table -- an old, distinguished-looking man with a dry, wrinkled face -- was rummaging through a pile of papers. The room was full of people waiting for various cases to be heard.

Continuing his examination, the judge addressed a witness: "Did you see the accused pick up the sack?"

"Yes, your honor. I was just going by on my bicycle."

"Did he pick it up on the street or in the courtyard?"

This was evidently an important legal point. It was a sack of wheat, sugar, or something of that kind, and the question was whether it had been found or stolen. Meanwhile, just outside the window...

Suddenly, there was a burst from a tommygun, followed shortly by another. There was a crash of broken glass, and more shouting. The judge stopped looking at his papers and the courtroom fell silent. The old man behind the table, facing the crucifix, closed his eyes and sighed heavily. There he was dispensing justice and deciding a case about a sack of wheat, while outside the window people were being murdered.

The old woman's curious curse, "May grass grow on the walls of your house," came back to my mind years later, in the summer of 1952, when I visited the ruins of Hitler's villa at Berchtesgaden, blown up by the Americans. The bathroom walls had

been faced with expensive tiles, and the grass was now growing luxuriantly between them.

Lunch with the Editorial Board of the "Times"

After the "Times" article was published, I received an invitation to the so-called editorial lunch, which was held in the paper's editorial offices every Thursday. Each week people in the news were invited to it. Before lunch I had to pay an official call on Colonel Astor. The luncheon was held with some ceremony. The atmosphere of the editorial rooms, with their Victorian furniture, matched the eminence and age of the paper.

A pleasant secretary showed me the seating plan for the affair, and I noticed with some embarrassment that I figured on it as "Captain" Jan Nowak.

"I am only a second lieutenant," I said. "We do know that," she whispered. I understood that I had been "promoted" in view of the eminence of the other invited guests.

The place on the right of the host was reserved for General Walter Bedell Smith. A few days before he had been named General Eisenhower's chief of staff, with the task of preparing plans for the invasion of the Continent. On the left was Air Marshal Sir Arthur Coningham. I was placed between Mr. Robert Barrington-Ward, the editor of "The Times," and Sir Irving Albery, a conservative member of Parliament. On the opposite side of the table sat Rear Admiral Wilson, a naval attache and chief of staff of the United States Navy. Our attention was drawn to Lieutenant General Bedell Smith. Stiff as a ramrod, with equally stiff manners, he was unlike any other American I had ever met.

Taking advantage of my proximity to the editor-in-chief of the most important English newspaper, I turned the conversation to a recent series of articles by Professor E. H. Carr and his concept of a division of Europe into zones of influence, which would place Poland under Soviet control. That prospect caused deep disquiet among my fellow countrymen. I asked if Professor Carr's views as put forward in "The Times" were a reflection of the position of the government or of the paper, or whether perhaps they reflected only the opinion of the author. Barrington-Ward denied that "The Times" had ever represented the view of the government or been inspired by the Foreign Office. In the past, he said, the reverse had frequently been the case. It occasionally happened that the opinions voiced in "Times" editorials later emerged as government policy, although this was by no means always the rule. As for the division of Europe into zones of influence, he pointed out that Anthony Eden had publicly denounced the notion. What mattered was a realistic

understanding of the postwar possibilities for Great Britain. "Influence" was not the same as "control" or "domination." Soviet influence in eastern Europe after the war would be a logical outcome of geography and the balance of power. Carr did not mean that Poland would cease to be an independent country. At most, it would remain, like the other east European countries, a "junior partner" of Russia tied to its powerful neighbor by treaty. "Benes and Czechoslovakia don't fear a partition of Europe into spheres of influence," he said.

I asked my neighbor to imagine the situation in Poland, with both a Soviet occupation and the fate that had befallen our Ukrainian neighbors and the other countries incorporated into Soviet Russia much in our minds. "You Poles," said Barrington-Ward with a smile, "remind us of the Irish. You possess too long a historical memory, too many prejudices and attitudes inherited from the past. Under the influence of war and the alliance with the western nations, Russia is undergoing a tremendous revolution. For the moment there is no reason to disbelieve Stalin when he assures us that he wants a strong and independent Poland. You will see, my friend, that your fears are groundless." "Everybody believes what he wants to believe," I said to myself; Poland is not alone in living on illusions." The difference was that in Poland our illusions resulted from lack of information, while the British government had a superb apparatus for collecting facts from all over the world.

Launching of the Warsaw Uprising

There were many more German patrols and light armored cars in the streets. It was a miracle that the Germans had not yet made a preventive strike. Every little while the sound of shooting from various sides of town came nearer. It would burst forth and suddenly stop. No one paid any attention. At a distance two familiar figures flitted by: Mrs. Zgorzelska and her daughter. I wanted to pause, to warn them. But, after all, half the town knew, and there was no time to lose. In the gateway of the house in Jasna Street armed civilians asked us for the password. For the first time I saw the soldiers of the Home Army openly carrying weapons. In the apartment upstairs we found Kowalik, the Chairman, and a crowd of people with whom, though we did not know it then, we were to live through the next sixty-three days. The apartment on the other side of the hall was occupied by the commander of the Warsaw district, Colonel Monter, and his staff. Greta's sister Julia was also there. She seemed strangely sad and serious. We had our personal armed guards in the persons of two twenty-year-old boys, in full insurgents' outfits, carrying rifles, with hand grenades on their belts. The company was not complete. The front doors were closed and guarded. Nobody was to be let out. Suddenly we heard shooting.

I looked at my watch: it was 4:30 -- half an hour early. The windows of the apartment overlooked the courtyard, as though we were in a well, so we didn't know what was happening in the street. After a while the shooting stopped.

The time for conspiracy and secrets was over. Someone was loudly saying that I was the parachutist who had just arrived from London. Among the gathering, particularly in the midst of our armed escort, this news created a sensation. They looked at me as on a supernatural phenomenon. I was swamped with questions: When will the war end? When will the British or Americans come? Will there be a landing in Warsaw? I lied like a trooper. In this moment and mood, for all the money in the world I could not have brought myself to speak the truth.

We learned that the apartment on the first floor, with windows onto the street, was occupied by the family of a Volksdeutscher, an official in a Warsaw district office. With our armed escort we entered it. In the apartment suitcases and trunks lay about - everything prepared for an escape. They had not made it. Yesterday's representative of the Herrenvolk was now in his knees, pleading for his life: in his eyes animal fear and tears. In the corner of the room I noticed a radio receiver and confiscated it at once. Now we would have our own monitoring post for London and the other stations.

At that moment we heard the deafening, drawn-out sound of an exploding grenade, followed by a second, a third, and a fourth. Simultaneously machine guns and rifles began to fire. From the windows of the Volksdeutscher's apartment we could see pedestrians running into doorways and hear the banging of the shutters in the shops. Insurgents were pouring out of the courtyards, running along the walls toward some nearby target. Exactly five! Hour W! It began! We put on white-and-red armbands with the letters "WP," for "Wojsko Polskie," the Polish forces. Some had eagles on them.

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

12.22.95

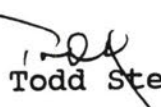
December 21, 1995

MR. PRESIDENT:

Tony Lake recommends that you award Jan Nowak with the Presidential Medal of Freedom.

Nowak, National Director of the Polish American Congress, was a World War II member of the Polish underground, head of Radio Free Europe's Polish Service for 25 years, and an inspiration to such opponents of the Communist regime as Lech Walesa and Pope Paul II, back when he was the Cardinal of Krakow.

Nowak sounds like a very good suggestion, though you may want to await making any final decision until we have assembled a list of potential Medal winners, from which you could select the whole group to be honored. We would typically submit this to you in March or April.


Todd Stern


Aguirre

THE PRESIDENT HAS SEEN

12.22.95

THE WHITE HOUSE

WASHINGTON

95 DEC 20 P7:05

December 20, 1995

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: ANTHONY LAKE ✓

SUBJECT: Recommendation for the Presidential Medal of Freedom

Purpose

To recommend Jan Nowak of the Polish American Congress for the Presidential Medal of Freedom

Background

Jan Nowak, whom you know, has devoted a lifetime of service to the cause of freedom. A naturalized American born in Poland, Nowak served as a courier to London from the underground Polish Home Army, during which he made hazardous trips between Nazi-occupied Poland and London where he briefed Churchill and Eden. Nowak headed English-language radio broadcasting during the heroic Polish Uprising of 1944 and later escaped to the West. Nowak chronicled his wartime experience in the highly-regarded "Courier from Warsaw," excerpts of which I have attached.

As the head of Radio Free Europe's Polish service for 25 years, Nowak was the voice of democracy for a generation of Poles. The listeners whom he nurtured later founded Solidarity and brought democracy back to Poland: as a teenager, Lech Walesa regularly listened to Nowak and has publicly hailed him as "my professor." When they first met, John Paul II reportedly told Nowak that as a Cardinal in Krakow he had listened to Nowak's broadcasts while shaving in the morning.

Zbigniew Brzezinski engaged Nowak as an NSC consultant during the late-1970's. Nowak has been a valuable and sometimes indispensable source of advice to every U.S. Administration since: wise, discreet, well-connected, passionate in his devotion to freedom and constructive in his service both to his

cc: Vice President
Chief of Staff

adopted and native countries. He is active in efforts to promote Polish-Jewish reconciliation.

Nowak remains influential in Poland and is lionized by Polish Americans (he is a National Director of the Polish American Congress). We continue to value his judgment on matters concerning Poland and European security. Most recently, Nowak convinced the Polish American Congress and other Central European-American ethnic groups to support strongly and publicly the dispatch of U.S. forces to Bosnia.

Zbigniew Brzezinski and Steve Solarz have written to you in support of awarding Nowak the Presidential Medal of Freedom.

RECOMMENDATION

That you award the Presidential Medal of Freedom to Mr. Jan Nowak.

Approve _____

Disapprove _____

Attachments

- Tab A Letters of support from Brzezinski and Solarz
- Tab B Biographic sketch on Jan Nowak
- Tab C Excerpts from Nowak's "Courier from Warsaw":
meeting with Anthony Eden, witness to the
Holocaust, lunch with the editorial board of the
"Times," launching of the Warsaw Uprising

adopted and native countries. He is active in efforts to promote Polish-Jewish reconciliation.

Nowak remains influential in Poland and is lionized by Polish Americans (he is a National Director of the Polish American Congress). We continue to value his judgment on matters concerning Poland and European security. Most recently, Nowak convinced the Polish American Congress and other Central European-American ethnic groups to support strongly and publicly the dispatch of U.S. forces to Bosnia.

Zbigniew Brzezinski and Steve Solarz have written to you in support of awarding Nowak the Presidential Medal of Freedom.

RECOMMENDATION

That you award the Presidential Medal of Freedom to Mr. Jan Nowak.

Approve _____

Disapprove _____

Attachments

- Tab A Letters of support from Brzezinski and Solarz
- Tab B Biographic sketch on Jan Nowak
- Tab C Excerpts from Nowak's "Courier from Warsaw": meeting with Anthony Eden, lunch with the editorial board of the "Times," launching of the Warsaw Uprising



Center for Strategic & International Studies
Washington, DC

November 29, 1995

Dear Tony:

1. I hope you will pass on the enclosed to the President, preferably with your endorsement;
2. Please do not tell Nowak about it.

With best regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "Zb", followed by a period.

Zbigniew Brzezinski

The Honorable Anthony Lake
Assistant to the President
for National Security Affairs
The White House
Washington, DC 20500



Center for Strategic & International Studies
Washington, DC

November 29, 1995

Dear Mr. President:

I write as a recipient of the Presidential Medal of Freedom to make a recommendation which -- in my opinion -- is justified on its merits but is also potentially good for you politically.

It is to award a Presidential Medal of Freedom to one of the few surviving and genuine heroes of World War II, who happens to be also an active leader in the Polish-American community; namely, Jan Nowak of Annandale, Virginia. (I believe you know him personally.)

Since the award of the Medal to me in 1981, no Polish-American (to my knowledge) has been a recipient. Hence the award to Jan Nowak would be well received by the Polish-American community. As National Director of the Polish-American Congress, Nowak is one of the most active Polish-American leaders, respected for his relentless efforts on behalf of closer American-Polish relations as well as Poland's independence. He has high visibility among Polish-Americans and is a truly popular figure among them.

His service to both America and Poland clearly justifies the award. As a naturalized U.S. citizen, he directed for many years the Polish Desk of Radio Free Europe. Anyone familiar with RFE will confirm that under Nowak's direction the Polish broadcasts contributed directly to the emergence as well as to the eventual success of the Solidarity-led liberation movement. Indeed, Walesa, who was a faithful listener of RFE during the communist dictatorship, has publicly called Nowak his "professor."

Even more extraordinary have been Nowak's wartime accomplishments. As a courier for the Polish Underground he made several perilous trips from Warsaw to London, only to be parachuted back into German-occupied Poland. As a young representative of the Underground, he personally briefed Churchill. During the Warsaw Uprising of 1944, he directed Warsaw's radio service -- the Uprising's only link with the West. He then made a perilous escape across Nazi Germany, reaching London only a few months before Nazism's final defeat.

He moved to Washington in 1977, and shortly thereafter I made him a consultant to the National Security Council. He was critically helpful during 1980-81, when the Soviet Union was poised to intervene militarily in Poland.

In brief, in making the award you would be honoring an American of Polish origin who has served both America and Poland with extraordinary courage and unique dedication.

With best wishes,

Sincerely,

A handwritten signature in black ink, appearing to read 'Zig', with a horizontal line drawn through the middle of the letters.

Zbigniew Brzezinski

The Honorable William J. Clinton
The President
The White House
Washington, DC 20500

SOLARZ ASSOCIATES

1120 BELLEVUE ROAD
MCLEAN, VIRGINIA 22102TEL: (703) 750-3326
FAX: (703) 750-0002

December 8, 1995

The President
The White House

Dear Mr. President:

I understand that you've already received a letter from Zbig Brzezinski suggesting that you award the Presidential Medal of Freedom to Jan Nowak.

I'm writing now to strongly second and support this suggestion.

In addition to being one of the genuine heroes of the second World War, having infiltrated Nazi Germany on numerous occasions to run a "black propaganda" operation there on behalf of the Polish Home Army, Jan was also one of the real heroes of the Cold War, having been the director of the Polish Service of Radio Free Europe for 25 years.

During the second World War, Jan was one of the key people in bringing news of the Holocaust to the attention of the allied leaders and during the Cold War he was one of those most responsible for keeping alive the hope of freedom in Poland. I recall his once telling me that when he met Pope John Paul II for the first time, the Pope told him that his voice was a familiar one since he had listened to it for years on Radio Free Europe every morning when he was shaving!

In addition to the substantive arguments in favor of giving such an award to Jan, who has done so much to advance the cause of freedom in our time, I also believe that it would be extremely well received by both the Polish and Jewish communities in our country.

For the Polish community, among whom Jan Nowak is considered a truly historic and heroic figure, it would be seen as a recognition of the contribution which one of their fellow Poles has made to the cause of freedom for their mother country.

For the Jewish community, it would be seen as a welcome recognition of the role he played in bringing the news of the holocaust, at great risk to his own life, to those Western leaders in a position to do something about it.

12/15 → TL —
a much raise
a good idea for
multiple
reasons,
mostly the
merits.
Agree — ?
P

The President
December 8, 1995
Page Two

I would add one other point: during my 18 years in Congress, there was literally no one I ever met who was better informed about the situation in Poland and its implications for American foreign policy than Jan Nowak. A genuine national treasure, he was enormously helpful to me and other Members of Congress in guiding us toward a policy for Poland which had the best chance of advancing fundamental American interests and the cause of genuine Polish independence.

If Jan had chosen a religious vocation, I have no doubt that he would be high on the list for consideration as a Saint, and with a Polish Pope he would be well on his way to becoming one. Since he chose a secular profession instead, the Presidential Medal of Freedom is probably the next best thing he can be given. But as second choices go, it's not bad, and with Jan now over 80 years old, but still in good health, it would be a wonderful and extraordinary gesture on your part to honor him in this fashion.

Cordially,



Stephen Solarz

SJS/ha

EXCERPTS FROM "COURIER FROM WARSAW"

by Jan Nowak

Meeting with Anthony Eden

My meeting with Anthony Eden was arranged for January 31, 1944...The clock on the mantelpiece began to strike four. Punctually to the second the door opened and the secretary announced: "The foreign secretary is ready to see you." A very elegant, smiling gentleman with the looks of a film star greeted us politely. Before I could speak, Eden began the conversation by announcing that he had heard about me from his associates and had read with interest the reports of the people whom I had already visited.

I began my presentation, which I knew from experience had to be short and concise, with something toward the end that would surprise the listener. Accordingly, I said that the Germans had been unsuccessful in their attempts to exploit Russia's effort to breach the solidarity of the Poles; that Poland had produced no collaborators with the enemy; that on the Eastern Front there were no Polish troops fighting with Germany against Russia; and that the activities of the Home Army against the Germans were increasingly effective. In spite of the Soviet diplomatic break with Poland, the Polish underground movement had given proof of its goodwill toward our eastern neighbor in the recent order by the Home Army commander to attack the German troops locked in battle with the advancing Red Army. In exchange, the Polish people, who in their darkest hour have remained loyal to their British allies, asked only that Polish independence and sovereignty be respected.

Eden replied that the news of the instructions issued to the Home Army by the Polish government and the Home Army commander was received by his government with great satisfaction. His government, he stressed, knew that the Polish underground movement had not suspended its fight against the Germans, that there was no collaboration with the enemy, and that it had ordered its members to avoid action against the communist partisans. The Prime Minister, Eden continued, was doing his utmost to bring about a Polish-Soviet understanding, but the Poles must realize that this goal could not be achieved without serious sacrifices.

At this point I interrupted: "If the Home Army is to play the part of a political trump card in the hand of the British government to assist its efforts at mediation, it ought not to be weakened by halting the drops of personnel and arms." "That

matter is the subject of deliberation by the competent authorities," said Eden, "The number of crews and aircraft destined for flights over Poland will probably be trebled, and the Polish government will be officially notified about this in due course." "This is the best news that I have heard in London," I told him.

Now came time for something new and unexpected. I asked Eden if he had ever seen authentic photographs of an underground army. He was puzzled, and extended his hand to my bundle of photographs. He quickly looked through the snapshots of partisans and of an underground printing press, stopping at one photo in particular. The Poniatowski Bridge and the Vistula were in the background; in the foreground, a low wall along the river. Painted on the wall in enormous letters was "Deutschland Kaputt, 1918-1943." Eden looked at this photograph for a long time in silence. At last he said softly, as if to himself, "Poor Warsaw."

Witness to the Holocaust

During the occupation I witnessed only a few atrocity scenes with my own eyes. I remember vividly the corpses covered with newspapers lying on the ghetto sidewalks, as one saw them when it was still possible to ride through the Jewish district in a "transit" streetcar to the suburb of Powazki. These were mostly people who had died of starvation or typhus. The bodies were collected twice a day, like garbage, by the street-cleaning department. Nor could I forget the sight of men and women arrested by the Gestapo and bundled into prison vans with blood-stained sacks over their heads.

The scene that made the strongest impression on me, however, occurred one day early in 1943 at the district court of Leszno, where I was summoned as a witness in some housing dispute; the magistrates were Polish. The building had an entrance from Ogrodowa Street on the "Aryan" side, but the windows overlooked the Jewish quarter of Leszno.

After the first deportation, the ghetto population was reduced to about 70,000. On that particular day the deportations to the death camp at Treblinka were being resumed after a long interval. From the third-floor courtroom we could hear frightful shrieks from the street below -- the voices of men, women and children mingled in an outcry of bitter lamentation. The loudest shouts were the hoarse outcries of the SS men: "Los! Los! Aber schnell!"

I pushed forward to the window and saw a crowd of Jews being herded along the middle of the street, probably toward the branch

railroad line at Stawki. They were half running, jostling one another, harried from both sides by SS men with long whips. Their tormentors had rolled up their long sleeves and wore their caps pushed well back. They seemed like drunken men, with an expression of animal excitement on their sweating faces. Along the pavement two old Jews with much toil were pushing a handcart full of sick people. No sound was heard from these; their bodies dangled limply, like dolls. Suddenly a well-dressed woman with a baby in her arms detached herself from the throng and tried to reach a Gestapo man on the sidewalk, making signs to him and waving a roll of banknotes -- a last, desperate attempt to save herself and the child. I heard the swish of the whip; the woman staggered and dropped the child, who rolled along the pavement. At that moment an old Jewish woman raised her hands and eyes to heaven and screamed at the top of her voice like one possessed: "Hitler, may grass grow on the walls of your house!" I turned my head away and stepped back from the window, not wishing to see what would happen.

In the middle of the courtroom was a table covered with green baize, and on it a crucifix. The judge behind the table -- an old, distinguished-looking man with a dry, wrinkled face -- was rummaging through a pile of papers. The room was full of people waiting for various cases to be heard.

Continuing his examination, the judge addressed a witness: "Did you see the accused pick up the sack?"

"Yes, your honor. I was just going by on my bicycle."

"Did he pick it up on the street or in the courtyard?"

This was evidently an important legal point. It was a sack of wheat, sugar, or something of that kind, and the question was whether it had been found or stolen. Meanwhile, just outside the window...

Suddenly, there was a burst from a tommygun, followed shortly by another. There was a crash of broken glass, and more shouting. The judge stopped looking at his papers and the courtroom fell silent. The old man behind the table, facing the crucifix, closed his eyes and sighed heavily. There he was dispensing justice and deciding a case about a sack of wheat, while outside the window people were being murdered.

The old woman's curious curse, "May grass grow on the walls of your house," came back to my mind years later, in the summer of 1952, when I visited the ruins of Hitler's villa at Berchtesgaden, blown up by the Americans. The bathroom walls had

been faced with expensive tiles, and the grass was now growing luxuriantly between them.

Lunch with the Editorial Board of the "Times"

After the "Times" article was published, I received an invitation to the so-called editorial lunch, which was held in the paper's editorial offices every Thursday. Each week people in the news were invited to it. Before lunch I had to pay an official call on Colonel Astor. The luncheon was held with some ceremony. The atmosphere of the editorial rooms, with their Victorian furniture, matched the eminence and age of the paper.

A pleasant secretary showed me the seating plan for the affair, and I noticed with some embarrassment that I figured on it as "Captain" Jan Nowak.

"I am only a second lieutenant," I said. "We do know that," she whispered. I understood that I had been "promoted" in view of the eminence of the other invited guests.

The place on the right of the host was reserved for General Walter Bedell Smith. A few days before he had been named General Eisenhower's chief of staff, with the task of preparing plans for the invasion of the Continent. On the left was Air Marshal Sir Arthur Coningham. I was placed between Mr. Robert Barrington-Ward, the editor of "The Times," and Sir Irving Albery, a conservative member of Parliament. On the opposite side of the table sat Rear Admiral Wilson, a naval attache and chief of staff of the United States Navy. Our attention was drawn to Lieutenant General Bedell Smith. Stiff as a ramrod, with equally stiff manners, he was unlike any other American I had ever met.

Taking advantage of my proximity to the editor-in-chief of the most important English newspaper, I turned the conversation to a recent series of articles by Professor E. H. Carr and his concept of a division of Europe into zones of influence, which would place Poland under Soviet control. That prospect caused deep disquiet among my fellow countrymen. I asked if Professor Carr's views as put forward in "The Times" were a reflection of the position of the government or of the paper, or whether perhaps they reflected only the opinion of the author. Barrington-Ward denied that "The Times" had ever represented the view of the government or been inspired by the Foreign Office. In the past, he said, the reverse had frequently been the case. It occasionally happened that the opinions voiced in "Times" editorials later emerged as government policy, although this was by no means always the rule. As for the division of Europe into zones of influence, he pointed out that Anthony Eden had publicly denounced the notion. What mattered was a realistic

understanding of the postwar possibilities for Great Britain. "Influence" was not the same as "control" or "domination." Soviet influence in eastern Europe after the war would be a logical outcome of geography and the balance of power. Carr did not mean that Poland would cease to be an independent country. At most, it would remain, like the other east European countries, a "junior partner" of Russia tied to its powerful neighbor by treaty. "Benes and Czechoslovakia don't fear a partition of Europe into spheres of influence," he said.

I asked my neighbor to imagine the situation in Poland, with both a Soviet occupation and the fate that had befallen our Ukrainian neighbors and the other countries incorporated into Soviet Russia much in our minds. "You Poles," said Barrington-Ward with a smile, "remind us of the Irish. You possess too long a historical memory, too many prejudices and attitudes inherited from the past. Under the influence of war and the alliance with the western nations, Russia is undergoing a tremendous revolution. For the moment there is no reason to disbelieve Stalin when he assures us that he wants a strong and independent Poland. You will see, my friend, that your fears are groundless." "Everybody believes what he wants to believe," I said to myself; Poland is not alone in living on illusions." The difference was that in Poland our illusions resulted from lack of information, while the British government had a superb apparatus for collecting facts from all over the world.

Launching of the Warsaw Uprising

There were many more German patrols and light armored cars in the streets. It was a miracle that the Germans had not yet made a preventive strike. Every little while the sound of shooting from various sides of town came nearer. It would burst forth and suddenly stop. No one paid any attention. At a distance two familiar figures flitted by: Mrs. Zgorzelska and her daughter. I wanted to pause, to warn them. But, after all, half the town knew, and there was no time to lose. In the gateway of the house in Jasna Street armed civilians asked us for the password. For the first time I saw the soldiers of the Home Army openly carrying weapons. In the apartment upstairs we found Kowalik, the Chairman, and a crowd of people with whom, though we did not know it then, we were to live through the next sixty-three days. The apartment on the other side of the hall was occupied by the commander of the Warsaw district, Colonel Monter, and his staff. Greta's sister Julia was also there. She seemed strangely sad and serious. We had our personal armed guards in the persons of two twenty-year-old boys, in full insurgents' outfits, carrying rifles, with hand grenades on their belts. The company was not complete. The front doors were closed and guarded. Nobody was to be let out. Suddenly we heard shooting.

I looked at my watch: it was 4:30 -- half an hour early. The windows of the apartment overlooked the courtyard, as though we were in a well, so we didn't know what was happening in the street. After a while the shooting stopped.

The time for conspiracy and secrets was over. Someone was loudly saying that I was the parachutist who had just arrived from London. Among the gathering, particularly in the midst of our armed escort, this news created a sensation. They looked at me as on a supernatural phenomenon. I was swamped with questions: When will the war end? When will the British or Americans come? Will there be a landing in Warsaw? I lied like a trooper. In this moment and mood, for all the money in the world I could not have brought myself to speak the truth.

We learned that the apartment on the first floor, with windows onto the street, was occupied by the family of a Volksdeutscher, an official in a Warsaw district office. With our armed escort we entered it. In the apartment suitcases and trunks lay about - everything prepared for an escape. They had not made it. Yesterday's representative of the Herrenvolk was now in his knees, pleading for his life: in his eyes animal fear and tears. In the corner of the room I noticed a radio receiver and confiscated it at once. Now we would have our own monitoring post for London and the other stations.

At that moment we heard the deafening, drawn-out sound of an exploding grenade, followed by a second, a third, and a fourth. Simultaneously machine guns and rifles began to fire. From the windows of the Volksdeutscher's apartment we could see pedestrians running into doorways and hear the banging of the shutters in the shops. Insurgents were pouring out of the courtyards, running along the walls toward some nearby target. Exactly five! Hour W! It began! We put on white-and-red armbands with the letters "WP," for "Wojsko Polskie," the Polish forces. Some had eagles on them.

THE WHITE HOUSE
WASHINGTON

*cc Palmer
New to follow
Don*

*ADD
Riordan
to the
clerk*

December 19, 1995

The Honorable Richard J. Riordan
Mayor of Los Angeles
Los Angeles, California 90012

Dear Mayor *Don* Riordan:

Thanks for your letter. I'm glad you were able to be with us on our memorable trip to Ireland. I will long remember the warm welcome we received and I am proud to share a bond of peace and goodwill with the people of Northern Ireland.

I share your concerns about crime caused by youth gangs and street violence in Los Angeles and in urban areas across our country. The community-policing initiative represents a significant step toward reducing and preventing crime in our communities. The effective presence of each additional officer can truly make a difference in reducing and deterring crime in our neighborhoods and on our streets. Restoring personal security must be at the top of all of our agendas.

I have passed along your concept paper on the innovative community-policing phase of the crime bill to the Department of Justice, and the staff there will await your formal application.

I am grateful for your help and send my best wishes.

Sincerely,

Rim



CITY HALL
LOS ANGELES, CALIFORNIA 90012
(213) 847-2489

OFFICE OF THE MAYOR

RICHARD J. RIORDAN
MAYOR

September 26, 1995

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It was a great honor and pleasure to have you here in Los Angeles on Friday to share thoughts and compare notes. Thank you again for your attentiveness to the needs of our community.

As we discussed, while overall crime is down in our area, the incidence of crime caused by youth gangs and street violence has increased. Residents in neighborhoods all over the greater Los Angeles area are disgusted and worried by the brutality and senselessness of this rise in violence.

I was pleased to share with you our thoughts on how leaders from law enforcement, city and county government, the judiciary and prosecutorial agencies can work collaboratively to combat street violence and to stretch existing resources. This intergovernmental commitment will establish the foundation necessary for community policing to succeed. In operationalizing our community policing goals we start at a tremendous disadvantage because our "system" is so fragmented, our criminal justice systems overly centralized, and our region so vast. As an example, suppression efforts are often literally disconnected from probation enforcement, and even excellent community-based prevention programs find themselves isolated from key other agencies in the process.

Our plan to join together to apply for the "Innovative Community Policing" phase of the Crime Bill is a signal step for our region. I was heartened by your encouragement of this effort and by your enthusiasm for a collaborative, comprehensive approach to stemming the tide of street violence in neighborhoods throughout Los Angeles.

Sincerely,


Richard J. Riordan
Mayor

THE PRESIDENT HAS SEEN

12-21-95

cc Leon
Pae

GS
Amleirs

DAL

~~USA~~ ^{USA}
we need to do
more w/
the
PC

THE PRESIDENT HAS SEEN
12-21-95

MEMORANDUM FOR THE PRESIDENT

From: Robert B. Reich *By*
Date: December 18, 1995
Subject: Pensions

95 DEC 19 P4:15

*we need to make
money*

Pension security should be one of your major themes. It ranks up there with Social Security and Medicare as a concern of working people. In the past three years the administration has accomplished a great deal to make pensions far more secure.

Overview

Approximately half of all working Americans in the private sector have pensions. More than 22 million are in 401(k) tax-deferred plans, in which they contribute from their own paychecks (about 3/4 of these workers have some part of their contribution matched by their employer). There are about 40 million participants and beneficiaries in private "defined benefit" plans, in which employers promise a specified pension when they reach retirement age. 401(k)s are growing quickly; defined benefit plans, provided mostly by large corporations, are declining as the proportion of employment in large firms shrinks.

Security of defined benefit plans

The problem here is that some companies fail to put aside enough money in their plans to fully fund their pension obligations when they come due. When you came to office, the problem of underfunding was growing dramatically. In 1987, underfunding amounted to \$27 billion. By the end of 1993, it was \$71 billion. The Pension Benefit Guarantee Corporation, which takes over the responsibility from underfunded plans, was going deeper into debt (I chair the PBGC). We didn't have a Savings and Loan situation on our hands, but it was heading in that direction.

The Pension Reform Act of 1994. Your Pension Reform Act changed all that. The law now requires that underfunded plans get on track toward full funding. We also put the spotlight of publicity on underfunded plans. Both of these initiatives, coupled with higher interest rates, turned the tide. The latest data show that underfunding has dropped to \$31 billion.

The Republican's current attack. Before 1990, companies with overfunded plans (i.e., more than enough money to pay pension obligations at the time) routinely used the surplus for their own purposes (typically for leveraged buyouts). This practice also threatened the integrity of the plans, because an overfunded plan at one point in time could become underfunded at a later point in time (if asset valuations and interest rates change). In 1990, Congress closed that barn door by imposing a high excise tax on the use of any such surplus.

Now, the Republican budget plan seeks to reopen that barn door. By the Republicans' own estimate, corporations would remove from their plans about \$15-18 billion over the next 5 years. You are opposing this.

Security of 401(k) plans

Over 22 million working people save through 401(k) pension plans (up from around 7 million just ten years ago). There are now more than 150,000 such plans, with more than \$600 billion in assets.

Enforcement crack-down. The vast majority of 401(k) plans are secure. During the last year, however, the Department of Labor has received a number of complaints from employees about employers who allegedly have failed to deposit in the plans employee 401(k) contributions withheld from paychecks. An unusually high percentage of such complaints have resulted in civil and criminal actions. The Department has opened over 400 cases and recovered more than \$3.5 million for 2,800 workers to date. Some cases have been turned over to federal and state prosecutors; several employers have been found guilty and await sentencing.

As a result of the Department's enforcement actions, the issue has received significant coverage in recent weeks, including all network morning and evening news programs, as well as all major print media (see attached sample clips). We have emphasized the importance of employee awareness, while also assuring employees that the vast majority of 401(k) plans are secure.

Additional steps to secure 401(k)s

In addition to our enforcement and public-awareness efforts, we are pursuing three other means of safeguarding 401(k) pensions:

1. Tightening the rules on speedy deposits. Last week (December 11), we announced that you had asked me to propose to reduce the maximum amount of time that employers can hold their employees' 401(k) savings before depositing the money into an employee benefit plan. Under current regulations, employers must

deposit as soon as possible but no later than 90 days from the date of withholding. We have had a number of reports of employers routinely holding the contributions for the full 90 days, treating them as a kind of permanent tax-free loan fund. The proposed rule would require that employers deposit employee 401(k) contributions on the same schedule that payroll taxes must be forwarded to the Internal Revenue Service. After a comment period, we expect a new rule to be in place within 90 days.

2. Requiring accountants to report fraud. Last July, the Administration sent to Congress the "ERISA Enforcement Improvement Act," which would, among other things, require accountants to report immediately to the Labor Department any evidence of serious plan fraud. On December 7, 1995, you wrote to congressional leaders urging swift approval. We expect Senators Jeffords and Simon to introduce the legislation this week. There is considerable bi-partisan support.

3. Amnesty. Finally, we're discussing with Treasury and Justice a possible "amnesty" period during which employers could restore delinquent 401(k) deposits without penalty. This is on track for announcement between Christmas and New Year. The timing of this announcement could be affected by the government shutdown.

Your visibility on pension security

You have had some visibility on various of these pension security issues, but the overall story has not been told. The administration should get more credit. You might consider a place in the State of the Union, or a separate free-standing speech.

Pension security fits nicely within an overall theme emphasizing the importance of ensuring that all Americans enjoy the fruits of their hard work--coupling opportunity and responsibility, linking American work with the American dream.

THE PRESIDENT HAS SEEN

12-18-95

*Letter
to [unclear]
[unclear]
[unclear]
[unclear]
[unclear]*

*Please enclose
HIV/AIDS remarks*

WHITE HOUSE
WASHINGTON

December 13, 1995

Ellen Ratner
2514 Mill Road, NW
Washington, DC 20007

Dear Ellen:

Thank you for your letter. I'm glad you were able to be at the White House Conference on HIV and AIDS and that you found it particularly meaningful.

I am touched by your sensitivity and compassion and really appreciate your sharing personal experiences and those of friends and patients living with AIDS. The account of Shane Ladner's interest and determination to attend the Inauguration was especially moving.

Again, thanks for your encouragement and support. Be assured that this Administration is committed to making a positive difference for people, and we will do all in our power to battle this disease and, hopefully, find a cure.

Sincerely,

Bill Clinton

REMARKS BY THE PRESIDENT
AT THE WHITE HOUSE CONFERENCE
ON HIV AND AIDS

December 6, 1995

The Cash Room
Treasury Building

First of all, thank you, Sean, and thank you, Eileen. Thank you, Patsy Fleming and Secretary Shalala, Secretary Cisneros. Thank you, Dr. Scott Hitt, and all the members of the President's Advisory Council. I think most of them were actually sitting in the overflow room so the rest of you can be here. But I thank them -- we heard them; let's give them a hand, maybe they can hear us.

I thank Dr. Varmus, Dr. Kessler, all the others here who are involved in dramatic effort that they are making in the fight against AIDS. Most of all, I thank all of you for coming and for giving us a chance to have this first-ever White House Conference on HIV and AIDS.

So much has been said by the speakers who have spoken before, and so much is still to be said by the panelists and perhaps by some of you in the audience. I'm going to do what I can to shorten my remarks because I want to spend most of my time listening to you and focusing on where we go from here. But there are a few things that I would like to say.

First of all, this is a disease, and we have never before had a disease we could not conquer. We can conquer this. I believe that -- in my lifetime, we've eliminated small pox from the planet and polio from our hemisphere. We can do better, and we can do better until we prevail.

The threat of AIDS, just the very threat of it, has changed the lives of millions of people. And you heard from the talk about prevention, about which I want to say more in a moment, it needs to change the lives of millions of more Americans. It has taken too many friends and loved ones from every one of us in this room. For millions of people it has shaken their very faith in the future.

But it's also inspired a remarkable community spirit. One of the people on this program today, Demetri Moshoyannis, who is right behind me, grew up in a typical American suburb in a typical American community. He attended college, became politically active, with a quick mind and an active spirit. He was clearly a rising star. After graduating, he joined the Corporation for National Service to help us start AmeriCorps.

While he was working for AmeriCorps, he found out he was HIV positive at the ripe old age of 23. He took the news as a challenge, to use his communications skills, his organizational skills and his leadership skills to educate and support his peers and help them escape the threat. He represents the combination of heartbreak and hope that makes this epidemic so unique. I am grateful to him, grateful to Sean, grateful to Eileen, grateful to every one of you who also represents that remarkable combination. We have to be worthy of your continuing courage.

Twelve days ago, the Centers for Disease Control reported that our nation reached another sad milestone in the AIDS epidemic -- a half million Americans have now been diagnosed with AIDS and more than 300,000 have died. On this very day, and on every day from this day forward until we do something to change it, 120 more Americans will lose their lives, another 160 people will be diagnosed with the disease, nearly 140 will become infected with HIV.

That's why this meeting is important. It gives us an opportunity to say to America what the facts are, to rally our troops, to search our minds and hearts, to leave here with more weapons than we came to make progress in this battle.

Our common goal must ultimately be a cure, a cure for all those who are living with HIV, and a vaccine to protect all of us from the virus. A cure and a vaccine, that must be our first and top priority.

When I ran for President, I said that I would do everything I could to pull together the necessary resources and to organize them, and to exercise real direction toward this goal. At a time of dramatic spending cuts, as Secretary Shalala said, we have nonetheless increased overall AIDS funding by about 40 percent. If my budget passes, we'll have a 26 percent increase in research. For the first time since the beginning of the epidemic, there is now one person in charge of the nation's entire NIH AIDS research program, Dr. William Paul. And though more budget cuts are coming, we have got to protect the research budget and the Office of AIDS Research. I will oppose any effort to undermine the research effort or the Office of AIDS Research.

I want all our fellow Americans to know that this investment in science has paid tremendous dividends. Today people with AIDS live twice as long as they did just 10 years ago, especially those who seek early treatment. AIDS-related conditions that used to mean a quick and often very painful death for people living with HIV can now be treated and even prevented.

I also want to compliment Dr. Kessler and the FDA. In record time they are now approving new classes of AIDS drugs that will help to restore the damaged immune systems of people with HIV. Indeed, there was a study released last week which says that the United States is now approving drugs faster than any European nation. And a drug company executive was recently quoted as saying that we are now two years ahead of Europe in the approval of AIDS drugs. Thank you, bring on more. This is a good direction.

Again, we have a lot to look forward to. Combination drug therapies are showing great promise as a means for controlling the virus in the human body. And just last year we found that the use of drug therapy could actually block HIV transmission from mother to child. Our scientists tell me it's within our grasp to virtually eliminate pediatric AIDS by the end of the decade by offering all pregnant women HIV counseling and testing and guaranteeing that they have access to the treatment they need to protect their unborn children. We can give a generation of Americans the freedom of being born without HIV. We can do it, and we will.

I think all of us know we have to do more. And you may have ideas for us. In the end -- I want to emphasize this over and over again -- whenever we have these conferences, it's important for the President to speak, but it's also important for the President and the administration to hear. And you don't learn much when you're talking. So I want to urge you all here during this meeting today and afterward in following up, we are combing the country and the world for the best ideas about what to do next.

To move the search for a cure forward and to accelerate the pace, I have asked the Vice President to convene a meeting of scientists and leaders of the pharmaceutical industry to identify all the ways in which we might accelerate the development of vaccines, therapeutics, and microbicides that can protect people from HIV and the infections it causes. There are no guarantees in science, of course, but the collective will of government and industry can overcome huge obstacles as we have seen just in the last few years.

Second, let me say I am very pleased that the decision was made at the NIH to put Dr. Paul in charge of coordinating the AIDS research of the NIH. Having it all reconciled, coordinated and directed, has worked out very well. But we need to extend this effort government-wide. That's why I have asked Patsy Fleming to coordinate an inter-departmental working group that will be chaired by Dr. Paul to develop a coordinated plan for HIV and AIDS research across every department of our government, including developing a coordinated research budget. And I want a report in the next 90 days. That is the next important step.

We can't afford any unnecessary delays or missed opportunities. And I'm convinced that these two steps will help us to avoid those.

In addition to the work in research, we have to continue to do what we can to assure that those who are living with HIV and AIDS get the support and the care they need. And I want to talk about this in some detail.

For people with AIDS, the current debate over how to balance the federal budget is far more than a question of political rhetoric. It is a matter of survival, primarily because of Medicaid. Even if we are successful, and I believe we will be, in reauthorizing the Ryan White CARE Act, at higher levels of funding that is less than 20 percent of the total money spent to care for people with HIV and AIDS.

Medicaid is the lifeline of support. It provides health care for nearly half of the 190,000 Americans living with AIDS including 90 percent of the children. It provides access to doctors, to hospitals, to drugs, to home care, the things that allow people to live their lives more fully. It pays for the drugs that keep HIV under control for longer and longer periods of time. And it pays for drugs that prevent the infections that often end the lives of those with AIDS. Medicaid pays for the care that allows families to stay together.

Yet today, one in five American children is eligible for Medicaid -- that's how many -- 22 percent of our children are living in such difficult circumstances that they are eligible for Medicaid. And one of the things about the congressional budget that I objected to so strongly is that it slashes spending on Medicaid by over \$160 billion and turns it into a block grant, thus eliminating a 30-year national commitment we have made to the poor, especially to poor children, which I might say has given us the lowest infant mortality rate in our history. It is the one thing we have done that has helped us to drive down infant mortality among poor people who otherwise never see doctors. It has given elderly people -- millions of them -- a dignified life in nursing homes, or getting home care. And it has helped people with disabilities, not just people with HIV and AIDS, but millions and millions of families on limited incomes with children born with cerebral palsy, children born with spina bifida, families that could never afford to buy a decent wheelchair for their children, much less send them to camp in the summertime or have them in an appropriate living setting. And it is the lifeline for people with HIV and AIDS.

I say again, the Ryan White CARE Act is important. I'm proud of the fact that we have doubled the funding. I am fighting for more funding this year. I am proud of the fact that it enjoys

bipartisan support in the Congress. I am proud of the fact that when there was an attempt in the Senate to eviscerate it, and turn it into a political football, the Senate almost unanimously turned it back.

Do not be deceived, we could double it. And if this Medicaid budget goes through, it is a stake in the heart of our efforts to guarantee dignity to the people with AIDS in this country. Thank you.

I want to say one other thing. I want to thank the Secretary of Housing and Urban Development for the work that he has done to increase opportunities in housing for people living with AIDS. We have taken some tremendous hits in the HUD budget, some of them we have inflicted in an attempt to get the deficit down. And there will doubtless be further reductions which will require reorganization on an unprecedented scale at the Department. But Henry Cisneros and I were together on the day before Thanksgiving at a shelter serving food, and he told me again the one thing that we must not do is to undermine the ability of the Department of Housing and Urban Development to try to provide dignified, adequate, compassionate housing opportunities for people living with AIDS.

So I say to you, when we talk about balancing the budget, I'd like to remind you that our administration has cut the deficit nearly in half in ways that were honorable and fair and enabled us to increase our investment in things that mattered, not just the war against AIDS, but education, technology, medical research, the environment, to bring the deficit down and lift the society up. And that's the way we ought to approach this.

I want to say more about this in a minute, but this budget debate, because it requires tough choices, will inevitably require us to define what kind of people we really are. When times are easy and you can just dole out money to everybody that shows up at the door, it's pretty hard to tell what your values are. When times are tough, and you have say yes some places and no others, it becomes far, far clearer.

So I ask you to help us in the fight against the Medicaid cuts, to help us to preserve Secretary Cisneros's ability to support housing opportunities.

I got the message. I heard what you said about prevention. I would point out that in the last two years we have asked for increases in our prevention budget. But I am very worried about what's happening there because of what has already been said.

We have to set a goal. And I hope you will suggest one coming out of this conference. We have to reduce the number of new infections each and every year until there are no more new infections. And we all have to do that. (Applause.)

We know that for this to work it has to be targeted and it has to be sustained, as the gay community demonstrated in the 1980s. We know now we have to pay particular attention to young people and those who abuse drugs. There is a lot of evidence that huge numbers of our young teenagers continue to be completely heedless of the risks of their behavior.

I was pleased to see the public service announcements that Secretary Shalala released to educate young people and to urge them to take responsibility to protect themselves. I would say we ought to go further, and you need to help us. We have to educate these kids, but we also have to tell them they cannot be heedless of the consequences of their behavior.

It is not enough to know -- they must act. It is in nature -- it is one of the joys of childhood that children think they will live forever. It is one of the curses of childhood in some of our meanest neighborhoods that children think they won't live to be much beyond 25 anyway. In a perverse way, both of those attitudes are contributing to the problem, because one group of our children think that they are at no risk because nothing can ever happen to them -- they're bulletproof; another group believes that no matter what they do, they don't have much of a future anyway. And they are bound together in a death spiral when it comes to this. This is crazy. We have got to find some way to tell them you must stop this.

We are doing what we can to make those toughest neighborhoods safer. Believe it or not, amidst all the talk here in Washington, you could hardly know it, but out there in America in almost every community, the crime rate is down, the welfare rolls are down, the food stamp rolls are down, the poverty rolls have dropped for the first time in over a decade. Why? Because if you invest in people and their future and jobs are created and people go to work and hope begins to be infused in people's lives, all of the problems we talk about here in Washington give way to opportunities in the lives of people.

But we see with this problem, whether there is an atmosphere of opportunity or an atmosphere of hopelessness, too many teenagers are ignoring the responsibilities they have to protect themselves. We have to find better ways, and maybe more help from different people, to get inside their minds, to shake their spirits, to make them know we care about them and we want them to have a future. But we cannot do the one thing that only they can do, which is to control their own decisions. And we have to do more. And if you've got any better ideas for me, believe me, I am all ears.

I want to say, too, just a little word about the importance of trying to tie our prevention efforts with HIV and AIDS to our prevention efforts with drugs and substance abuse, because that's the second big problem area of populations. In 1993 and again in the crime bill in 1994, we increased our federal investment in drug treatment. And I'm working to try to convince Congress to do even more. We know that the right kind of treatment programs work. We know that the right kind of prevention programs work. And we know that we can marry the two.

I've asked the CDC to convene a meeting of state and local people involved in both public health and drug prevention to develop an action plan that integrates HIV prevention and substance abuse prevention. And I hope that we can do that and do it now, because I think it will make a significant difference.

I have to tell you that I am very worried that what we see with the HIV rates among juveniles is now being mirrored in drug use. Last year's statistics showed unbelievably that drug use among people 18 to 34 was going down, but casual drug use among people 12 to 17 was going up. I think it is clearly because there are too many kids out there raising themselves, thinking nobody cares about them and not thinking there's much of a future. So we have to deal with these two things together.

And while we search for a cure, work to improve treatment, strive to prevent new cases and to protect the hard-won gains of the past, I'd also like to say just a word about the basic human rights of people living with HIV and AIDS.

AIDS-related discrimination unfortunately remains a problem that offends America's conscious. The Americans with Disabilities Act now offers more than 40 million Americans living with physical or mental disabilities, including those living with HIV and AIDS, protection against discrimination. And the Justice Department, the Department of Health and Human Services, the Equal Employment Opportunity Commission, they have been vigorously enforcing the ADA. We're about to launch a new effort to ensure that health care facilities provide equal access to people with HIV and AIDS.

We simply cannot let our fears outweigh our common sense or our compassion. And as Sean said, we can't let our bigotry -- to use his word, we can't let our homophobia blind us to our obligations.

I say that for two reasons. One is that the fastest growing group of people with the HIV virus are not gay men. This is not a disease that fits into the homophobic world view. But the second reason is that regardless of sexual orientation or race or income or even whether a person has sadly fallen victim to drug abuse -- as

someone who has lived in a family with an alcoholic and with a drug abuser -- every person -- I say this with clear knowledge, experience and conviction -- every person with HIV or AIDS is somebody's son or daughter, somebody's brother or sister, somebody's parent, somebody's grandparent.

And when we forget this, when we forget that all the people who deal with this are our fellow Americans and that most of them share our values, our hopes and our dreams, and deserve dignity and decency in the treatment we give them, we forget a very great thing that makes this a special country. And we forget it at our own peril.

In one way or another nearly every person in America at one time in his or her life has been subject to some sort of scorn. Woodrow Wilson once said that you could break a person with scornful words just as surely as with sticks, and beat him. And I think that's an important thing, too, to remember.

The American people need to know that everybody in this country and, indeed, throughout the world, is now vulnerable to this disease. We need to identify what our responsibilities are in this country, and our responsibilities to developing countries, to deal with the problem, to search for a cure, to search for a vaccine, to deal with the treatment issues. But I'm not sure it doesn't begin with dealing with our own hearts and minds on this. That's where you have to come in.

Frederick Douglas said, during the great struggle against slavery, that "It is not light that is needed, but fire. It is not the gentle shower, but thunder. . . . The feeling of the nation must be quickened. The conscious of the nation must be roused." That's what you came here to do.

Don't forget this -- most Americans are good people. The great burden we have as Americans is that when we have to deal with something new, too often we can't deal with it from imagination and empathy, we have to actually experience it first. I do not want to wait until every single family has somebody die before we have a good policy.

So I ask you -- I understand anger and frustration, but I will never truly understand it until someday and something happens to me and I know the sand is running out of my hour glass. So I can't totally understand it. But I ask all of you to remember this -- this is fundamentally a good country. Alexis de Tocqueville said in the 1830s that this was a great country because we are a good country. And if we ever stop being a good country, we would no longer be a great country.

So I ask you to use this moment to give America a chance to be great about this issue, give our people a chance to feel this the way you feel it, to see it the way you see it, to know it the way you know it.

When I was getting ready for the conference yesterday, I called Bob Hattoy sitting back there in the room. I said, what do you think I ought to say tomorrow? What do you think is going to happen? We were talking. And he said, I think you ought to think about all the people who waged this battle with us in 1992 who aren't around anymore. And so we just went through them name by name.

And then right before I came over here I looked at the picture of little Ricky Ray that I keep on my desk at the White House in the Oval Office. And I remembered his family and the members that are still struggling with it.

Give the country a chance to be great about this. Shake them up. Shake me up. Push us all hard. But do it in a way that remembers this is fundamentally a good country. Every now and then we stray, we get off the track a little bit, but we're still around after more than 200 years because most of the time when the chips are down, we do the right thing. And I am convinced that people like you can get this country, starting here in Washington, to do the right thing.

Thank you, and God bless you all.

Ellen Ratner
2514 Mill Road, NW
Washington, DC 20007
(202) 337-8715

Handwritten:
Milk -
Fried
Honey
Kiss

6 December 1995

Mr. William J. Clinton
President
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Clinton:

I just came back from your speech at the White House Conference on HIV/AIDS. In one of those rare quirks of fate, I took the Press Pool today for Sarah McClendon. It was so meaningful to me to hear you at the Conference. Although you only know me as the Talk Show Host who covers the White House (and Bruce's sister), in my former life I was President of the National Lesbian and Gay Health Foundation and founder of the nation's first in-patient alcohol and drug treatment center for gay men and lesbians, many of whom were duly diagnosed with AIDS. (For obvious reasons, on the Talk Radio circuit I don't advertise my former occupation nor life style).

As White House Press, I get to see and hear you in so many different circumstances but, today was different. I have watched so many friends die of AIDS. I watched the Reagan and Bush administration's do so very little. I presided over a national AIDS conference where the AIDS activists staged an unannounced die-in in front of President Reagan's FDA Commissioner (because the FDA was doing nothing to make AIDS drugs available). To have a White House Conference on AIDS/HIV and to have the President of the United States listening to concerns about the disease would have been unbelievable during the early days of AIDS in the Republican era.

As I looked over the crowd, I remembered so many of my friends who worked until their deaths in the struggle to make sure our Government responded to the disease. A friend of mine, Shane Ladner, who worked for many years as an AIDS activist was in the hospital when you were elected President. He was so excited about your election and his one wish was to attend your inauguration. A ticket was arranged for him. He left the hospital, attended your inauguration ceremony, and went back to the hospital immediately and died within the week. He felt that it was one of the most meaningful experiences in his life. Today's Conference was clearly part of his dream fulfilled.

So many of my friends and patients were able to survive their illness because of the benefits of the Ryan White Act. The hope that the FDA response has given AIDS patients and the caring of people in your administration such as Jeff Levy and Patsy Fleming make all the difference. It was a great honor to hear you speak today and I know the many people who have passed from AIDS would have been amazed to see a President who really cares.

Mr. William J. Clinton
6 December 1995
Page 2

I look forward to seeing you at the Press Christmas Party. As you suggested I have left messages for Doug Sosnick about a future interview.

Thank you again for the work you do.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ellen Ratner". The signature is written in dark ink and is positioned above the printed name.

Ellen Ratner

GOP's Rare Year Owes Much to How Gingrich Disciplined the House

He and Top Allies, Inspired By the Military, Overrode Committee Chiefs' Power

'Revolution' May Still Falter

A

By DAVID ROGERS

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON—The U.S. Army Training and Doctrine Command has the mission of helping develop a force to fight the battles of the next century. It also is helping Speaker Newt Gingrich fight the political battles of today.

Over the past year, members of the House Republican leadership and their staff have quietly circulated in and out of "Tra-Doc" centers at Fort Monroe in Virginia and Fort Leavenworth in Kansas to study military planning and training methods. Phrases such as "commander's intent" have slipped into hallway conversations on legislative strategy. On one recent evening, a handful of young lawmakers talked late into the night at Tra-Doc's Virginia headquarters trying to adapt lessons in military planning to future strategies for the GOP.

Back in Washington, Lt. Col. David Perkins, an armored officer on a military

fellowship, works from a Capitol office helping the leadership run military-style "after-action reviews" to identify lessons learned from the handling of major bills. Laying out a green Army Field Manual 100-5 on his desk, the 38-year-old officer compares a draft GOP planning document to the



Newt Gingrich

three levels of warfare: strategy, operational art, tactics. "Newt knows that twisting arms is not sustainable," Col. Perkins explains. "He wants them to internalize what the plan is."

For Speaker Gingrich, who never served in the armed forces but grew up the son of a military officer, these methods are among the tools he has used to bring about a historic transformation of the House of Representatives. To an extraordinary degree, the GOP takeover has already allowed him to break down old fiefs that long divided the chamber. In their place, he has built a more disciplined fighting force, giving more control to the leadership while working to build a bottoms-up commitment to making sweeping changes in the direction of American government.

How successful Mr. Gingrich will be at enacting those changes is far from clear. The president and Congress remain at a standoff over the budget, which now encompasses most of the GOP agenda. Because of their failure to reach agreement on a temporary funding measure, part of the government is expected to remain closed today (see article on page A2). Moreover, Mr. Gingrich's success in transforming the House and using it to drive the national agenda has been offset by a failure to convince the American people he is the leader they want. As the year ends, his personal popularity is scraping bottom.

But regardless of who wins the current battle, the character of the House has changed in ways that may influence the course of American government for years to come. In previous years, the Democrats

who ran the House frequently complained about how unruly it had become, with members free to ignore party leaders and act independently. Under GOP rule, committee chairmen — old barons who once jealously guarded their turf — have lost much of that clout. In their place, Mr. Gingrich has sought to empower and energize the rank and file, guiding them through a small cadre of people organized around the speaker.

These aren't the "Reagan Robots" of the early 1980s, when Republicans lined up faithfully behind their president. For all its discipline, the party is much more tumultuous, even irreverent, inside its ranks. The challenge for Mr. Gingrich has been to maintain unity while not squelching the energy he relishes and needs to sustain his "revolution" in the years ahead.

But from election night a year ago, Mr. Gingrich realized that to succeed at enacting major change from his post in the House he would need two things. First, he would need a GOP caucus that was largely united behind clear goals. And second, he would need to make heavy use of the only weapon at his disposal that could possibly match President Clinton's veto: the power of the purse.

The Commanders

"That's the key strategic decision [made on] election night a year ago," Mr. Gingrich says. "If you are going to operate with his veto being the ultimate trump, you have to operate within a very narrow range of change. . . . You had to find a trump to match his trump. And the right not to pass money bills is the only trump that is equally strong."

At the top of the new command structure is a group with the military-sounding acronym SAG — the Speaker's Advisory Group. Mr. Gingrich compares them with former Speaker Sam Rayburn's "Board of Education," which would gather in leather chairs in the speaker's hideaway for four

Please Turn to Page A8, Column 1

Continued From First Page

bon and politics each afternoon. But Mr. Rayburn's group included tenured committee chairmen whose power sometimes rivaled his own. The half-dozen men who gather over cookies and soda in Mr. Gingrich's office share his disdain for the committee and seniority system that long dominated the House.

At one end — in cowboy boots and a haze of smoke — sits Majority Leader Richard Arney, an academic-turned-pol like the speaker and his second-in-command as House majority leader. By Mr. Arney's side is John Boehner, a personable, chain-smoking former Ohio plastics executive who is the party's caucus chairman and liaison to its two most important — and often competing — factions: the Christian Coalition and business.



Richard Arney

GOP Whip Tom DeLay, who dips snuff, sits closer to the speaker at the opposite end of the table. A 5-foot-9 bantam rooster of a man, the former Texas exterminator brings a hatred of government regulation and also political skills learned in the rough-and-tumble of the Lone Star state's legislature. His deputy, Dennis Hastert, a former high-school wrestling coach and veteran of the Illinois assembly, shares the same statehouse training. A third former state legislator at the table is Rep. Bill Paxon, a boyish New Yorker who spent a decade in upstate politics and now runs the House GOP's campaign apparatus.

The only chairman in the group is Bob Walker, of the Science Committee. The awkward Pennsylvanian, who announced Friday that he won't be running for re-election, was squeezed out of the whip's slot by Mr. DeLay. But he has remained at the table by virtue of his friendship with the speaker. When larger leadership meetings

are held, Mr. Walker often heads the discussion so that Mr. Gingrich can play court of last resort for competing forces. But here at SAG, the speaker is the chairman.

At its core, SAG represents the same cadre of Republicans who began planning the GOP takeover at late-night Capitol Hill dinners with Mr. Gingrich long before the 1994 election. These men knew that the new GOP majority in the House — just 236 votes today — wasn't large enough to be able to afford the free-lancing that plagued Democrats in their long reign, and therefore unity would be essential.

"This is a big, long-term cultural change," Mr. Gingrich says. "People here aren't used to thinking professionally. This has been a collegial institution rather than a professional institution."

SAG moved quickly to consolidate power and undercut the opposition. Like a new mayor at city hall, Mr. Gingrich took extraordinary control of the Capitol's daily operations, cutting Democratic staff and even lowly doormen. SAG members, who include the party's top fund-raisers, instructed business lobbyists not just to help the GOP but to withhold campaign money from Democrats. They sought to end, through spending cuts, the government-industry partnerships at the Commerce Department and Pentagon that had helped Mr. Clinton build a bridge to business. And they sought to reduce or deny funds to groups thought to be working against their agenda, from the Legal Services Corporation, which represents the poor in cases against business, to the Federal Election Commission, which is in the midst of a suit against Mr. Gingrich's old political machine, Gopac.

"It's an old adage, it's Sam Rayburn," says Mr. DeLay: "You reward your friends, you punish your enemies."

Military metaphors are frequently heard. "Shaping the battlefield" is a favorite phrase of Mr. Gingrich, who like no other modern speaker has used the office as a bully pulpit and brought the Republican National Committee apparatus into the legislative process. RNC Chairman Haley Barbour, who shares a generational bond with the SAG members — all in their 40s and early 50s — can be found roaming the Capitol halls past midnight when the House works late. The garrulous Mississippian also works to smooth the way both with party donors and with the more-staid Senate.

Early morning conference calls link a "Comstrat" (communications-strategy) team including both the RNC and the GOP leadership. And Mr. Barbour has used his leverage to impose his political message on professional committee staff. The RNC is also represented at weekly meetings hosted by Mr. Boehner with a mix of social-conservative and business organizations.

"Family" is also a favorite Gingrich metaphor, both for SAG and for the party. One night last July when reporters suggested the speaker was beginning to sound like a Mafioso chief, his press secretary, Tony Blankley, softly hummed the music to "The Godfather." In an interview, Mr. Arney protests this comparison but then stumbles into laughter as he tries to come up with alternatives. "It's more like a family like 'Father Knows Best,'" says the Texan. "No, 'Leave It to Beaver.' No, I wouldn't want to say that. 'Addams Family'?"

Mr. Gingrich also has turned to the corporate world for management advice.

He had the Business Roundtable hold a series of private dinners in the Capitol with the top executives of Ford, General Motors, Intel, IBM and Eastman Kodak, among others. The goal was to learn about "downsizing" organizations, but the meetings, some in Mr. Rayburn's old hideaway, under-



Tom DeLay

THE PRESIDENT HAS SEEN

THE WALL STREET JOURNAL MONDAY, DECEMBER 18, 1995

CS 300

... his bombastic rhetoric, Mr. ... is among the least dogmatic of ... members. He shrinks from per- ... confrontation. Still, when he speaks ... se days, he drifts into comparison to ... Wellington battling Napoleon in the Penin- ... sular War, or Ulysses S. Grant vowing in ... Virginia to "fight it out on this line if it ... takes all summer." Sometimes, too, he ... sounds like a captain of industry. Explain- ... ing why he chose seven years as the target ... for his budget plan, he says: "All big ... decisions are intuitive That's how ... they designed the Mustang."

His role as SAG's general also has put him on the firing line, personalizing in the public mind some of the most controversial issues. Moreover, the pugnacity that makes him a good battle strategist can also make him appear full of himself. Thus, while the year has seen him reach great heights of power, it has also brought him to new depths in personal popularity.

Lost Prerogatives

No single group lost more to SAG than House committee chairmen. New GOP rules subject chairmen to term limits that keep them from ever having the independence and authority their Democratic predecessors held. Bills are reviewed by the leadership, in many cases even before being put before the committees. And SAG has worked not only to broker disputes but often to dictate legislation.

When the Banking Committee voted last June to let banks move into the insurance market, SAG stepped in, partly at the urging of younger Republicans, to force changes. Insurers had supported the GOP, and the leadership "didn't want to choose between the banking and insurance industry," says Robert Rusbult, an insurance lobbyist.

Mr. Gingrich intervened early in the Medicare debate as well, getting old rivals on the Commerce and the Ways and Means committees to work together. "In the previous Congresses, a lot of stuff didn't get done because of gridlock between committee chairmen," says Commerce Chairman Thomas Billey. "I can't imagine seeing [Dan] Rostenkowski and [John] Dingell sitting down, drafting a joint bill for Medicare."

The telecommunications battle also showed SAG's dominance. Summoned before SAG last June, Mr. Billey was told his bill was too friendly to AT&T at the expense of the Baby Bells. At the table already were Reps. Hastert and Paxon, both members of the Commerce Committee but now aligned against him as members of SAG. Mr. Paxon, a strong ally of Nynex, was most aggressive in seeking changes at the expense of his chairman.

Spending Squabbles

It was an episode SAG's own members express some regret about. But as the successor to Mr. Dingell, Mr. Billey is cursed by the legacy of the Michigan powerhouse. Behind his back, the crusty Virginian is mocked by some in the GOP as "Tom Dingell," and he lives in fear of further assaults by colleagues who wish to see the committee's broad jurisdiction narrowed further.

No committee was more important to the speaker and SAG than Appropriations. To wage a veto war with the president, they had to rein in this panel.

Soon after the election, Mr. Gingrich handpicked its chairman, Bob Livingston, passing over four more-senior colleagues. He followed up by collecting letters of loyalty from all returning Republicans on the panel, including the so-called College of Cardinals who would head the 13 subcommittees. Conservative interest groups were given access to Appropriations staff through meetings facilitated by Mr. Armey's office. Mr. Gingrich personally reviewed measures in advance, and when the committee held its first negotiations with the Senate on an early spending bill, Mr. DeLay was added to the list of conferees to give SAG a voice in the room.

The pressure has fallen most heavily on Mr. Livingston, a tall former prosecutor with a flair for the dramatic but also strong party credentials. He helped further Mr. Paxon's rise and has been unfailingly loyal to the speaker. But as the year wore on, tensions between SAG and the chairman broke into the open. He also grew frustrated by the special status given to the peripatetic Budget Committee chairman, John Kasich, who paced about SAG meetings without need of a chair.

Policy Changes

Beginning as early as February, Mr. Livingston led his committee through an extraordinary march of spending cuts from domestic programs. But the 52-year-old Louisianian, dubbed the "Ragin Cajun" by Mr. Armey, increasingly found the leadership and younger conservatives demanding that he lard bills with legislative riders, which affect policy rather than simply spending.

Though he agreed with the GOP agenda, he found himself defending not only the old committee system but a set of constitutional checks and balances. In truth, the annual spending bills embody Congress's power of the purse, but that power comes with the understanding that the Appropriations Committee is only to decide funding levels — not make policy changes. If policy is to be changed, it is a job for the authorization committees, which must do more to accommodate the president and his veto.

Over the years, both parties have sometimes put policy changes in spending bills. But the hard-line, confrontational approach taken by the leadership this year has moved the practice into new territory. "The system begins to stop when you start piling too much on these bills," Mr. Livingston says. "The authorization committees have a purpose, and that is to pass policy recommendations through the processes and get signed into law. If the constitutional processes don't allow them to become law, there must be a reason."

SAG saw it differently, and as a member of both the leadership and the Appropriations panel, Mr. DeLay took on the role of enforcer. Amid House-Senate negotiations on a transportation bill, there was heated exchange when Mr. Livingston privately complained of the lack of progress. "I'm tired of your bellyaching," Mr. DeLay finally blurted.

SAG was a prime mover, too, in a powerful but cumbersome initiative

backed by the Christian Coalition and industry groups to limit political advocacy by nonprofit groups getting federal grants. Mr. Gingrich, who keeps a bust of Jefferson behind him at SAG meetings, couches the fight as one against government's influence on political debate. But it was also part of a campaign to blunt political attacks on vulnerable GOP freshmen by a senior-citizens lobbying group.

In the midst of a July committee meeting, Mr. Livingston placed an agitated call to Mr. Gingrich, asking to be allowed to drop the controversial measure. But later, he gave his support to it and let it pass through his panel. When asked why he reversed himself, the Appropriations Committee chairman answered: "My head was on the chopping block." Despite SAG's efforts, the provision remains stymied in Congress; one effort to move it through as a rider failed when some GOP members feared the revised version would hurt their business allies as well as liberal groups.

Party Divisions

To maintain unity in the House, SAG has had to work constantly to bridge the two great divides in the GOP caucus. One is the fractious relationship dividing its freshman and sophomore classes — elected by a public fed up with Washington politics — from the older members — many of whom felt overwhelmed by the aggressiveness of the newcomers. Mr. Gingrich came to rue the fact that, while demanding loyalty letters from older Republicans on the Appropriations panel, he failed to ask the same of the newer members.

The second, and deeper, political split is between the GOP's traditional business allies and populist, social-conservative groups such as the Christian Coalition. "It is an inevitable price you have to pay," says the speaker, who has sought to bind the factions under his concept of "American civilization." "You need both to win," he says. "That's the key my party's got to keep remembering."

It was the social conservatives who were the first to upend the leadership last July in a battle over funding for the Interior Department and cultural programs. At issue was money for the National Endowment for the Arts. Opponents of it managed to kill a procedural motion as a way of protesting that more wasn't being done to eliminate the agency outright.

As party whip, Mr. DeLay warned Mr. Armey of an impending revolt. But the majority leader, grown accustomed to the new discipline in GOP ranks, assured Mr. Gingrich there was no problem, and the speaker left for the evening. "I think he asked me, and I said, 'No sweat, man, we have this in the bag,'" Mr. Armey recalls. "We were beginning to operate from the presumption that it wasn't possible to lose the votes." The loss forced the leadership to regroup, and before bringing the bill up again it promised to press for eliminating

the arts agency over two years.

Mr. Armey learned from that loss, and threw himself into a fight over cutting funding for the Legal Services Corporation. The American Farm Bureau Federation, which wanted to curb Legal Services lawyers' ability to sue farmers on labor issues, joined with social conservatives who saw the same lawyers as the "shock troops" of the left. Assigned to work with these interests inside Mr. Armey's office was Virginia Thomas, a former U.S. Chamber of Commerce labor specialist and the wife of Justice Clarence Thomas.

Within the Appropriations Committee, lawmakers and staffers came to fear Ms. Thomas's arrival, for it often meant another effort to put conservative social initiatives into spending bills. Rep. Harold Rogers of Kentucky, a GOP defender of legal aid on Appropriations and representative of one the nation's poorest districts, found himself repeatedly pulled into talks with Mr. Armey.

Perhaps the most open and bitter fight between the Appropriations Committee and the leadership came in late September, when a compromise Pentagon spending bill was brought back to the full House. Days before the vote, flying between San Antonio and Dallas, Mr. Armey called from his plane to warn the committee against giving in to the Senate's opposition to House restrictions on abortion in overseas military hospitals. Later, after the appropriators gave ground to the senators, a top Armey aide came to the press galleries to tell reporters that the leadership was separating itself from the Pentagon bill — an extraordinary rebuke to Chairman Livingston and his committee.

"I'm sorry they did that," Mr. Armey now says. "Some of my folks were feeling frustration. There was a lot of attitude going on those days."

Environmental Spat

SAG, too, has had its losses. Most important was the defeat of deregulatory provisions attached to the Environmental Protection Agency's budget. The measures sought to curb EPA's ability to enforce clean-air and clean-water rules and came to symbolize an effort to reward industry allies seeking relief from regulation.

The measures provoked a backlash from party moderates, catching the leadership by surprise. Though Mr. DeLay had spearheaded the effort, SAG itself had never held a strategy session on the environment. As Mr. DeLay persisted in the effort, even Messrs. Gingrich and Armey became uncomfortable with the fight. Younger members like Mr. Kasich joined with the moderates, and the dispute had a ripple effect and strengthened environmentalists on issues regarding mining and logging on federal lands.

"I'll be real straight with you — we have lost the debate on the environment. . . . I can count votes," Mr. DeLay says. "There really has not been a leadership environmental strategy. There was a regulatory-reform strategy that deteriorated into an environmental issue, and it cost us."

After a year, the pace has exacted its own price on all of the leadership. "Newt has more time available to him. I may be like the new professor with the 18-hours teaching load," Mr. Armey says. "I have to get from this class to the next, while he's like the tenured professor teaching only one course."

If so, Mr. Gingrich has nonetheless had to battle his own waves of exhaustion. He recalls a meeting last spring with a group of chief executives put together by the Business Roundtable. "The thing that has most struck me," he told them, "is you get up in the morning, and you have intensity until you quit, and then you get up in the morning. When you're in the opposition, it's like a guerrilla war. You plan the campaign, you set the ambush, you have the big moment. For four or five days it's very, very exciting, and then you retreat back into anonymity again."

"Here, it's every day. It's astonishing the intensity and volume. . . . And every CEO just laughed at me. Every one of them. And they said, 'Welcome to the club.'"



Bob Livingston

THE PRESIDENT HAS SEEN

12-21-95

THE WHITE HOUSE
WASHINGTON

December 19, 1995

95 DEC 19 P 2: 36

MEMORANDUM FOR THE PRESIDENT

FROM: DONALD A. BAER, *DRB*
SUBJECT: STATE-OF-THE-UNION PROCESS

*See memo to
Laird per*

The attached memorandum provides a process for the planning, writing, and amplification of the 1996 State of the Union, now scheduled for January 23. This went to Leon Panetta and Erskine Bowles last week, and both of them have approved it.

In the meantime, substantial portions of this process are already moving forward, and we should be able to get to you several of the reports referred to in this memorandum on deadline. I am hopeful that before the new year we will get time to discuss with you some of the themes and policy areas on which you wish to focus.

THE WHITE HOUSE
WASHINGTON

December 11, 1995

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: DON BAER
SUBJECT: STATE-OF-THE-UNION PROCESS

Attached is a proposed process and notional schedule for the planning, writing and marketing of the 1996 State of the Union Address. This plan incorporates the following tasks:

1. Development of themes and substance
 - A. Policy outreach process from within and outside the government being led by Bruce Reed
 - B. Thematic outreach process from range of thinkers and advisers being conducted by Speechwriting
 - C. Public opinion research (polling on themes, language, target groups, ideas) being conducted by Penn & Schoen
2. Drafting of speech under White House Speechwriting
3. Presidential preparation, including time for thinking, writing, editing, media training and rehearsing. (Activity that requires substantial Presidential time is underlined.)
4. Amplification and roll-out of speech and themes
 - A. Free media opportunities before and after speech
 - B. Paid media before and after speech
 - C. Other marketing efforts designed to build impact of speech

The attached schedule already reflects some ideas for Presidential media and events that relate broadly to year-end/new-year themes.

To move this entire process forward, we need to work closely with the Message Group. With your permission, I would like to use a subset of that group as a SOTU working group, which would begin to take responsibility this week for implementing the approved process (Attachment 1).

DECEMBER

Week of 12/11

- Present plan to Message Group; approval of plan by President; formation of SOTU working group
- Outreach by Speechwriting to outside thinkers and advisers (including Galston group) for themes (aimed at 12/19 deadline)
- Receive comments on Reed ideas memo and continue to vet new policy ideas (aimed at 12/19 deadline)
- Draft and circulate poll questionnaire, coordinated with theme and policy research (aimed at survey in field 12/16-18; note: no poll at this time if government is shut down)
- SOTU working group first cut at the following: Themes and policies; pre- and post-speech Presidential and Cabinet/surrogate amplification

Week of 12/18

- Preliminary analysis of poll (12/19-20)
- SOTU working group session to develop thematic outline and integrate other material (12/20 - 3 hours)
- Meeting with President (12/22) to present thematic memo, survey conclusions and notebooks containing Reed policy research and thematic advice from outside thinkers
- Proposed year-end media reflecting themes: CNN hour long special on President this year (12/21); CSPAN long interview

Week of 12/25

- First draft work by Speechwriting
- Meetings with President to discuss policy research (Reed) or thematic advice, if so desired or needed (12/26 - 27)
- SOTU working group: Further amplification plans

DECEMBER-JANUARY 1996

Week of 12/31

- Internal circulation of draft (1/5)
- First draft to President (1/6)
- Galston dinner with outside thinkers (1/6)
- SOTU working group: Final plans for Cabinet and other surrogates for pre- and post-speech efforts (1/5)
- Proposed new-year national town meeting (ABC/Jennings) reflecting themes

JANUARY

Week of 1/8

- Revised draft based on internal circulation and Galston group discussions (1/10)
- Media training (1/13)
- Polling/focus groups other research (1/8-12)
- SOTU working group meets with Cabinet/surrogates for pre-speech assignments to begin week of 1/15 (including speeches, tv interviews, talk radio, regional/specialty press); decides on post-speech plan for President and surrogates and develops other marketing
- Paid media group reviews themes; begins developing post-speech spot concepts (1/12)

Week of 1/15

- Draft back from President to staff (1/15)
- Martin Luther King Day speech (1/15)
- President speech prep (1/15)
- Redrafting (1/15-16)
- Full read through (1/17)
- Further media training
- Paid media drafts mall-test spots based on draft speech (1/16); filming with President (1/16-19, plus MLK Day speech)
- Proposed major print (newsmag) and tv interview by President on themes/expectations for speech
- SOTU working group meets with Cabinet/surrogates for final pre-speech assignments (in final run-up to speech) and post-speech assignments (to begin 1/24 - 25)

Question: Bosnian visit in run-up to speech?

Week of 1/22

- Rewriting by President
- Read through (1/21, 1/22) (2 ½ hours each day)
- Final pre-speech press interview?
- Mall test spots (1/20-21)
- State-of-the-Union (1/23 or 1/24)
- Post-speech Presidential activity TBD
- Cabinet/ surrogate post-speech activity
- Spot run begins (1/25)

ATTACHMENT 1

Proposed State-of-the-Union Working Group

Deputy Chief of Staff

Don Baer

Doug Sosnik

Bruce Reed

George Stephanopoulos

Ron Klain

Melanne Verveer

Michael Waldman

Tony Blinken

Gene Sperling

Ann Lewis

Dick Morris

Frank Greer

Mark Penn

Kitty Higgins

Austin?

*Will reach out for advice to various people inside and outside administration.

December 1995

State-of-the-Union Schedule

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10	11 SOTU Working Group formed Reed outreach Outside thinker outreach	12 Plan to message group Plan to POTUS	13	14 Draft poll questionnaire	15	16
			SOTU Working Group: themes, policies			Poll in field
17	18	19 Deadline: Reed outreach Deadline: outside thinker outreach Preliminary poll analysis	20 SOTU Working Group: review themes, polls, policies	21 CNN special Prepare booklets on policy/ themes	22 POTUS meeting: themes, policy, polls	23
Poll in field						
24	25 Holiday	26 CSPAN special POTUS mtg: policy, themes SOTU Working Group: amplification	27	28	29	30
			Speechwriting: first draft work			
31						

November 95						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

January 96						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 1996

State-of-the-Union Schedule

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3 National town meeting (ABC)	4 SOTU Working Group: plans for POTUS post- speech	5 First draft: internal circulation SOTU Working Group: final plans Cabinet/surrogates	6 First draft to POTUS Galston group dinner
7	8 SOTU Working Group: meet w/ Cabinet/surrogates for pre- speech; post-speech plan; marketing	9	10 Revised draft (based on circula- tion/Galston group)	11	12 Media group: themes, post- speech spot concepts	13 Media training
	Polling/focus groups					
14	15 Draft to staff from POTUS Further media training MLK Day speech POTUS speech prep	16 Media group: draft mall spots	17 Read-through SOTU Working Group: meet Cabinet/surrogates for final pre/post-speech assignments	18 POTUS major tv/print interviews POTUS: filming for spots	19	20
	Redrafting					Mall-test spots
21 Read-through(2.5 hr)	22 POTUS rewrite Read-through(2.5 hr)	23 State-of-the-Union [TBD]	24 Cabinet/surrogates post-speech activity POTUS post-speech activity	25 Spot run begins	26	27
Mall-test spots						
28	29	30	31	December 95 S M T W T F S 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 February 96 S M T W T F S 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29		

12-18-95

THE WHITE HOUSE
WASHINGTON

95 DEC 15 P7:28

DECEMBER 15, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: SUMMARY OF CABINET WEEKLY REPORTS
DECEMBER 10-16

copied
Higgins
Pamela
Bowles
VP
Doriskind

BUDGET CONFERENCE CALLS WITH MAYORS

On Wednesday, December 13 and Thursday, December 14, Secretaries Rubin, Ron Brown, Reich, Shalala, Cisneros, O'Leary, Riley, Jesse Brown, Administrator Browner and Administrator Johnson conducted 10 conference calls with over 50 mayors from across the nation to amplify the Administration's budget message. The calls were extremely well received across the US, by both the mayors and the regional press.

FEMA UPDATE

*Q: should
Reich
go up there
to discuss
with them
about help?*

Massachusetts/Malden Mills Fire: On December 11, there was a massive fire at the Lawrence, Massachusetts Malden Mills textile plant, the largest employer in that part of the state. Approximately half of its 1400 employees were working at the time of the fire. Thirty-three employees were injured (8 critical, no fatalities as of yet). The cause of the fire and explosion has not yet been determined. An OSHA investigation team was on site and a formal investigation has been initiated. Inspection of damaged areas will continue to be limited until all fires are extinguished. Due to the damage caused by the Malden Mills plant fire, The Governor of Massachusetts may request major disaster declaration or emergency declaration. Although MA is receiving assistance from other sources, a Major Disaster declaration would enable MA to access Disaster Unemployment Assistance.

The destruction of the Malden Mills industrial complex will have widespread economic consequences in that region. In addition to the 1400 Malden Mills employees, approximately 1000 workers will be adversely affected by the destruction of the Malden Mills plant. DOL staff is coordinating with the Massachusetts Department of Employment and Training, Industrial Services Program, Governor Weld's office and other federal

agencies to expedite assistance to all affected parties. On December 12, Secretary Reich met with Senators John Kerry and Edward Kennedy, Rep. Marty Meehan and FEMA Director James Lee Witt regarding the textile mill fire. On December 14, DOL awarded the State of Massachusetts a \$3.7 million emergency grant application to assist several hundred of the estimated 2,400 workers dislocated by the December 11 Malden Mills fire.

- **Washington:** In response to severe flooding, WA may submit a request for Federal assistance next week. Preliminary Damage Assessments (PDAs) are being conducted by Federal, State and local personnel to determine how much assistance Washington needs. The assessments should be completed this weekend.
- **Oregon:** Joint Federal, State and local Preliminary Damage Assessments have been postponed until next week for Tillamook County. The PDA will determine if a request for Federal assistance is in order. The Governor of Oregon declared a State of Emergency for the western portion of the state and activated the National Guard.
- **California:** FEMA regional personnel do not expect the State to request a joint Federal/State PDA in response to the severe storm; therefore there will be no request for Federal assistance. State and local agencies, along with there American Red Cross, are assisting California.

DEPARTMENT OF THE TREASURY

- **FOMC Meeting:** The Federal Open Market Committee meets on December 19. Futures markets have displayed mixed views on whether there will be a cut in the federal funds rate at that meeting.
- **Unblocking Yugoslav Assets:** Treasury's Office of Foreign Assets Control (OFAC) is preparing to suspend sanctions against Yugoslavia as soon as you certify to Congress that suspension is necessary to implement a peaceful resolution of the Bosnian conflict (required under the 1994 Defense Authorization Act). Suspension of sanctions will allow new transactions, unfreeze suspended transfers, and permit two Yugoslav banks in New York to either reopen or wind up their operations.
- **Debt Limit:** As part of Treasury's on-going effort to educate Members of Congress on the debt limit (specifically on the implications of H.R. 2621), Treasury officials met with Rep. Roukema, Smith, Micah and Shaw this week. Other Congressional meetings are planned for next week. On December 14, the House was expected to take up H.R. 2621, which severely limits Treasury's ability to manage cash during an impasse; this has been delayed because of the Bosnia debate. Also on Thursday, the Senate Finance Committee took up a legislative provision that attempts to further limit Treasury's ability to take action with regard to trust funds other than the Civil Service and G fund.
- **District of Columbia:** This week, Treasury officials met with representatives from OMB, the District and the Financial Control Board to discuss D.C.'s cash needs. Congress has not yet approved the District's budget because certain voucher and abortion language remains in the D.C. Appropriations Bill. It is unclear when a non-vetoeable budget will be passed. Treasury has agreed that the District begin preparing an Advance Requisition. The size of the advance

will vary depending on whether the budget or a CR is approved and what portion of the Federal payment is appropriated to the District.

- **Large Position Reporting:** The Bureau of Public Debt has published a proposed regulation that would implement a system of "on-demand" information reporting for large concentrations of Treasury securities. Under this system, holders of Treasury securities would be required to maintain records and to report their holdings in response to notices issued by the Department requesting information on holdings in a specific security above \$2 billion.
- **Allocation of R&D Expenses:** The IRS has published a final regulation concerning U.S. multinationals' allocation of R&D expenses between U.S. and foreign source income. The final regulation will result in an allocation of R&D expenses to foreign source income that is 25% lower, on average, than the allocation resulting from the current regulation. This change will enable multinationals to increase their foreign tax credits.
- **Consumer Price Index (CPI):** The Bureau of Labor Statistics (BLS) has undertaken steps to mitigate the potential upward biases inherent in the CPI. It is reasonable to assume that these steps will shave approximately 0.3 percent per year off of measured inflation. The new CBO assumptions, released this week, assume exactly that, a 0.3 percent reduction in measured inflation. Without additional modifications to the CPI, an additional adjustment to the CBO budget baseline is not warranted.

DEPARTMENT OF COMMERCE

- **Secretary's Activities:** On December 14, Secretary Brown spoke with the mayors of Kansas City, Atlanta and Albuquerque to promote your budget priorities. On December 15, Secretary Brown traveled to New York to open a District Export Assistance Center in Harlem and had interviews with CNBC and CNN. On December 18, he will travel to Louisiana to open a U.S. Export Assistance Center in New Orleans.
- **Commerce will release the Following Economic Indicators:**
Gross Domestic Product 3rd Quarter 1995 (preliminary figures) December 19
(This release will be combined with the release of the revised estimates from the comprehensive, or benchmark, revision of the National Income and Product Accounts for 1993 through the 2nd Quarter of 1995.)

DEPARTMENT OF LABOR

- **Pending Grant Application for Kentucky:** A \$5.2 million Clean Air grant to assist 225 coal miners and coal industry workers laid off from ten coal companies located throughout Southeastern Kentucky will probably be awarded next week.
- **Fair Labor Standards Act:** On December 13, 1995, the House Committee on Economic and Educational Opportunities, Subcommittee on Workforce Protections, held a markup session on H.R. 2391, the Compensatory Time for All Workers Act of 1995, introduced by Rep. Ballenger (R-NC), H.R. 1227, a bill to amend the Portal-to-Portal Act of 1947 dealing

THE PRESIDENT HAS SEEN
12-18-95

with travel time, introduced by Rep. Fawell (R-IL) and H.R. 2531, a bill to amend the Fair Labor Standards Act of 1938 (FLSA) to exempt house parents from the minimum wage and maximum hours requirements, introduced by Rep. Hutchinson. The Subcommittee passed and ordered all three bills reported favorably to the full Committee. All votes were party line voice votes, with the Democrats opposing all the bills and the Republicans supporting them. Regarding his compensatory time bill, Subcommittee Chairman Ballenger made it clear that he would like to work with the Democrats to get a bill that the Congress could pass and that the President would sign. Rep. Owens (D-NY), Ranking Member, stated that Committee needs to consider raising the minimum wage along with these other issues. These bills seek to amend the FLSA and erode some of the worker protections afforded by that Act.

ERISA Enforcement: On December 11, Secretary Reich announced that DOL would soon be proposing a rule that shortens the amount of time employers can hold workers' 401(k) monies. This action is part of a campaign which began earlier this year to deter misuse of 401(k) plans. In addition, the Department is working towards the introduction of the ERISA Enforcement Improvement Act of 1995, legislation that, among other things, would require plan administrators and their auditors to report serious violations of ERISA to DOL. A memorandum outlining Labor's communications strategy is forthcoming.

- **Minimum Wage:** On Friday, Secretary Reich testified before the Senate Labor and Human Resources Committee on your proposal to increase the minimum wage.

New SEIU President: The Service Employees International Union (SEIU) has chosen Richard W. Cordtz, former secretary-treasurer of the union, to fill the unexpired term of former president John Sweeney. Betty Bednarczyk will fill Cordtz's unexpired post. At this time, Cordtz is not expected to run for the presidency of the 1.1 million-member union at the 1996 convention.

- **Federal Express:** Federal Express Corp. company officials have stated that they are only a few hundred votes short of getting a new National Mediation Board (NMB) authorized representational election for the 2,800 pilots engaged in a labor dispute against the firm. The Air Line Pilots Association (ALPA) dismissed the statements as false and claims that flight operation have been severely disrupted, thus proving union solidarity. Magdalena Jacobsen, chair of the NMB, has scheduled a resumption in talks at board headquarters in Washington on December 15.
- **IAM Ends Strike Against Boeing:** International Association of Machinist members ended a 69-day strike against Boeing Corporation by ratifying a tentative agreement on December 14. IAM members approved the pact by a resounding 18,604- 2,779 vote. The contract runs until September 1, 1999. The agreement provides for lump-sum incentives and general wage increases of about 3% per year; improvements in job security and restrictions on subcontracting; a joint approach to administering health care with no employee copayments if costs remain below the national average; and other additional benefits.
- **Caterpillar Delays Re-Hiring Striking Workers:** In the recently concluded dispute at Caterpillar, UAW sources contend that the company has delayed re-hiring striking workers and has thus created tension at all company facilities. The UAW rejected a company proposal, but ended the strike on December 3.

Cabinet Weekly Report, December 10-16 Page 4

JIM DORSKIND:

Please coordinate
the reply.

Coordinate w/Higgins

with travel time, introduced by Rep. Fawell (R-IL) and H.R. 2531, a bill to amend the Fair Labor Standards Act of 1938 (FLSA) to exempt house parents from the minimum wage and maximum hours requirements, introduced by Rep. Hutchinson. The Subcommittee passed and ordered all three bills reported favorably to the full Committee. All votes were party line voice votes, with the Democrats opposing all the bills and the Republicans supporting them. Regarding his compensatory time bill, Subcommittee Chairman Ballenger made it clear that he would like to work with the Democrats to get a bill that the Congress could pass and that the President would sign. Rep. Owens (D-NY), Ranking Member, stated that Committee needs to consider raising the minimum wage along with these other issues. These bills seek to amend the FLSA and erode some of the worker protections afforded by that Act.

ERISA Enforcement: On December 11, Secretary Reich announced that DOL would soon be proposing a rule that shortens the amount of time employers can hold workers' 401(k) monies. This action is part of a campaign which began earlier this year to deter misuse of 401(k) plans. In addition, the Department is working towards the introduction of the ERISA Enforcement Improvement Act of 1995, legislation that, among other things, would require plan administrators and their auditors to report serious violations of ERISA to DOL. A memorandum outlining Labor's communications strategy is forthcoming.

Minimum Wage: On Friday, Secretary Reich testified before the Senate Labor and Human Resources Committee on your proposal to increase the minimum wage.

New SEIU President: The Service Employees International Union (SEIU) has chosen Richard W. Cordtz, former secretary-treasurer of the union, to fill the unexpired term of former president John Sweeney. Betty Bednarczyk will fill Cordtz's unexpired post. At this time, Cordtz is not expected to run for the presidency of the 1.1 million-member union at the 1996 convention.

Federal Express: Federal Express Corp. company officials have stated that they are only a few hundred votes short of getting a new National Mediation Board (NMB) authorized representational election for the 2,800 pilots engaged in a labor dispute against the firm. The Air Line Pilots Association (ALPA) dismissed the statements as false and claims that flight operation have been severely disrupted, thus proving union solidarity. Magdalena Jacobsen, chair of the NMB, has scheduled a resumption in talks at board headquarters in Washington on December 15.

IAM Ends Strike Against Boeing: International Association of Machinist members ended a 69-day strike against Boeing Corporation by ratifying a tentative agreement on December 14. IAM members approved the pact by a resounding 18,604- 2,779 vote. The contract runs until September 1, 1999. The agreement provides for lump-sum incentives and general wage increases of about 3% per year; improvements in job security and restrictions on subcontracting; a joint approach to administering health care with no employee copayments if costs remain below the national average; and other additional benefits.

Caterpillar Delays Re-Hiring Striking Workers: In the recently concluded dispute at Caterpillar, UAW sources contend that the company has delayed re-hiring striking workers and has thus created tension at all company facilities. The UAW rejected a company proposal, but ended the strike on December 3.

- **Oral Argument in *Chamber of Commerce v. Reich*:** On December 15, the U.S. Court of Appeals for the D.C. Circuit heard oral argument in *Chamber of Commerce v. Reich*, the striker replacement Executive Order case. The Government argued that the President's issuance of the Order is nonreviewable or, in the alternative, that the President's actions did not violate the National Labor Relations Act and that he was acting within his authority under the Federal procurement laws.
- **Garment Enforcement Activities Summary:** Wage and Hour staff in the Boston Region have been conducting investigations in the jewelry industry. To date, of the 16 completed investigations, a total of \$42,300 has been paid to 11 low-wage jewelry workers. Fashion Accents of Weymouth, MA, paid \$41,500 in back wages to eight homeworkers. An investigation of an enterprise consisting of two contract shops, New Ace Productions Ltd., and High Tech Inc., in the New York City area, resulted in an agreement by the manufacturer, A.R.B., Inc. and the contractor not to ship the goods and to pay over \$79,000 in back wages to 100 employees for missed payrolls.

DEPARTMENT OF TRANSPORTATION

- **Third Harbor Tunnel Opening--Boston, MA:** Secretary Pena participated in a ribbon-cutting ceremony to open the tunnel to commercial traffic on December 15, 1995. This tunnel provides a connection from the Southeast Expressway (Interstate 93) and Massachusetts Turnpike (Interstate 90) to Logan Airport, thereby bypassing daily traffic congestion in downtown Boston. The new tunnel will be open to commercial vehicles for the first few years of its operation until freeway connections to Interstates 90 and 93 are completed, around the year 2002. On December 7, the Massachusetts Senate passed legislation naming the new Third Harbor Tunnel after former Red Sox player Ted Williams.
- **Security Teleconference With Air Transport Association (ATA) and Air Carriers:** In response to a request from ATA, senior officials from the FAA held a teleconference with ATA and airline representatives to hear concerns about increased "Level III" security measures and possible adjustments to the security baseline. Although the airlines asked FAA to eliminate differences in security measures applied by airports and indicated some increasing passenger and travel agent frustration with the measures, they did not indicate substantial problems.
- **Santa's Flight:** Plans for a photo opportunity and news releases detailing safety checks for Santa's holiday travel are being finalized. Santa may visit with FAA officials at the agencies Central Flow Control facility in Herndon, VA, to talk about the plan for his long and arduous annual flight. The FAA is doing everything possible to make sure Santa and the public fly safely.
- **Affirmative Action Legal Suit--*RMCI, Inc. v. City of Albuquerque*:** On December 4, a non-disadvantaged New Mexico highway contractor, relying on the Supreme Court's decision in *Adarand v. Peña*, filed suit in New Mexico federal district court challenging the constitutionality of Albuquerque's administration of its Disadvantaged Business Enterprise (DBE) program and the federal DBE program. The Albuquerque project utilizes a 9% DBE subcontracting goal, and is 20% federally funded. On December 7, the district court

temporarily enjoined the use of the 9% DBE goal. A hearing on a permanent injunction was held on December 14. The federal government is not a party to this case, but DOT and the Department of Justice are monitoring it closely.

- **Highway Safety Action Plan:** DOT is continuing to provide information to the states regarding highway safety issues as the states implement the provisions of the National Highway System Designation Act (NHS). The Governors of four states (Kansas, Missouri, Mississippi and Ohio) have taken advantage of language in the Act to postpone the effective date of repeal of the National Maximum Speed Limit in their state. North Dakota's Governor wants to move carefully with regard to possible speed limit increases. He will study the matter and turn it over to the State Legislature rather than to immediately raise the limits.
- **L.A. Subway Project to be Featured on 60 Minutes:** On December 17, the *CBS News* program "60 Minutes" is scheduled to broadcast a segment on the construction problems of the federally funded Los Angeles Red Line subway project. The Los Angeles County Metropolitan Transportation Authority cooperated with the story. The Federal Transit Administrator was interviewed off camera by a "60 Minutes" researcher. FTA has increased oversight activities and is receiving reports on construction and management progress almost daily.
- **Migrant Interdictions--Dominican Republic Cooperation:** The Dominican Republic (DR) has granted blanket permission for the Coast Guard to board and search DR vessels suspected of illegal migrant trafficking and to repatriate Dominican migrants during the period December 5-13. This special permission coincides with Operation HALCON III, an exercise of the US/DR Maritime Counter-Narcotics Agreement.
- **Drug Interdiction:** On December 5, the Coast Guard intercepted a 75-foot Haitian freighter approaching Miami Harbor and after an extensive search uncovered 230 kilos of cocaine hidden in bags in a lube oil tank. On December 10, the Coast Guard intercepted a 35-foot go-fast vessel 26 miles south of St. Croix, U.S. Virgin Islands. The Coast Guard witnessed the crew discarding packages in the water. The Coast Guard recovered 13 bales in the water (each weighing approximately 80 pounds), and a boarding revealed an additional 17 bales of cocaine. The vessels claimed to be registered in Colombia. The Government of Colombian refuted the claim. The vessel was assimilated stateless status and was seized for violation of U.S. law.

U.S. TRADE REPRESENTATIVE

- **Creation of a Monitoring and Enforcement Unit:** On December 18, Ambassador Kantor will announce the creation of a monitoring and enforcement unit with USTR to ensure that U.S. trade laws and U.S. rights under international trade agreements are enforced.

U.S. INFORMATION AGENCY

- **Au Pair Program:** Both the House International Relations Committee and Senate Foreign Relations Committee have passed identical stand alone bills reauthorizing the Au Pair program for two years. The Senate passed the bill by unanimous consent on Wednesday. A unanimous consent vote in the House may come as early as December 15. At the latest, the bill is expected to reach you next week. The Senate version of the bill originally called for a four year authorization, however, Senator Helms agreed to the House time frame to avoid a conference. The current bill (H.R. 2767) opens the program to new countries and new sponsors.

DEPARTMENT OF JUSTICE

- **Government May Seek Preliminary Injunction Against The District Of Columbia In Connection With EPA Inspection:** EPA's inspection of the Blue Plains Sewage Treatment Plant revealed that, because of lack of funding, essential equipment parts and chemicals are not being purchased and or are in need of repair. Consequently, the plant's capacity has been reduced significantly, which means that wet weather flows will cause bypasses of partially treated or untreated sewage into the Potomac River. The preliminary injunction motion would require D.C. to pay its suppliers and keep the plant in good repair. DOJ will seek a meeting with District officials before filing any action.

- **Operation Senior Sentinel Results in 400 Individuals Charged in Nationwide Telemarketing Fraud:** A two-year, joint federal and state undercover operation in which volunteer retired persons secretly tape recorded dishonest telemarketers who prey on the elderly resulted in more than 400 planned arrests in over a dozen states. The tape recorded telephone calls from telemarketers were forwarded to a computerized collection point in San Diego, California, where they were catalogued and indexed for investigation. Twenty-five Federal Grand Jury indictments were announced charging approximately 156 individuals in Las Vegas with federal felony offenses arising from their ownership and employment in fraudulent Las Vegas telemarketing businesses.

- **Court Adopts Plan In Georgia Voting Case:** On December 13, 1995, the court in *Johnson v. Miller*, (S.D. Ga.), issued an order adopting a court-drawn remedial congressional redistricting plan for Georgia. In June, the Supreme Court upheld the district court's 1994 ruling finding the 11th District (Rep. Cynthia McKinney-D) to be an unconstitutional racial gerrymander. On December 1, the district court unanimously invalidated the 2nd District (Rep. Sanford Bishop-D) as well. The plan adopted by the majority contains only one majority-black district, the 5th District (Rep. John Lewis-D) in Atlanta, in contrast to three in the challenged plan, and contains no other district with a voting age population that is more than 35.13% black. District 11 is completely relocated so that it contains no counties that were in the district as the state legislature configured it in any of the three plans submitted by the state for Section 5 review in 1991 and 1992. As a result, the voting age population in District 11 goes from 60.36% black to 10.84% black. The voting age population in District 2 goes from 52.33% black to 35.13% black. In reaching its decision the majority found that neither Sections 2 nor 5 of the Voting Rights Act required the creation of two majority-black districts and that Georgia's preference for not splitting

counties outside of metro-Atlanta justified an overall deviation from equal population of 0.35%, which is higher than we demonstrated it could be.

COPS Announcement Being Prepared: DOJ is working with staff from the Domestic Policy Council to prepare for a possible White House announcement next week of approximately \$220 million in new police hiring grants. The grants will allow more than 1,600 jurisdictions to hire or redeploy over 5,700 police officers.

House Judiciary Subcommittee Holds Hearing to Consider Denial of Birthright of Citizenship to Certain Children Born in the U.S.: On December 13, the House Judiciary Subcommittee on Immigration and Claims and the Subcommittee on the Constitution held a joint hearing on the denial of birthright citizenship to children born in the United States to parents who are not United States citizens or legal residents.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Drug Use Among Youth Continues to Increase: On December 15, Director Lee Brown, Deputy Secretary Madeleine Kunin and Secretary Shalala announced the release of the 21st annual Monitoring the Future Survey, which surveys the use of tobacco, alcohol and illicit drugs by 8th, 10th and 12th graders. According to this year's survey, 39% of high school seniors had used an illicit drug at least once in the past year, an increase from 35.8% in 1994, but still far below the peak of 54.2% in 1979. Rates of cigarette smoking also increased among high school seniors, with 33.5% reporting having smoked in the previous 30 days, up from 31.2 percent in 1994.

DHHS May Approve Welfare Proposal for Connecticut This Week: HHS may approve Connecticut's request for waivers to implement the *Reach for Jobs First* welfare demonstration, modifying an earlier approved project. This will be the 50th welfare waiver (to 35 states) granted during the Clinton Administration.

California Proposal to Restructure Los Angeles County Health Care System: Next week, HCFA staff will go to California to discuss concerns and provide technical assistance on a "working draft" of a Medicaid demonstration proposal designed to stabilize and restructure the health care system in Los Angeles County.

First Drug for Lou Gehrig's Disease Approved: On December 12, FDA approved Rhone-Poulenc Rorer's riluzole (trade name Rilutek) for Lou Gehrig's Disease, clinically known as amyotrophic lateral sclerosis (ALS). The approval was granted 5-1/2 months after the application was submitted.

SAMHSA Will Announce Release of Tobacco Regulation: In the coming weeks, the Substance Abuse and Mental Health Services Administration (SAMSHA) will release the Substance Abuse Prevention and Treatment Block Grant Tobacco Regulation. This regulation implements the Synar Amendment, which requires states to prohibit the sale or distribution of tobacco products to youth under the age of 18.

Tobacco Rule Comment Period Closes: On January 2, the opportunity for public comment on FDA's proposed tobacco rules will end. The rulemaking has already elicited an unprecedented response of more than 200,000 comments.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Partnership with Mayor Archer on Detroit Public Housing-Press Announcement: On December 15, Secretary Cisneros signed a partnership agreement with Mayor Archer to turn around the city's troubled housing agency. HUD has been working with the Detroit Housing Department over the last 18 months, but is not satisfied with the progress thus far. Under this new partnership, the city and HUD have come up with an intensified agreement that will last until March 1, 1996.

Housing Authority of New Orleans: HUD briefed several White House officials last week about pending actions by the Administration to address the long-standing mismanagement issues at the Housing Authority of New Orleans (HANO). Any public announcement is contingent upon discussions with Mayor Morial. Action on HANO may take place as early as next week.

VETERANS ADMINISTRATION

Reduction of Benefits Claims Backlog: On December 14, the VA announced that it has reduced its benefits claims backlog by nearly 200,000 cases over the past two years by developing innovative management strategies to accelerate processing. VA has accomplished this by developing "help teams" of experienced rating specialists from regional offices nationwide and pairing of VA stations to share the workload. VA's claims backlog peaked at 574,000 cases at the end of 1993, and was reduced to 385,000 at the end of fiscal year 1995.

VA Assistance in Bosnia: Next week, the VA will announce that two psychologists from the VA Medical Center in Coatesville, PA, are on their way to Sarajevo, Bosnia-Herzegovina. They are going at the request of the Catholic Relief Services to train psychologists and psychiatrists treating survivors of war trauma. VA has established a reputation for deploying its expert mental health staff on missions of humanitarian aid.

Budget Activities: On December 14, Deputy Secretary Gober hosted a conference call with mayors from Panama City, FL; Little Rock, AK; North Little Rock, AK; and Lafayette, LA, to discuss your commitment to balance the budget while maintaining adequate benefits and services for veterans. Next week, Secretary Brown and Deputy Secretary Gober will participate in media interviews to discuss this commitment. VA will inform veterans, their families, and the public regarding the impact of the Congressional proposals to cut veterans' benefits and services.

12-18-95

*Long
let
bottom
sumo
er*

Grand Canyon Proposal: USDA and the Governor of Arizona have been engaged in negotiations over the past three days to maintain partial operations in the Grand Canyon in the event of a budgetary shutdown. While no formal agreement has been executed, the Governor's office has indicated that it is prepared to pay in advance \$17,625 per day to maintain operations in what is known as the Grand Canyon Village area (Mather Point to Hermans Crest). The payment will be in the nature of a donation to the National Park Service and will not be reimbursed to the State at the conclusion of the shutdown. In addition, the State has indicated that it will indemnify the United States for all claims for injury to persons or property from the period during the shutdown, regardless of the cause, as well as attorneys fees and costs. As requested by the Department, the Arizona Attorney General has provided a legal opinion on the authority of the State to enter into the Agreement. It is currently being reviewed for legal sufficiency. USDA has not received any other requests from states to keep parks or refugees open during a government shutdown.

Update on National Parks Freedom Act of 1995: This week HR 2677, The National Parks and National Wildlife Refuge Systems Freedom Act of 1995 was considered by the House under suspension of the rules. H.R. 2677 would require the Secretary of the Interior to accept from a State donations of services of state employees to perform, in a period of government shutdown, otherwise authorized functions in any unit of the National Wildlife Refuge System or National Park System. Representatives Richardson (NM), Miller (CA), and Vento (MN) offered spirited objections to Mr. Young's bill. A majority of the House voted in favor of the bill, 253 - 157. The bill failed to pass, however, because it did not receive the 2/3 majority required under suspension of the rules. USDOJ is concerned that a bill similar to 2677 could be attached to a Continuing Resolution.

*but there are
wa water?
what's the
cost?
who would
in the
+ area?*

Sterling Forest: For several years, a fragile coalition of Democrats and Republicans has worked together in an effort to acquire privately-held forest land on the New York-New Jersey border. The area, an important aquifer supplying drinking water to one in four New Jersey residents, is slated for massive residential development if the government does not purchase it. Behind the backs of Democrats and Republicans alike, freshman Republican Bill Martini on Tuesday told the *New York Times* that he had brokered a deal with Speaker Gingrich to sell off Oklahoma public lands and use the funds to buy the Sterling Forest property. This proposal has not been well-received in Oklahoma because the public lands being considered are used for hunting. Some elected officials, including Rep. Torricelli, were caught off guard by the announcement; Torricelli was particularly angered. DOI has worked closely with his office to assist him in dealing publicly with the situation. Deputy Secretary John Garamendi met with him this morning and said the meeting went well.

Bay/Delta Accord Anniversary: Deputy Secretary John Garamendi will mark the anniversary of the Bay/Delta Accord in Sacramento on Friday. The event is a significant victory for the Clinton Administration because the Accord was heralded as a model for solving resource based problems. The Deputy's comments will focus on the extraordinary cooperation and consensus that was built in order to bring the Bay/Delta into environmental compliance while not significantly upsetting local and state economies. In addition, Mr. Garamendi will be involved in a series of meetings and briefings on California water issues.

DEPARTMENT OF AGRICULTURE

*Must
be caught
with this*

Farm Bill Update: The revised CBO estimate for agricultural spending for fiscal years 1996-2002 is \$48.7 billion, down \$8 billion from its February estimate. The CBO estimate of savings under the Agricultural Reconciliation Act compared to the updated baseline is \$4.6 billion, \$8.8 billion less than the estimate of the February baseline.

- **USDA Decision Reached On Olympic Games Horse Issue:** Numerous Members of Congress have expressed opposition to a waiver of the requirement that horses imported for the Olympic Games test negative for equine piroplasmiasis (EP). The USDA Animal and Plant Health Inspection Service plans to inform the Congressional Members that the agency will only grant a waiver if USDA officials are convinced that EP-positive horses would not introduce the disease into the indigenous tick population in the United States. The protection of the U.S. equine industry may be possible if EP-positive horses compete only in dressage and jumping events, in which they are relatively contained. However, it does not appear possible for a proposed three-day cross country endurance event where horses travel through wooded areas.
- **USDA Assists With Youth Projects:** On December 20, the USDA Forest Service and the American Camping Association (ACA) will sign a Master Service-Wide Memorandum of Understanding, which will lay the groundwork for ACA-affiliated camps to participate in various youth-related projects on national forest lands. The ACA represents owners and operators of 2,657 children's camps that serve more than 5.8 million children annually.
- **USDA Addresses Florida Concerns About Mexican Vegetable Imports:** On December 11, Secretary Glickman traveled to Orlando, Florida to join Senator Graham and Florida producers to discuss concerns over Mexican imports of tomatoes and other winter vegetables. The Secretary expressed support of legislation sponsored by Senator Graham to make changes favorable to Florida growers in current import safeguards and legislation concerning packaging requirements for imported tomatoes. Devaluation of the Mexican peso, increased access to U.S. markets due to NAFTA, and favorable weather conditions have led to increased imports of these commodities from Mexico, and has reduced U.S. producer prices.
- **FY95 U.S. Horticultural Exports Pass \$9 Billion Mark:** The USDA Foreign Agricultural Service announced recently that U.S. horticultural exports surged to \$9.1 billion in FY95, a 12 percent increase over the previous year and more than triple the value of 10 years ago. FY95 marks the 11th consecutive year that horticultural exports, including fresh and processed fruits and vegetables, nuts, nursery products, wine and beer, and other miscellaneous products such as potato chips and ketchup, have increased.
- **USDA Continues Work To Open Markets:** The recent detections of oriental fruit fly (OFF) in California are continuing to generate problems for California-produced fruit in some South American countries. Ecuador officials recently agreed to release Washington State product and permit trade to resume. Ecuador had implemented a total ban on imports of fruit from the United States on November 15 in response to OFF detections. Despite extensive discussion by USDA officials with their counterparts in Ecuador, fruit from

California can enter the country only if fumigated. A visit to California by Ecuador quarantine officials in early January may help to clarify how future shipments of produce from that state are to be handled.

- **United States To Seek En Banc Review Of Cajun Case:** The Solicitor General has determined that the United States will seek *en banc* review by the Fifth Circuit Court of Appeals of a November 13 decision concerning Cajun Electric Power Cooperative. Cajun, a USDA Rural Utilities Service borrower currently in bankruptcy in Louisiana, is indebted to the federal government for over \$4 billion. USDA is seeking *en banc* review of the decision and order by the Fifth Circuit which vacated a district court order appointing a trustee for the Cajun bankruptcy. The retention of the Cajun trustee is necessary in order to protect the government's interest in collecting the outstanding loans.

DEPARTMENT OF ENERGY

- **Continued Press on Secretarial Travel:** Regional press continues to carry reports based upon the Sunday *Los Angeles Times* article about Secretary O'Leary's travel. DOE believes the story is finally beginning to decline in prominence based upon the Vice President's and White House's strong support during this time. DOE will continue to coordinate all requests for media and strategic decisions with Cabinet Affairs, the White House Press Office and the Counsel's office.
- **Progress on South African Energy Issues:** South African Minister of Mineral and Energy Affairs R. W. "Pik" Botha and Secretary O'Leary reported extraordinary progress and aggressive plans in the Energy Committee report to the U.S./South Africa Binational Commission meeting chaired by Vice President Gore and Deputy President Mbeki. Their report was focused on efforts that can meet the South African Reconstruction and Development Program goals. It cited several fast-track projects, including investment-friendly policy and regulatory framework initiatives as well as projects that advance rural electrification, oil and gas investment, clean fuels for homes, and the peaceful uses of nuclear energy. The report also detailed the ambitious work the committee is pursuing to build technical and scientific capacity in South Africa and the implement successful diversity programs within the government.

ENVIRONMENTAL PROTECTION AGENCY

- **EPA Appropriations Bill:** On Thursday evening, the Senate passed the conference report on the VA, HUD and Independent Agencies Appropriations bill by a vote of 54-44. The House passed the conference report last week by a vote of 227-190. The conference report still contains \$5.7 billion for EPA, a 23% cut from your 1996 request. The bill also contains four riders and extensive report language containing much of the language originally laid out as riders that the House voted to strip from the bill.
- **National Water Quality:** On December 14, Administrator Browner joined the Vice President at a drinking water treatment facility in Potomac, MD to release the latest EPA water quality survey, the "National Water Quality Inventory: 1994 Report to Congress."

The report indicates the need to continue progress in controlling pollution in U.S. waterways. As of 1994, nearly 40% of surveyed U.S. water bodies remain too polluted for fishing, swimming and other uses.

- **San Francisco Bay Delta Standards:** On December 15, EPA officials participated in an event in Sacramento, CA marking the achievements during the one year since the San Francisco Bay Delta Agreement was signed. This landmark agreement among several Federal agencies, the State and other stakeholders will set water quality standards for the Delta, and develop long-term solutions to address issues such as water supply and wildlife habitat improvements. This fall, EPA approved the State promulgated water quality standards. This week EPA will release a proposal to withdraw the earlier Federal standards.

OFFICE OF PERSONNEL MANAGEMENT

- **Shutdown Preparation:** The Interagency Advisory Group (IAG) of federal personnel directors and the Department of Labor have developed streamlined filing procedures for federal employees in the Washington metropolitan area to seek unemployment benefits in the event of another government shutdown.
- **Education and Job Training:** OPM is donating 180 surplus personal computers to the D.C. public school system; shop classes will clean and repair them and they will be distributed to classrooms.

DEPARTMENT OF STATE

- **Former Yugoslavia:** On the margins of the Paris ceremonies, State Department officials succeeded in securing agreement for an American to head the OSCE Mission in Bosnia. Also, they have intensified efforts to recruit nations to serve in a UN peacekeeping force in Eastern Slavonia to implement the November 12 Basic Agreement. They have asked Belgium, Denmark, Norway, Sweden, Ireland, New Zealand, Australia, Canada, Russia, and Argentina to participate. The current UNCRO mandate was temporarily extended until mid-January to provide time for organizing the new force.
- **Terrorist Rendered from Malaysia:** Wali Amin Khan, an associate of World Trade Center bomber Ramzi Yousef, was handed over to U.S. authorities in Kuala Lumpur on December 11. Khan was arraigned in New York on December 13, and indicted for plotting to attack U.S. airlines in Asia earlier this year. Our embassy played a crucial role using our improved bilateral relationship to encourage the Malaysian government to hand over Khan despite fears of a terrorist reprisal.
- **North and South Korea:** Deputy Secretary Talbott met with Vice FM Lee for strategic discussions on December 12. The ROK is constrained by domestic factors from taking new initiatives and urged us to go slowly with the North until South Korea's April elections, but Lee listened to our views on long-term strategy, accepted our having further meetings with the DPRK now, and agreed to consider suggestions for reopening contacts with the North's Korean Peoples Army officers in Panmunjom. KEDO and the DPRK have reached

agreement on the light-water reactor supply contract, a key milestone in implementation of the agreed framework. State Department officials expect it to be signed late this week following approval in the four capitals.

CENTRAL INTELLIGENCE AGENCY

- **Commercial Encryption:** At the request of the NEC, Director Deutch met on December 5 with the Computer Security Policy Project, a group made up of the CEOs of leading computer hardware manufacturers. The conversation centered on commercial encryption--specifically the Computer Security Policy Project's desire to persuade the government not to pursue information processing standards and export criteria based on key escrow encryption, and Director Deutch's insistence that they must have effective controls to protect national security and law enforcement interests. Director Deutch will engage the CEOs in a short, intensive period of dialogue to see if they can overcome the long-standing stalemate between the government and industry on this issue.
- **The U.S.-Russian Environmental Initiative:** On Tuesday, George Tenet and senior Intelligence Community officials met with a team led by Lt. Gen. Polishchuk, Deputy Chief of the Main Intelligence Directorate (GRU) of the Russian General Staff to discuss the efforts of the U.S.-Russian Environmental Working Group established under the Gore-Chernomyrdin Commission. CIA is currently moving forward on two joint projects that involve unclassified products derived from data collected by national security systems. One project centers on Navy-to-Navy oceanographic data, including a joint survey on the Sea of Okhotsk and a data exchange on the Sea of Japan. The other involves the exchange of information on a set of military bases. Other projects are being considered by both sides. The Tuesday meeting allowed them to reaffirm their commitment to supporting these efforts.

UNITED NATIONS

- **Rwanda:** After two weeks of brinkmanship with the Rwandan government, which did not want the peacekeeping operation in Rwanda (UNAMIR) renewed, the Security Council agreed to extend the operation for another three months. The Council agreed to reduce the number of troops stationed in Rwanda and limit their tasks. Under the new mandate, the UN contingent would shrink from 1,800 to 1,200 troops and from 300 to 200 military monitors.
- **Japanese Troops for UNDOF:** The Government of Japan reached an agreement with the UN's Department of Peacekeeping operations to deploy 45 Japanese military personnel to the Golan Heights U.N. Observer Force (UNDOF).
- **Burma:** The Third (Human Rights) Committee passed a strong resolution urging the government of Burma -- the State Law and Order Restoration Committee (SLORC) to begin a genuine dialogue with democratic opposition elements.
- **Nigeria:** The U.S. lead the charge in the Human Rights Committee on a strong resolution condemning Nigeria's execution of Ken Saro Wiwa and eight others. The vote was held

yesterday and the resolution passed with 98 "yes" votes, 12 "no" votes and 42 abstentions. We can expect to win more yes votes when resolution is voted in plenary session.

• **Cuba, Ex-Yugoslavia and Sudan:** The U.S. is also introducing resolutions denouncing human rights practices in Cuba, the Federal Republic of Yugoslavia (Serbia and Montenegro) and Sudan. The Cuba resolution was passed voted in Committee on Wednesday, December 13, with 62 in favor, 23 against and 73 abstentions. This approximates last year's totals. Sudan was approved with a vote of 93 "yes" and 15 "no" and 47 abstentions.

DEPARTMENT OF DEFENSE

• **Haiti:** The Haitian presidential elections are on schedule for this Sunday, December 17. The apparent front runner is the Lavalas candidate Rene Preval.

President Aristide has decided to replace the civilian leadership of Haiti's fledgling National Police with ex-FAd'H palace insiders, some of whom are believed to be guilty of human rights abuses and all of whom are corrupt. Some of them are associated with suspected Lavalas "hit squads," which may complicate investigation, and prevention, of left-wing political murders.

• **Uncovering Racism in the Army:** In the wake of the apparent recent racially-motivated murder incident at Ft. Bragg, Secretary West has announced an Army-wide review of command climate. This interdisciplinary review, led by the Army's Deputy Inspector General, will examine the extend of intolerance in the Army's ranks and offer recommendations to the Secretary of the Army by March 1, 1996.

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
Ron Klain

Hand copy of
fax! saw

Potus
rd17

CC: to

Paul Carey &
(RM) Jocelyn

United States Senate

WASHINGTON, DC 20510-0702

December 19, 1995

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

Dear President Clinton:

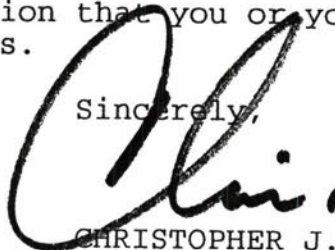
I enjoyed speaking with you last night about the provisions of the conference report on securities litigation reform. I realize that in such a complex subject, every word or phrase can be alleged to have consequences beyond what the drafters intended.

As we discussed last night, I have enclosed the October 31, 1995 letter from Judge Anthony Sirica on behalf of the Judicial Conference of the United States. In this letter, Judge Sirica recommends that the conferees change the language of the bill's pleading provisions from "specifically allege" to "state with particularity." The request in question is the first paragraph on the second page of Sirica's letter. The Judicial Conference recommended this change so that the language of the statute would be consistent with Rule 9(b) of the Federal Rules of Civil Procedure which sets forth requirements for filing fraud complaints in Federal court.

Mr. President, I cannot emphasize strongly enough that this change was made solely at the request of the impartial Judicial Conference. It doesn't seem logical or reasonable to assume that the Judicial Conference would recommend changes to the pleading standard that would in any way cause meritorious suits to be dismissed. Try as I might, I find it very difficult to determine any substantive difference between "specifically allege" and "state with particularity." I firmly believe that this change does not in any way change the meaning, intent or application of the codification of the Second Circuit pleading standards that your Administration endorsed in June as "sensible" and "workable."

Thank you again for the significant time and energy that you have devoted to studying this conference report. Of course, I am happy to provide any additional information that you or your staff may require during this deliberative process.

Sincerely,



CHRISTOPHER J. DODD
United States Senator

UNITED STATES COURT OF APPEALS
THIRD CIRCUITANTHONY J. SCIRICA
CIRCUIT JUDGE11614 UNITED STATES COURTHOUSE
INDEPENDENCE MALL WEST
PHILADELPHIA, PENNSYLVANIA 19106
(215) 597-2339
FAX (215) 597-7373

October 31, 1995

VIA FAXMs. Laura Unger
Mr. Robert Giuffra
Senate Committee on Banking,
Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Laura and Bob:

I have a few suggestions for your consideration on the Rule 11 issue.

Page 24, line 11: Insert "complaint" before "responsive pleading."

Page 24, line 19: Insert "substantial" before "failure." ✓

"Complaint" would be added to item (i), so there is a clear provision that reaches any failure of the complaint to comply with Rule 11. A small offense would be met by mandatory attorney fees and expenses caused by the offense; if item (ii) is modified without this change, a gap is left in the statutory scheme. The result still is a big change from present Rule 11, which restricts an award of attorney fees to a sanction "imposed on motion and warranted for effective deterrence." A serious offense -- filing an unfounded action -- would be reached under item (ii).

I also wish to confirm our prior conversation on scienter and the pleading requirement.

Page 31, line 5: Delete "set forth all information" and insert in its place "state with particularity."

Ms. Laura Unger
Mr. Robert Giuffra

October 31, 1995

Page -2-

Page 31, line 12: Delete "specifically allege" and insert in its place "state with particularity."

As I indicated, this would conform with the existing language in Rule 9(b) which provides that "the circumstances constituting fraud or mistake shall be stated with particularity."

Also, page 24, line 1: Delete "entering" and substitute "making."

Page 24, line 4: Delete "of its finding."

Many thanks.

Sincerely,



Anthony J. Scirica

AJS/ssg

Coopers & Lybrand

Coopers & Lybrand LLP.

a professional services firm

1100 Louisiana, Suite 4100
Houston, Texas 77002

telephone

(713)757-5200

telex

(713)557-5241

fax transmission cover sheet

12-20-95

Send to Donskind?

Yes ☒No ☐Coordinate reply
with?urgent ☐call on receipt ☐

date

12-19-95

(including this sheet)

PRESIDENT BILL CLINTON

THE WHITE HOUSE

202-456-6610

Tom Callahan

room no.

extension

FIRM COOPERS

Tax

- Corporate, partnership and individual tax planning
- International and multi-state tax services
- Wealth preservation and personal financial planning services
- Tax policy and economic analysis
- Tax technology

Coopers & Lybrand Consulting

- Industry consulting services
- Strategy and organizational effectiveness
- Technology advisory services
- Financial management and business analysis
- Technology delivery services

Human Resource Advisory

- Retirement and health benefits
- Actuarial benefits and compensation
- Organizational effectiveness and development
- Compensation and employee communications
- HR technologies
- Risk management and claims consulting

Process Management

MR. PRESIDENT,

I UNDERSTAND THAT TODAY IS THE LAST DAY TO SIGN THE SECURITIES REFORM BILL. I KNOW SO MUCH ATTENTION IS FOCUSED ON THE BUDGET, BUT THIS BILL IS IMPORTANT TOO. LEGITIMATE HIGH TECH COMPANIES AND ACCOUNTING FIRMS ARE SUBJECT TO ONLY ABUSE BY SARATONE LITIGATION. HOW MANY LAWSUITS ARE GOING TO BE FILED BECAUSE OF THE 100 POINT DROP IN THE DOW YESTERDAY BECAUSE OF THE BUDGET IMPASS?

PLEASE SIGN THE BILL TODAY. THERE ARE OTHER SAFEGUARDS AGAINST THE ILLEGITIMATE FIRMS. THE ACCOUNTING PROFESSION HAS DONE AN OUTSTANDING JOB IN COOPERATING WITH THE SEC AND IN SELF GOVERNANCE.

AGAIN, THANKS FOR ALL THAT YOU DO. I TALKED TO BILL WHITE SANDY AND HE INFORMED ME OF SEN. DODD'S TRIP TO TEXAS. I LOOK FORWARD TO SEEING HIM.

please telephone

If this fax is incomplete or illegible

Tom Callahan
P.S. PERRY CHAIRMAN

Warning: If the reader is not the intended recipient of this confidential fax transmission, you are hereby notified that any disclosure or copying of the communication is strictly prohibited. If you are not the intended recipient, please notify us immediately by telephone. Thank you.

NOT JUST KNOWLEDGE. KNOW HOW =

THE PRESIDENT HAS SEEN
12-18-95

12/13/95 A.M.
TO: THE VICE PRESIDENT
FR: RON KLAIN
RE: Attached

Here is the "Laundry List" of
technology programs that you
wanted to present to the
President.

Leon

1.5b → just to
stay even in govt
program -

If we get 6 or 7 b, how much
can we put back in to
Berkeley — can we
get 1 to 1.5 b? —

Be



OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 12, 1995

MEMORANDUM FOR THE VICE PRESIDENT

FROM:

GREG SIMON

A handwritten signature in dark ink, appearing to be 'GS' or 'Simon'.

SUBJECT:

TECHNOLOGY PROGRAM BUDGETS

You requested a summary of the budget status of technology programs. Attached are: 1) a complete list of R&D programs and their status, and 2) a summary of what OMB considers "key investment programs" showing OMB's addback numbers and Commerce and OSTP recommendations.

ATTACHMENT 1

FY96 Research and Development Budget Shortfalls										
(includes only unsigned bills)										
							FY96 Conf. or House/Senate Average			
				FY96 Congressional Action			Funding	Delta vs	Delta vs	
			FY95 Funding	FY96 Request	House	Senate	Conference	Level	FY95 Funding	FY96 Request
Commerce, Justice, State										
	Commerce									
✓		Advanced Technology Program	341	491	0	25		12.5	328.5	478.5
		Manufacturing Extension Partnershi	74	147	81	76		78.5	-4.5	68.5
		NIST In-house	248	311	263	223		243	5	68
		Office of Technology Policy	8	14	5	5		5	3	9
		NIST Construction	35	70	60	27		43.5	-8.5	26.5
✓		NTIA Grants	42	100	40	19		29.5	12.5	70.5
		Baldrige Awards	3	5	0	0		0	3	5
	NOAA									
		HPCC	6	16	7	7		7	-1	9
✓		GLOBE	7	7	0	0		0	7	7
✓		Climate Change	57	90	52	63		57.5	-0.5	10 32.5
		Fisheries	269	316	251	289		270	-1	46
VA-HUD-IA										
	NASA									
✓		Mission to Planet Earth	1340	1341	1003	1281		1142	.198	199
		HPCC	76	75	35	75		55	.21	20
✓		Air Traffic Control	0	20	0	20		10	-.10	10
		Spacecraft/Remote Sensing	139	171	149	171		160	-.21	11
		Space Station	2113	2115	2115	2078		2096.5	16.5	18.5
✓		Clean Car	5	7	0	0		0	.5	7
	National Science Foundation			3226	3360	3160	3200	3180	46	180
	EPA									
✓		Superfund R&D	66	58	13	18		15.5	50.5	42.5
✓		Environmental Tech. Initiative	72	127	0	22		11	.61	116
✓		Science and Technology Account	433	482	443	414		428.5	.4.5	53.5

766

			FY95 Funding	FY96 Request	FY96 Congressional Action			Funding	Delta vs	Delta vs
					House	Senate	Conference	Level	FY95 Funding	FY96 Request
Interior										
✓		Department of Energy (efficiency)	512	643	407	408		407.5	~ 104.5	235.5
		Department of Interior								
		NBS + USGS	717	758	687	724	731	731	-14	27
		U.S. Bureau of Mines	154	133	87	133	64	64	90	69
		Labor/HHS								
		Education								
77777		Technology Learning Challenge	23	83	25	25		25	-2	23 58
		Star Schools	25	30	0	25		12.5	12.5	17.5
		Learning Productivity R&D	86	97	83	79		81	5	16
		Ready to Learn TV	7	7	0	6		3	4	4
		Telecommunications Demo Project	1	2	0	1		0.5	0.5	1.5
		HHS								
		National Institutes of Health	11240	11779	11939	11598		11768.5	-528.5	10.5
7		National Inst. for Occupational Safet	132	137	99	0		49.5	82.5	87.5
		Total Civilian Unsigned	21457	22992	21004	21012	795	20988	469.5	2004.5
		Defense							111	
77777		Technology Reinvestment Program	443	500	0	238	195	195	248	305
		Sematech	89	90	0	90	39	39	50	51
		Nunn-Lugar	380	371	200	325	300	300	80	71
		Medical Adv. Technologies	253	12	89	19	96	96	157	-84
		Basic Research	1227	1214	1208	1147	1177	1177	50	37
		Defense Nuclear Agency	255	253	266	271	272	272	-17	-19
		BMDO(RDT&E)	2488	2442	3041	3037	3076	3076	-588	-634
		Total Civilian + Defense Unsigned	26592	27874	25808	26139	5950	26143	449.5	1731.5
									820	

					FY96 Congressional Action			Funding	Delta vs	Delta vs
			FY95 Funding	FY96 Request	House	Senate	Conference	Level	FY95 Funding	FY96 Request
FY96 R&D Budget Shortfalls (Signed or to be Signed Bills)										
Transportation										
77		FHA Intelligent Transportation Sys.	228	352	184	230	208	208	20	144
77		FAA Research	259	268	143	216	218	218	41	50
		FRA Next Gen. High Speed Rail	25	35	15	25	24	24	1	11
Agriculture										
77		Ag. Research Service	761	740	736	737	740	740	21	0
		Coop. State Res., E., and Ext. Servi	934	874	807	924	913	913	21	-39
		National Agr. Statistics and Ec. Res.	135	145	134	135	134	134	1	11
		Forest Service	194	204	182	177	178	178	16	26
Energy and Water										
77		Solar and Renewable Energy Progra	388	423	266	321	280	280	108	143
		Cooperative R&D Agreements	274	291	25	254	139.5	139.5	134.5	151.5
		Linear Accelerator "B-Factory"	44	52	52	52	52	52	-8	0
		Scientific Facilities Utilization	0	100	100	100	100	100	-100	0
		Total Signed	3242	3484	2644	3171	2986.5	2986.5	255.5	497.5
Total Signed + Unsigned Civilian			24699	26476	23648	24183	3781.5	23974	725	2502
							No NIH		1253.5	
Total Signed + Unsigned			29834	31358	28452	29310	8936.5	29129	705	2229
							No NIH		1233.5	

ATTACHMENT 2

Comparison of FY 1996 R&D Funding Recommendations (\$ in millions)

Key Investment Program	FY95 Enacted	FY96 Request	FY96 Likely Enacted 1/	Sallet Recommendation		Gibbons Recommendation		OMB Add-Back	
				Minimum Level	Delta from Likely enacted	Minimum Level	Delta from Likely enacted	Minimum Level	Delta from Likely enacted
Department of Commerce									
Advanced Technology Program (ATP)	341	491	13	416	404	342	329	325	312
Manufacturing Ext. Partnership	74	147	79	111	33	145	66	79	0
National Information Infra. Grants	42	100	30	71	42	100	70	42	12
Other 2/	294	400	292	NA	NA	294	2	327	35
Technology Reinvestment Program (DOD)	208	500	195	354	159	NA	NA	195	0
Department of Energy									
Cooperative R&D Agreements	274	291	140	283	144	NA	NA	140	0
Partnership for New Generation Vehicle	168	251	151	210	60	NA	NA	151	0
Energy Efficiency	512	643	407	NA	NA	512	105	407	0
Environmental Protection Agency									
Environmental Technology Initiatives	72	127	11	100	89	72	61	59	48
Superfund R&D	66	58	16	NA	NA	58	42	16	0
Department of Education									
Technology Learning Challenge (Sallet)	10	70	25	40	15	NA	NA	40	15
Technology Learning Challenge (Gibbons)	23	83	25	NA	NA	83	58	40	15
Other Education technology 3/	33	39	16	NA	NA	33	18	16	0
NASA									
Mission to Planet Earth	1,318	1,337	1,137	NA	NA	1,335	198	1,237	100
High Performance Computing	76	75	55	NA	NA	75	20	55	0
National Science Foundation	3,226	3,360	3,180	NA	NA	3,280	100	3,180	0
National Institute for Occupational Safety	132	137	50	NA	NA	132	83	50	0
TOTAL	6,859	8,039	5,796	1,585	949	6,461	1,154	6,318	522

1/ Average of the House and Senate except where conference action is complete.

2/ NIST construction and in-house labs, Office of Tech. Policy, Baldrige Awards

3/ Star Schools, Ready to Learn TV, Telecommunications Demo Project.